
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): January 27, 2015

Kennametal Inc.

(Exact Name of Registrant as Specified in Its Charter)

Pennsylvania
(State or Other Jurisdiction
of Incorporation)

1-5318
(Commission
File Number)

25-0900168
(IRS Employer
Identification No.)

World Headquarters
1600 Technology Way
P.O. Box 231
Latrobe, Pennsylvania
(Address of Principal Executive Offices)

15650-0231
(Zip Code)

Registrant's telephone number, including area code: (724) 539-5000

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e) Amendment of Stock and Incentive Plan and Executive Retirement Plan

On January 27, 2015, the Compensation Committee of the Board of Directors of Kennametal Inc. (the “Corporation”) approved an amendment to the existing Kennametal Inc. Stock and Incentive Plan of 2010 (as Amended and Restated October 22, 2013) (the “Stock and Incentive Plan”) as well as an amendment to the Executive Retirement Plan (as amended December 30, 2008) (the “ERP”). Each of the amendments were to (i) modify the definition of “Change in Control”, and (ii) eliminate single-trigger vesting of awards under the Stock and Incentive Plan or accrued benefits under the ERP. The amendments would be for prospective awards under the Stock and Incentive Plan and for executive officers elected subsequent to the approval of the amendment to the ERP. Each Form of Equity Agreement to be issued under the Stock and Incentive Plan has also been modified to be consistent with the amendment.

The foregoing description of the material terms of the amendments to the Stock and Incentive Plan and the ERP are qualified in their entirety by reference to the complete copy of the amendments and the forms of agreement, which are filed herewith.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013)
- 10.2 Amendment No. 1 the Kennametal Inc. 2006 Executive Retirement Plan (as amended December 30, 2008)
- 10.3 Form of Kennametal Inc. Performance Unit Award (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.4 Form of Kennametal Inc. Restricted Unit Award (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.5 Form of Kennametal Inc. Restricted Unit Award for Non-Employee Directors (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.6 Form of Kennametal Inc. Restricted Unit Award – Alternate Form (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.7 Form of Kennametal Inc. Restricted Unit Award – CEO (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.8 Form of Kennametal Inc. Nonstatutory Stock Option Award (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.9 Form of Kennametal Inc. Nonstatutory Stock Option Award for Non-Employee Directors (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.10 Form of Kennametal Inc. Nonstatutory Stock Option Award – Alternate Form (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.11 Form of Kennametal Inc. Nonstatutory Stock Option Award – CEO (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.12 Form of Kennametal Inc. Cash Settled Share-Based Award for China-based Employees (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))
- 10.13 Form of Kennametal Inc. Stock Appreciation Right Award for China-based Employees (granted under Amendment No. 1 to the Kennametal Inc. Stock and Incentive Plan of 2010 (As Amended and Restated October 22, 2013))

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KENNAMETAL INC.

Date: February 2, 2015

By: /s/ Kevin G. Nowe
Kevin G. Nowe
Vice President, Secretary and General Counsel

**AMENDMENT NO. 1 TO THE KENNAMETAL INC.
STOCK AND INCENTIVE PLAN OF 2010**

WHEREAS, Kennametal Inc. (the “**Corporation**”) sponsors and maintains the KENNAMETAL INC. STOCK AND INCENTIVE PLAN OF 2010, as amended and restated October 22, 2013 (the “**Plan**”) (Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan);

WHEREAS, in accordance with Section 13 of the Plan, the Board of Directors of the Corporation reserves the right to amend the Plan; and

WHEREAS, with respect to future Awards, the Corporation desires to amend the Plan to (i) modify the definition of “Change in Control”, and (ii) eliminate single-trigger vesting of such Awards upon a Change in Control.

NOW, THEREFORE, the undersigned authorized officer of the Corporation, hereby adopts the following amendment to the Plan:

1. Amendments. With respect to Awards granted on or after the Effective Date (as defined below), the following provisions of the Plan are hereby amended as follows:

A. The term “Change in Control” contained in Section 2(h) of the Plan is hereby amended and restated in its entirety to read as follow:

“Change in Control” shall mean (unless otherwise provided by the Plan Administrator in the applicable Award agreement) a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A promulgated under the Exchange Act as in effect on the date thereof or, if Item 6(e) is no longer in effect, any regulations issued which serve similar purposes; provided that, without limitation, such a Change in Control shall be deemed to have occurred upon the occurrence of any one of the following events:

(i) a Business Combination has been completed, excluding any such Business Combination that constitutes a Merger of Equals;

(ii) the Company shall sell all or substantially all of its operating properties and assets to another person, group of associated persons or corporation, excluding any Affiliate of the Company, and excluding any such sale that constitutes a Merger of Equals; or

(iii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes a beneficial owner, directly or indirectly, of securities of the Company representing 25% or more of either (A) the then outstanding capital stock of the Company, or (B) the combined voting power of the Company’s then outstanding voting securities entitled to vote generally in the election of directors; provided that, the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company; (2) any acquisition by the Company; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate of the Company; or (4) any acquisition by any corporation pursuant to a transaction that constitutes a Merger of Equals.

Notwithstanding the foregoing or any provision of this Plan to the contrary, if an Award is subject to Section 409A (and not excepted therefrom) and a Change of Control is a distribution event for purposes of the Award, the foregoing definition of Change in Control shall be interpreted, administered and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treas. Reg. § 1.409A-3(i)(5).

B. Section 2 of the Plan is hereby amended by adding the following new definition thereto (existing subsections 2(y) through 2(xx) being renumbered as 2(z) through 2(yy)):

“(y) Merger of Equals” means (unless the Committee or Board provides otherwise) a Business Combination which results in the following conditions:

(i) All or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Capital Stock and the outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, following the Business Combination, directly or indirectly, more than 50% of, respectively, the then outstanding shares of capital stock and the then outstanding voting securities of the entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company’s assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the outstanding Capital Stock and the outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be;

(ii) No “person” (as such term is used in Section 13(d) and 14(d) of the Exchange Act) (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then outstanding shares of capital stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(iii) At least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the incumbent board at the time of the execution of the initial agreement, or at the time of the action taken by the incumbent board approving such Business Combination.”

C. Section 11 of the Plan is hereby deleted in its entirety.

2. Prospective Application. This Amendment shall apply only to Awards granted on or after the Effective Date. For avoidance of doubt, Awards granted prior to the Effective Date shall be governed under the terms of the Plan as in effect immediately prior to the adoption of this Amendment.

3. Plan Continuing in Full Force and Effect; No Other Modification. Except as expressly amended by this Amendment, the Plan shall continue in full force and effect. This Amendment shall not be interpreted or construed to limit in any manner the Corporation's ability to make additional amendments to the Plan or any Awards issued thereunder to the extent provided under the terms of the Plan.

IN WITNESS WHEREOF, the Corporation's duly authorized representative has executed this Amendment this 27th day of January, 2015 (the "Effective Date").

Kennametal Inc.

By: /s/ Judith A. Bacchus

Name: Judith A. Bacchus

Title: Vice President and Chief Human Resources Officer

**AMENDMENT NO. 1 TO THE KENNAMETAL INC.
2006 EXECUTIVE RETIREMENT PLAN**

WHEREAS, Kennametal Inc. (the “**Company**”) sponsors and maintains the KENNAMETAL INC. 2006 EXECUTIVE RETIREMENT PLAN, as amended December 30, 2008 (the “**Plan**”) (Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Plan);

WHEREAS, in accordance with Section 7.6 of the Plan, the Company reserves the right to amend the Plan; and

WHEREAS, with respect to the accrual of additional Accrued Benefits under the Plan, the Corporation desires to amend the Plan to (i) modify the definition of “Change in Control”, and (ii) eliminate single-trigger vesting upon a Change in Control.

NOW, THEREFORE, the undersigned authorized officer of the Company, hereby adopts the following amendments to the Plan:

1. Amendments. With respect to Accrued Benefits earned on or after the Effective Date (as defined below), the following provisions of the Plan are hereby amended as follows:

A. Section 1.2 of the Plan is hereby amended by adding the following new definitions thereto:

“(b) “**Affiliate**” of a person means a person controlling, controlled by, or under common control with such person where control means the power to direct the policies and practices of such person.”

(existing subsections 1.2(b) through 1.2(d) being renumbered as 1.2(c) through 1.2(e))

“(f) “**Business Combination**” shall mean a merger or consolidation of the Company with another corporation or entity, other than a corporation or entity which is an Affiliate.”

“(g) “**Capital Stock**” means the Capital Stock, par value \$1.25 per share, of the Company.”

(existing subsections 1.2(e) through 1.2(m) being renumbered as 1.2(h) through 1.2(p))

“(q) “**Merger of Equals**” means (unless the Committee or Board provides otherwise) a Business Combination which results in the following conditions:

(i) All or substantially all of the individuals and entities who were the beneficial owners, respectively, of the outstanding Capital Stock and the outstanding voting securities of the Company entitled to vote generally in the election of directors immediately prior to such Business Combination beneficially own, following the Business Combination, directly or indirectly, more than 50% of, respectively, the then outstanding shares of capital stock and the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting

from such Business Combination (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the outstanding Capital Stock and the outstanding voting securities of the Company entitled to vote generally in the election of directors, as the case may be;

(ii) No "person" (as such term is used in Section 13(d) and 14(d) of the Exchange Act) (excluding any employee benefit plan (or related trust) of the Company or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 25% or more of, respectively, the then outstanding shares of capital stock of the corporation resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such corporation except to the extent that such ownership existed prior to the Business Combination; and

(iii) At least a majority of the members of the board of directors of the corporation resulting from such Business Combination were members of the incumbent board at the time of the execution of the initial agreement, or at the time of the action taken by the incumbent board approving such Business Combination."

(existing subsections 1.2(n) through 1.2(v) being renumbered as 1.2(r) through 1.2(z))

B. Section 1.2(h)(ii) (formerly Section 1.2(e)) of the definition of "Cause" is hereby amended and restated in its entirety to read as follow:

"(ii) shall not make his or her services available to the Company on a full time basis for any reason other than arising from Disability or from the Participant's incapacity due to physical or mental illness or injury which does not constitute Disability and other than by reason of the fact that the Participant's employment has been terminated by the Company prior to, or within two years following, a Change in Control and other than for Cause; or"

C. The term "Change in Control" contained in Section 1.2(i) (formerly Section 1.2(f)) of the Plan is hereby amended and restated in its entirety to read as follow:

"(i) "Change in Control" shall mean a change in control of the Company of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A promulgated under the Exchange Act as in effect on the date thereof or, if Item 6(e) is no longer in effect, any regulations issued which serve similar purposes; provided that, without limitation, such a Change in Control shall be deemed to have occurred upon the occurrence of any one of the following events:

(i) a Business Combination has been completed, excluding any such Business Combination that constitutes a Merger of Equals;

(ii) the Company shall sell all or substantially all of its operating properties and assets to another person, group of associated persons or corporation, excluding any Affiliate of the Company, and excluding any such sale that constitutes a Merger of Equals; or

(iii) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes a beneficial owner, directly or indirectly, of securities of the Company representing 25% or more of either (A) the then outstanding capital stock of the Company, or (B) the combined voting power of the Company’s then outstanding voting securities entitled to vote generally in the election of directors; provided that, the following acquisitions shall not constitute a Change in Control: (1) any acquisition directly from the Company; (2) any acquisition by the Company; (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Affiliate of the Company; or (4) any acquisition by any corporation pursuant to a transaction that constitutes a Merger of Equals.

Notwithstanding the foregoing or any provision of this Plan to the contrary, if an Award is subject to Section 409A (and not excepted therefrom) and a Change of Control is a distribution event for purposes of the Award, the foregoing definition of Change in Control shall be interpreted, administered and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treas. Reg. § 1.409A-3(i)(5).”

D. The reference to Section 1.2(i) contained in Example 1 of Section 2.3 of the Plan is amended to read “Section 1.2(l)”.

E. Section 2.5(c) of the Plan is hereby amended and restated in its entirety to read as follows:

“(c) A Participant who is involuntarily terminated by the Company or an Affiliate other than for Cause during the two-year period following a Change in Control shall become vested in his or her Accrued Benefit under the Plan.”

F. The first sentence of Section 2.7 of the Plan is hereby amended and restated in its entirety to read as follows:

“Except in the case of a Participant who has become Vested in his or her Accrued Benefit upon the occurrence of, or in connection with an involuntary termination by the Company or an Affiliate other than for Cause during the two-year period following, a Change in Control, the payment of a Participant’s Vested Benefit under this Plan is expressly conditioned upon the non-competition of the Participant with the Company, and his or her nonsolicitation of customers and/or employees of the Company, for a period of three years after the Participant leaves the Company.”

2. Prospective Application. This Amendment shall apply only to Accrued Benefits earned on or after the Effective Date. For avoidance of doubt, Accrued Benefits earned prior to the Effective Date shall be governed under the terms of the Plan as in effect immediately prior to the adoption of this Amendment. For purposes of implementing this Amendment, all Participants as of Effective Date will have their Accrued Benefit calculated as of such date using Credited Service and Final Average Earnings determined as of the Effective Date, subject to future adjustment as may be required under Section 2.5(c) for Credited Service following a Change in Control.

3. Plan Continuing in Full Force and Effect; No Other Modification. Except as expressly amended by this Amendment, the Plan shall continue in full force and effect. This Amendment shall not be interpreted or construed to limit in any manner the Corporation's ability to make additional amendments to the Plan to the extent provided under the terms of the Plan.

IN WITNESS WHEREOF, the Company's duly authorized representative has executed this Amendment this 27th day of January, 2015 (the "**Effective Date**").

Kennametal Inc.

By: /s/ Judith A. Bacchus

Name: Judith A. Bacchus

Title: Vice President and Chief Human Resources Officer

KENNAMETAL INC.PERFORMANCE UNIT AWARD**Grant Date:**

Kennametal Inc. (the "Company") hereby grants to [NAME] (the "Awardee"), as of the Grant Date listed above, this Performance Unit Award (the "Award") for [TARGET NUMBER OF STOCK UNITS] Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. Each Stock Unit represents the right to receive one Share of the Company's Capital Stock, par value \$1.25 per share, subject to the satisfaction of the Service Condition described herein and the Performance Conditions attached hereto as **Exhibit A**. Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for purposes of calculating the number of Shares, if any, to be delivered under this Award. The maximum amount of Stock Units that may be earned under this Award is equal to two times the target number of Stock Units listed in the preamble above.

2. Except as otherwise provided in this Award, Awardee must be actively employed by the Company on the Payment Date (defined below) to be eligible to receive Shares in payment of any Stock Units earned under this Award (the "Service Condition").

3. In addition to satisfaction of the Service Condition, payment under this Award is subject to, and contingent upon, achievement of the annual Performance Conditions during the Performance Period. The amount of this Award payable to Awardee will be determined by the level of achievement of the annual Performance Conditions as set forth in **Exhibit A**. Achievement of the Performance Conditions, including the level of achievement, if any, for each fiscal year in the Performance Period shall be determined by the Compensation Committee of the Board of Directors (the "Compensation Committee"), in its sole discretion, and Awardee agrees to be bound by such determination; provided, however, the Compensation Committee shall not use its discretionary authority reserved to it under Section 6(g) of the Plan to reduce the number of Stock Units earned, if any, based on the achievement of the Performance Conditions pursuant to the terms and conditions of this Award. For each fiscal year of the Performance Period, any Stock Units that are not earned will be cancelled and forfeited at the end of such fiscal year.

4. Issuance and Distribution.

a. At the end of each fiscal year of the Performance Period to which this Award relates, the Compensation Committee will certify in writing the extent to which the applicable annual Performance Conditions have been achieved. For purposes of this provision, and for so long as the Code permits, the approved minutes of the Committee meeting in which the certification is made may be treated as written certification.

b. Subject to the terms and conditions of this Award and unless otherwise specifically provided herein, Stock Units earned by an Awardee will be settled and paid in Shares of the Company's Capital Stock as soon as practicable following the end of the three-year Performance Period on a date determined in the Company's discretion, but in no event later than the last day of the "applicable 2 1/2 month period" specified in Treas. Reg. §1.409A-1(b)(4) (the "Payment Date").

5. Change in Awardee's Status; Change in Control.

a. Death or Disability. In the event an Awardee Separates from Service before the Payment Date on account of death or Disability, the Service Condition will be waived. For completed fiscal years, Awardee shall be entitled to receive payment for any Stock Units that have been earned based on the achievement of the Performance Conditions applicable to such fiscal year. For fiscal years not completed, the Performance Conditions will be deemed to have been achieved at the target level and the Awardee will be deemed to have earned for each such fiscal year a number of Stock Units that were able to be earned for such fiscal year.

Subject to the terms and conditions of this Award and unless otherwise specifically provided herein, in the event an Awardee Separates from Service on account of death or Disability, the Stock Units, to the extent earned by the Awardee, shall be paid as soon as practicable following the date of such Separation from Service, but in no event later than the last day of the "applicable 2 1/2 month period" specified in Treas. Reg. §1.409A-1(b)(4).

b. Change of Control. In the event there is a Change in Control during the Performance Period, and unless otherwise specifically provided herein, payment under this Award will remain subject to the satisfaction of the Service Condition. For completed fiscal years prior to the Change in Control, Awardee shall remain eligible to receive payment for any Stock Units that have been earned based on the achievement of the Performance Conditions applicable to such fiscal year. For fiscal years not completed prior to the Change in Control, the Performance Conditions will be deemed to have been achieved at the target level and the Awardee will remain eligible to earn for each such fiscal year a number of Stock Units that were able to be earned for such fiscal year.

c. Involuntary Change in Control Separation. In the event an Awardee Separates from Service prior to the Payment Date on account of an involuntary termination by the Company without cause during the two-year period following a Change in Control (an "Involuntary Change in Control Separation"), the Service Condition will be waived. For completed fiscal years prior to the Change in Control, Awardee shall be entitled to receive payment for any Stock Units that have been earned based on the achievement of the Performance Conditions applicable to such fiscal year. For fiscal years not completed prior to the Change in Control, the Performance Conditions will be deemed to have been achieved at the target level and the Awardee will be deemed to have earned for each such fiscal year a number of Stock Units that were able to be earned for such fiscal year.

Subject to the terms and conditions of this Award and unless otherwise specifically provided herein, in the event of an Involuntary Change in Control Separation, the Stock Units, to the extent earned by the Awardee, shall be paid as soon as practicable following the date of such Involuntary Change in Control Separation, but in no event later than the last day of the "applicable 2 1/2 month period" specified in Treas. Reg. §1.409A-1(b)(4); provided that, in the Committee's discretion, the Stock Units may be settled in cash and/or securities or other property.

d. Retirement. In the event a Retirement Eligible Awardee (as defined below) Separates from Service on account of Retirement during the Performance Period, the Service Condition will be waived and the amount of this Award to be paid, if any, will be determined as follows. For completed fiscal years,

Awardee shall be entitled to receive payment for any Stock Units that have been earned based on the achievement of the Performance Conditions applicable to such Performance Period. For the fiscal year in which the Separation from Service occurs, the Awardee will be entitled to receive payment for a number of Stock Units determined by multiplying (x) the number of Stock Units that are earned based on the achievement of the Performance Conditions applicable to such fiscal year, times (y) the fraction equal to the number of completed months starting with July 1st of the fiscal year in which the Separation from Service occurs and ending with the month of the Awardee's Retirement, divided by the number of months within the period. All other Stock Units granted under this Award, including Stock Units that could have been earned for fiscal years after the fiscal year in which the Separation from Service occurred, shall be cancelled and forfeited without payment by the Company or any Affiliate.

Notwithstanding any other provision of this Award to the contrary, with respect to an Awardee who is or becomes eligible to Separate from Service on account of Retirement during the Performance Period (a "Retirement Eligible Awardee"), any payment made to such Retirement Eligible Awardee under this Award by reason of (i) a Separation from Service on account of death shall be paid in the month following the month containing the date of such Separation from Service; (ii) a Separation from Service on account of Disability shall be paid in the month following the month containing the 6-month anniversary of the date of such Separation from Service (or, if earlier, the date specified in (iv) below); (iii) an Involuntary Change in Control Separation shall be paid in the month following the month containing the 6-month anniversary of the date of such Involuntary Change in Control Separation (or, if earlier, the date specified in (iv) below); or (iv) achievement of the annual Performance Conditions during the Performance Period as specified herein (and regardless of whether Retirement Eligible Awardee Separates from Service on account of Retirement) shall be paid in [August 20XX].

e. All Other Separations from Service. In the event an Awardee Separates from Service for any other reason (other than death, Disability, Retirement or Involuntary Change in Control Separation), including, but not limited to, voluntarily by the Awardee or involuntarily by the Company with or without cause, prior to the Payment Date, all Stock Units granted to the Awardee shall be cancelled and forfeited, whether payable or not, without payment by the Company or any Affiliate.

6. The Stock Units will be entitled to receive Dividend Equivalents, which will be subject to all conditions and restrictions applicable to the underlying Stock Units to which they relate. Dividend Equivalents will accrue during the Performance Period. At the end of each fiscal year, Dividend Equivalents will be earned only for Stock Units that are earned or deemed earned under this Award for that fiscal year. With respect to Stock Units that are not earned for a fiscal year (because the applicable Performance Conditions are not satisfied or otherwise), Dividend Equivalents that were accrued for those Stock Units will be cancelled and forfeited along with the Stock Units and underlying Shares, without payment by the Company or any Affiliate. Dividend Equivalents will be paid in cash at such time as the underlying Stock Units to which they relate are paid.

7. The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of prior to the Payment Date, except as described herein or in the Plan.

8. The Shares underlying the Stock Units shall not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. The Company may refuse to register a transfer of the Shares on the stock transfer records of the Company if the transfer constitutes a violation of any applicable securities law and the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Shares.

9. This Performance Unit Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. To the extent a payment is subject to Section 409A and not excepted therefrom, such payment shall be treated as made on the specified date of payment if such payment is made at such date or a later date in the same calendar year or, if later, by the 15th day of the third calendar month following the specified date of payment, as provided and in accordance with Treas. Reg. § 1.409A-3(d). An Awardee shall have no right to designate the date of any payment under this Award. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

10. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company. Any Shares underlying the Stock Units covered by this Award that are forfeited by the Awardee shall be returned to the Plan and resume the status of shares available for grant.

11. All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

Exhibit A

Performance Conditions for FY15 LTIP Performance Unit Awards

I. ADJUSTED RETURN ON INVESTED CAPITAL (ADJ. ROIC) COMPONENT: WEIGHTED AT 60%

	ADJ. ROIC		
	FY15	FY16	FY17
Maximum	14%	14%	14%
Target	10%	10%	10%
Threshold	7%	7%	7%

Note: The table sets forth the three year period beginning July 1, 2014 and ending June 30, 2017 (“Performance Period”) referenced in the Performance Unit Award Agreement to which this Exhibit A is attached.

	Performance Conditions Payout Table for ROIC Component		
	Threshold	Target	Maximum
Performance Goal	7%	10%	14%
Payout Range	50%	100%	200%

Note: Interpolation between values shown in the above table will be made on a straight line basis. There will be no payment for performance below Threshold, and no additional payment for performance above Maximum.

Subject to the terms and conditions of this Award, up to one-third of the maximum number of Stock Units may be earned for each fiscal year of the Performance Period.

II. RELATIVE TOTAL SHAREHOLDER RETURN (RELATIVE TSR) COMPONENT: WEIGHTED AT 40%

(a) The Stock Units that may be earned by the Participant will be based on (i) the Corporation’s Total Shareholder Return, as described below, relative to the Peer Group’s (as set forth in Attachment) Total Shareholder Return for each specified period of time (“Performance Period”) and (ii) satisfaction of the condition of employment, as set forth below.

(i) “Total Shareholder Return” (or “TSR”) over each specified period shall be calculated in accordance with the following formula: $((\text{Final Price} + \text{all cash dividends paid during the specified period, included as of the applicable ex-dividend date}) / \text{Initial Price}) - 1$, expressed as a percentage.

(ii) “Final Price” shall mean the average of the closing prices of the Common Stock of each peer company and the Company for the final thirty trading days of the specified period plus all cash dividends paid during the final thirty (30) trading days. For purposes of this Agreement, this shall mean the final thirty (30) trading days in fiscal 2015, 2016 and 2017, as applicable.

(iii) "Initial Price" shall mean the average of the closing prices of the Common Stock of each peer company and the Company for the last thirty (30) trading days preceding the beginning of the specified period plus all cash dividends paid during the last thirty (30) trading days. For purposes of this Agreement, the Initial Price shall be calculated based on the average of the closing stock prices over the thirty days ending on June 30, 2014 and the final thirty trading days ending on June 30, 2015 and June 30, 2016, as applicable.

(iv) The Company's Total Shareholder Return for each specified period shall be measured as a percentile ranking in comparison with the index of the Peer Group Total Shareholder Return (the "Index").

(b) The total number of shares of Common Stock to be received pursuant to this agreement shall be the "Award Shares" and shall be calculated as follows:

(i) 25% of the Target Stock Units shall be earned if the Company's Total Shareholder Return for July 1, 2014 – June 30, 2015 ("Period 1") is equal to the 55th percentile Total Shareholder Return of the Index for Period 1;

(ii) 25% of the Target Stock Units shall be earned if the Company's Total Shareholder Return for July 1, 2015 – June 30, 2016 ("Period 2") is equal to the 55th percentile Total Shareholder Return of the Index for Period 2;

(iii) 25% of the Target Stock Units shall be earned if the Company's Total Shareholder Return for July 1, 2016 – June 30, 2017 ("Period 3") is equal to the 55th percentile Total Shareholder Return of the Index for Period 3; and

(iv) 25% of the Target Stock Units shall be earned if the Company's Total Shareholder Return for July 1, 2014 – June 30, 2017 ("Period 4") is equal to the 55th percentile Total Shareholder Return of the Index for Period 4 (each of Period 1, Period 2, Period 3 and Period 4 is an "Applicable Period");

The percentile rank calculation shall be calculated without including the Company.

Each of the share amounts set forth in (i), (ii), (iii) and (iv) above shall be subject to adjustment based on the following formula: shares earned = TSR Payout Factor x 0.25 x Target Stock Units. The “TSR Payout Factor” is based on the Company’s Total Shareholder Return for the Applicable Period relative to the Index, determined in accordance with the following table:

<u>If the Company’s TSR rank against the Peer Group is:</u>	<u>TSR Payout Factor (% of Target TSR Stock Units)</u>
at the 30th percentile (Threshold)	50%
at the 55th percentile (Target)	100%
at the 80th percentile or more (Maximum)	200%

Subject to the terms and conditions of this Award, up to one-quarter of the maximum number of Stock Units may be earned in each measurement period of the performance period.

The TSR Payout Factor shall be interpolated on a straight-line basis between the percentile levels in the above table, but no amounts will be payable if the Company’s TSR rank against the Peer Group is below the Threshold level and no amounts over 200% will be paid out if the Company’s TSR rank against the Peer Group is above the 80th percentile.

By way of example to illustrate the calculation of the number of Award Shares earned if the Target Award Share amount is 1,200 shares. If the Company’s TSR rank in Period 1 was the 25th percentile, Period 2 was the 65th percentile, Period 3 was the 55th percentile and Period 4 was the 80th percentile, the number of Award Shares would be 1,320 shares (0+420+300+600) as shown in the table below:

	<u>TSR Rank</u>	<u>Payout Factor</u>	<u>Weighting</u>	<u>Award Shares (1,200 Target)</u>
Period 1	25th percentile	0%	25%	0
Period 2	65th percentile	140%	25%	420
Period 3	55th percentile	100%	25%	300
Period 4	80th percentile	200%	25%	600
		Total Award Shares Earned		1,320

The Index group companies shall consist of those companies that comprise the S&P 400 Capital Goods Index on the date of grant. A detailed list of the companies that comprise the Index as of July 21, 2014 is attached. Peer Group companies will be adjusted as follows for activity during the Performance Period:

- If the Company or a member of the Peer Group splits its stock, such company’s TSR will be adjusted for the stock split

- If a member of the Peer Group is acquired by another company, the acquired Peer Group company will be removed from the Peer Group for the entire Performance Period
- If a member of the Peer Group sells, spins-off, or disposes of a portion of its business representing more than 50% of such Company's total assets during the Performance Period, such Company will be removed from the Peer Group
- If a member of the Peer Group acquires another company, the acquiring Peer Group company will remain in the Peer Group for the Performance Period
- If a member of the Peer Group is delisted on all major stock exchanges, such delisted company will be removed from the Peer Group for the entire Performance Period
- Members of the Peer Group that file for bankruptcy, liquidation or similar reorganization during the Performance Period will remain in the Peer Group, positioned below the lowest performing nonbankrupt member of the Peer Group

Any adjustments resulting in the removal of a peer company will not impact completed measurement periods during an outstanding performance period.

The Compensation Committee shall have the authority to make adjustments in response to a change in circumstances that results in a member of the peer group no longer satisfying the criteria for which such member was originally selected.

KENNAMETAL INC.**RESTRICTED UNIT AWARD****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Awardee"), as of the Grant Date listed above, this Restricted Unit Award (the "Award") for «number of stock units» Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. Each Stock Unit represents the right to receive one Share of the Company's Capital Stock, par value \$1.25 per share, subject to the Forfeiture Restrictions (defined below). Notwithstanding, Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for the purpose of calculating the number of Shares, if any, to be delivered under the Award.
2. The prohibition against transfer and the obligation to forfeit and surrender the Stock Units to the Company are herein referred to as "Forfeiture Restrictions." The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of, except as described in the Plan, to the extent then subject to the Forfeiture Restrictions. The Forfeiture Restrictions will be binding upon, and enforceable against, any permitted transferee of the Stock Units.
3. Provided that the Awardee does not Separate from Service and maintains Continuous Status as an Employee from the Grant Date through the lapse date, the Forfeiture Restrictions will lapse as follows: (a) on the first anniversary of the Grant Date, one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (b) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (c) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; and (d) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units.
4. The Stock Units, to the extent then subject to the Forfeiture Restrictions, will be forfeited to the Company upon Separation from Service for any reason other than death, Disability, Retirement, or involuntary termination by the Company without cause during the two-year period following a Change in Control (an "Involuntary Change in Control Separation"). In the event that the Awardee Separates from Service as a result of death, Disability, Retirement or Involuntary Change in Control Separation, the Forfeiture Restrictions relating to any outstanding Stock Units under this Award will automatically lapse.
5. Except as otherwise provided herein, the shares of Company Capital Stock (the "Shares") underlying Stock Units which are no longer subject to Forfeiture Restrictions shall be issued to the Awardee on the lapse date (or as soon as reasonably practicable thereafter but in no event later than the 15th day of the third month following such date), subject to the Awardee's satisfaction of all applicable income and employment withholding taxes. Notwithstanding the foregoing or any provisions of this Award or the Plan to the contrary, for a U.S. participant who is or becomes eligible to Separate from Service on account of Retirement during the term of this award, upon a Separation from Service due to Retirement, Disability or an Involuntary Change in Control Separation, the delivery of any Shares underlying this Award will be delayed and delivered on the six (6) month anniversary of the Awardee's Separation from Service, subject to the Awardee's satisfaction of all applicable income and employment withholding taxes.

6. The Shares underlying Stock Units shall not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. The Company may refuse to register a transfer of the Shares on the stock transfer records of the Company if the transfer constitutes a violation of any applicable securities law and the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Shares.

7. This Restricted Unit Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

8. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company. Any Shares underlying the Stock Units covered by this Award that are forfeited by the Awardee shall be returned to the Plan and resume the status of shares available for grant.

9. All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

KENNAMETAL INC.**RESTRICTED UNIT AWARD****FOR NON-EMPLOYEE DIRECTORS****Grant Date:**

Kennametal Inc. (the “Company”) hereby grants to «name» (the “Awardee”), as of the Grant Date listed above, this Restricted Unit Award (the “Award”) for «number of stock units» Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the “Plan”) and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. Each Stock Unit represents the right to receive one Share of the Company’s Capital Stock, par value \$1.25 per share, subject to the Forfeiture Restrictions (defined below). Notwithstanding, Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for the purpose of calculating the number of Shares, if any, to be delivered under the Award.
2. The prohibition against transfer and the obligation to forfeit and surrender the Stock Units to the Company are herein referred to as “Forfeiture Restrictions.” The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of, except as described in the Plan, to the extent then subject to the Forfeiture Restrictions. The Forfeiture Restrictions will be binding upon, and enforceable against, any permitted transferee of the Stock Units.
3. The Forfeiture Restrictions will lapse as follows: (a) on the first anniversary of the Grant Date, one-third (1/3) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (b) on the second anniversary of the Grant Date, an additional one-third (1/3) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; and (c) on the third anniversary of the Grant Date, the remaining one-third (1/3) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units.
4. In the event that the Awardee ceases to serve on the Board of Directors for any reason (including death, Disability or Retirement) other than for “cause” (as defined in the Plan), the Forfeiture Restrictions relating to any outstanding Stock Units under this Award will automatically lapse. If the Awardee is removed from the Board of Directors for “cause,” the Stock Units, to the extent then subject to the Forfeiture Restrictions, will be forfeited to the Company.
5. Except as otherwise provided herein, the Shares underlying Stock Units which are no longer subject to Forfeiture Restrictions shall be issued to the Awardee on the lapse date (or as soon as reasonably practicable thereafter but in no event later than the 15th day of the third month following such date).
6. The Shares underlying Stock Units shall not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. The Company may refuse to register a transfer of the Shares on the stock transfer records of the Company if the transfer constitutes a violation of any applicable securities law and the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Shares.

7. This Restricted Unit Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

8. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company. Any Shares underlying the Stock Units covered by this Award that are forfeited by the Awardee shall be returned to the Plan and resume the status of shares available for grant.

9. All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

KENNAMETAL INC.**RESTRICTED UNIT AWARD****(ALTERNATE FORM)****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Awardee"), as of the Grant Date listed above, this Restricted Unit Award (the "Award") for «number of stock units» Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in Schedule A or in the Plan.

1. Each Stock Unit represents the right to receive one Share of the Company's Capital Stock, par value \$1.25 per share, subject to the Forfeiture Restrictions (defined below). Notwithstanding, Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for the purpose of calculating the number of Shares, if any, to be delivered under the Award.
2. The prohibition against transfer and the obligation to forfeit and surrender the Stock Units to the Company are herein referred to as "Forfeiture Restrictions." The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of, except as described in the Plan, to the extent then subject to the Forfeiture Restrictions. The Forfeiture Restrictions will be binding upon, and enforceable against, any permitted transferee of the Stock Units.
3. Provided that the Awardee does not Separate from Service and maintains Continuous Status as an Employee from the Grant Date through the lapse date, the Forfeiture Restrictions will lapse as follows: (a) on the first anniversary of the Grant Date, one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (b) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (c) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; and (d) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units.
4. The Stock Units, to the extent then subject to the Forfeiture Restrictions, will be forfeited to the Company upon Separation from Service for any reason other than death, Disability, Retirement or involuntary termination by the Company without cause during the two-year period following a Change in Control (an "Involuntary Change in Control Separation"). In the event that the Awardee Separates from Service as a result of death, Disability, Retirement or Involuntary Change in Control Separation, the Forfeiture Restrictions relating to any outstanding Stock Units under this Award will automatically lapse.
5. Except as otherwise provided herein, the shares of Company Capital Stock (the "Shares") underlying Stock Units which are no longer subject to Forfeiture Restrictions shall be issued to the Awardee on the lapse date (or as soon as reasonably practicable thereafter but in no event later than the 15th day of the third month following such date), subject to the Awardee's satisfaction of all applicable income and employment withholding taxes. Notwithstanding the foregoing or any provisions of this Award or the Plan to the contrary, for a U.S. participant who is or becomes eligible

to Separate from Service on account of Retirement during the term of this award, upon a Separation from Service due to Retirement, Disability or an Involuntary Change in Control Separation, the delivery of any Shares underlying this Award will be delayed and delivered on the six (6) month anniversary of the Awardee's Separation from Service, subject to the Awardee's satisfaction of all applicable income and employment withholding taxes.

6. The Shares underlying Stock Units shall not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. The Company may refuse to register a transfer of the Shares on the stock transfer records of the Company if the transfer constitutes a violation of any applicable securities law and the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Shares.

7. This Restricted Unit Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

8. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company. Any Shares underlying the Stock Units covered by this Award that are forfeited by the Awardee shall be returned to the Plan and resume the status of shares available for grant.

9. All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

Schedule A

For purposes of this Agreement, "Retirement" means, the Awardee's termination of employment with the Company or any Subsidiary, Affiliate or Parent of the Company at a time when the Employee (a) has attained age 55 with five years of service, (b) has attained age 65, or (c) is required by law or regulations to terminate employment with the Company or any Subsidiary, Affiliate or Parent of the Company under a mandatory retirement scheme.

KENNAMETAL INC.**RESTRICTED UNIT AWARD****FOR PRESIDENT AND CEO****Grant Date:**

Kennametal Inc. (the “Company”) hereby grants to «name» (the “Awardee”), as of the Grant Date listed above, this Restricted Unit Award (the “Award”) for «number of stock units» Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the “Plan”), and the additional terms listed below. Capitalized terms used herein, but not otherwise defined herein, shall have the same meaning ascribed to them in Schedule A or the Plan.

1. Each Stock Unit represents the right to receive one Share of the Company’s Capital Stock, par value \$1.25 per share, subject to the Forfeiture Restrictions (defined below). Notwithstanding, Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for the purpose of calculating the number of Shares, if any, to be delivered under the Award.
2. The prohibition against transfer and the obligation to forfeit and surrender the Stock Units to the Company are herein referred to as “Forfeiture Restrictions.” The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of, except as described in the Plan, to the extent then subject to the Forfeiture Restrictions. The Forfeiture Restrictions will be binding upon, and enforceable against, any permitted transferee of the Stock Units.
3. Provided that the Awardee does not Separate from Service and maintains Continuous Status as an Employee from the Grant Date through the lapse date, the Forfeiture Restrictions will lapse as follows: (a) on the first anniversary of the Grant Date, one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (b) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (c) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; and (d) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units.
4. The Stock Units, to the extent then subject to the Forfeiture Restrictions, will be forfeited to the Company upon Separation from Service for any reason other than death, Disability, Retirement, or involuntary termination by the Company or any successor of the Company without cause during the two-year period following a Change in Control (an “Involuntary Change in Control Separation”). In the event that the Awardee Separates from Service as a result of death, Disability, Retirement or Involuntary Change in Control Separation, the Forfeiture Restrictions relating to any outstanding Stock Units under this Award will automatically lapse.
5. Except as otherwise provided herein, the shares of Company Capital Stock (the “Shares”) underlying Stock Units which are no longer subject to Forfeiture Restrictions shall be issued to the Awardee on the lapse date (or as soon as reasonably practicable thereafter but in no event later than the 15th day of the third month following such date), subject to the Awardee’s satisfaction of all applicable income and employment withholding taxes. Notwithstanding the foregoing or any provisions of this Award or the Plan to the contrary, for a U.S. participant who is or becomes eligible to Separate from Service on account of Retirement during the term of this award, upon a

Separation from Service due to Retirement, Disability or an Involuntary Change in Control Separation, the delivery of any Shares underlying this Award will be delayed and delivered on the six (6) month anniversary of the Awardee's Separation from Service, subject to the Awardee's satisfaction of all applicable income and employment withholding taxes.

6. The Shares underlying Stock Units shall not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws. The Company may refuse to register a transfer of the Shares on the stock transfer records of the Company if the transfer constitutes a violation of any applicable securities law and the Company may give related instructions to its transfer agent, if any, to stop registration of the transfer of the Shares.

7. This Restricted Unit Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible. Notwithstanding the foregoing or any provision of this Award to the contrary, if this Award is subject to Section 409A (and not excepted therefrom) and a Change of Control is a distribution event for purposes of the Award, the foregoing definition of Change in Control shall be interpreted, administered and construed in a manner necessary to ensure that the occurrence of any such event shall result in a Change of Control only if such event qualifies as a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation, as applicable, within the meaning of Treas. Reg. § 1.409A-3(i)(5).

8. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company. Any Shares underlying the Stock Units covered by this Award that are forfeited by the Awardee shall be returned to the Plan and resume the status of shares available for grant.

9. All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

Schedule A

For purposes of this Award, the term "Retirement" shall mean the Awardee's Separation from Service with the Company or any Subsidiary, Affiliate or Parent of the Company at a time when the Awardee (a) has attained age 55 with eight (8) years of service, (b) has attained age 65, or (c) is required by law or regulations to Separate from Service with the Company or any Subsidiary, Affiliate or Parent of the Company under a mandatory retirement scheme.

KENNAMETAL INC.**NONSTATUTORY STOCK OPTION AWARD****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Optionee"), as of the Grant Date listed above, this Nonstatutory Stock Option Award (the "Option") to purchase «number of stock options» shares of the Company's Capital Stock, par value \$1.25 per share (the "Shares"), at the price of \$XX.XX per Share, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013 as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. The Option must be exercised within ten (10) years from the Grant Date and only at the times and for the number of Shares as follows: (a) prior to the first anniversary of the Grant Date, the Option is not exercisable as to any Shares; (b) on the first anniversary of the Grant Date, one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (c) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (d) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; and (e) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Shares under the Option will vest and become exercisable.

2. This Option is intended to be exempt from coverage under Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) and the regulations promulgated thereunder, and the Company reserves the right to administer, amend or modify the Option or to take any other action necessary or desirable to enable the Option to be interpreted and construed accordingly. Notwithstanding the foregoing, the Optionee acknowledges and agrees that Section 409A may impose upon the Optionee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

3. Notwithstanding anything to the contrary in this Option or the Plan, in the event that this Option is not accepted by the Optionee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Option shall become null and void and all Shares subject to this Award shall be forfeited by the Optionee as of the Forfeiture Date. For acceptance to be valid, the Optionee must accept this Option in the manner specified by the Company. Any Shares underlying the Option that are forfeited by the Optionee shall be returned to the Plan and resume the status of shares available for grant.

4. All other terms and conditions applicable to this Option are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

KENNAMETAL INC.**NONSTATUTORY STOCK OPTION AWARD****FOR NON-EMPLOYEE DIRECTORS****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Optionee"), as of the Grant Date listed above, this Nonstatutory Stock Option Award (the "Option") to purchase «number of stock options» shares of the Company's Capital Stock, par value \$1.25 per share (the "Shares"), at the price of \$XX.XX per Share, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. The Option must be exercised within ten (10) years from the Grant Date and only at the times and for the number of Shares as follows: (a) prior to the first anniversary of the Grant Date, the Option is not exercisable as to any Shares; (b) on the first anniversary of the Grant Date, one-third (1/3) of the Shares under the Option will vest and become exercisable; (c) on the second anniversary of the Grant Date, an additional one-third (1/3) of the Shares under the Option will vest and become exercisable; and (d) on the third anniversary of the Grant Date, the remaining one-third (1/3) of the Shares under the Option will vest and become exercisable.

2. This Option is intended to be exempt from coverage under Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) and the regulations promulgated thereunder, and the Company reserves the right to administer, amend or modify the Option or to take any other action necessary or desirable to enable the Option to be interpreted and construed accordingly. Notwithstanding the foregoing, the Optionee acknowledges and agrees that Section 409A may impose upon the Optionee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

3. Notwithstanding anything to the contrary in this Option or the Plan, in the event that this Option is not accepted by the Optionee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Option shall become null and void and all Shares subject to this Award shall be forfeited by the Optionee as of the Forfeiture Date. For acceptance to be valid, the Optionee must accept this Option in the manner specified by the Company. Any Shares underlying the Option that are forfeited by the Optionee shall be returned to the Plan and resume the status of shares available for grant.

4. All other terms and conditions applicable to this Option are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

KENNAMETAL INC.**NONSTATUTORY STOCK OPTION AWARD****(ALTERNATE FORM)****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Optionee"), as of the Grant Date listed above, this Nonstatutory Stock Option Award (the "Option") to purchase «number of stock options» shares of the Company's Capital Stock, par value \$1.25 per share (the "Shares"), at the price of \$XX.XX per Share, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in Schedule A or in the Plan.

1. The Option must be exercised within ten (10) years from the Grant Date and only at the times and for the number of Shares as follows: (a) prior to the first anniversary of the Grant Date, the Option is not exercisable as to any Shares; (b) on the first anniversary of the Grant Date, one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (c) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (d) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; and (e) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Shares under the Option will vest and become exercisable.

2. This Option is intended to be exempt from coverage under Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) and the regulations promulgated thereunder, and the Company reserves the right to administer, amend or modify the Option or to take any other action necessary or desirable to enable the Option to be interpreted and construed accordingly. Notwithstanding the foregoing, the Optionee acknowledges and agrees that Section 409A may impose upon the Optionee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

3. Notwithstanding anything to the contrary in this Option or the Plan, in the event that this Option is not accepted by the Optionee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Option shall become null and void and all Shares subject to this Award shall be forfeited by the Optionee as of the Forfeiture Date. For acceptance to be valid, the Optionee must accept this Option in the manner specified by the Company. Any Shares underlying the Option that are forfeited by the Optionee shall be returned to the Plan and resume the status of shares available for grant.

4. All other terms and conditions applicable to this Option are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel

Schedule A

For purposes of this Agreement, "Retirement" means, the Awardee's termination of employment with the Company or any Subsidiary, Affiliate or Parent of the Company at a time when the Employee (a) has attained age 55 with five years of service, (b) has attained age 65, or (c) is required by law or regulations to terminate employment with the Company or any Subsidiary, Affiliate or Parent of the Company under a mandatory retirement scheme.

KENNAMETAL INC.**NONSTATUTORY STOCK OPTION AWARD****FOR PRESIDENT AND CEO****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Optionee"), as of the Grant Date listed above, this Nonstatutory Stock Option Award (the "Option") to purchase «number of stock options» shares of the Company's Capital Stock, par value \$1.25 per share (the "Shares"), at the price of \$XX.XX per Share, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan"), and the additional terms listed below. Capitalized terms used herein, but not otherwise defined herein, shall have the same meaning ascribed to them in Schedule A or in the Plan.

1. The Option must be exercised within ten (10) years from the Grant Date and only at the times and for the number of Shares as follows: (a) prior to the first anniversary of the Grant Date, the Option is not exercisable as to any Shares; (b) on the first anniversary of the Grant Date, one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (c) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; (d) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the Option will vest and become exercisable; and (e) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Shares under the Option will vest and become exercisable.

2. Notwithstanding anything to the contrary in this Option or the Plan, in the event that Optionee is involuntarily terminated by the Company or any successor of the Company without cause (a) within the six-month period immediately preceding a Change in Control in contemplation of such Change in Control (and the Change in Control actually occurs) or (b) during the two-year period immediately following a Change in Control (an "Involuntary Change in Control Separation"), all Shares under the Option that have not vested (or otherwise been cancelled or forfeited) shall become fully vested and immediately exercisable as of the consummation of the Change in Control or, if later, the Optionee's date of termination (the "Change in Control Vesting Date"). Subject to the terms of the Plan, any Shares under the Option that become vested and exercisable on account of an Involuntary Change in Control Separation may be exercised at any time within the three-month period following the Change in Control Vesting Date; provided, however, the Option must be exercised in all circumstances within ten (10) years from the Grant Date.

3. This Option is intended to be exempt from coverage under Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) and the regulations promulgated thereunder, and the Company reserves the right to administer, amend or modify the Option or to take any other action necessary or desirable to enable the Option to be interpreted and construed accordingly. Notwithstanding the foregoing, the Optionee acknowledges and agrees that Section 409A may impose upon the Optionee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

4. Notwithstanding anything to the contrary in this Option or the Plan, in the event that this Option is not accepted by the Optionee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Option shall become null and void and all Shares subject to this Award shall be forfeited by the Optionee as of the Forfeiture Date. For acceptance to be valid, the Optionee must accept this Option in the manner specified by the Company. Any Shares underlying the Option that are forfeited by the Optionee shall be returned to the Plan and resume the status of shares available for grant.

5. All other terms and conditions applicable to this Option are contained in the Plan. A copy of the Plan and related Prospectus is available on your account page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe

Title: Vice President, Secretary and General Counsel

Schedule A

For purposes of this Award "Retirement" shall mean the Optionee's termination of employment with the Company or any Subsidiary, Affiliate or Parent of the Company at a time when the Optionee (a) has attained age 55 with eight (8) years of service, (b) has attained age 65, or (c) is required by law or regulations to terminate employment with the Company or any Subsidiary, Affiliate or Parent of the Company under a mandatory retirement scheme.

KENNAMETAL INC.**CASH SETTLED SHARE-BASED AWARD FOR CHINA-BASED EMPLOYEES****Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Awardee"), as of the Grant Date listed above, this Cash Settled Share-Based Award (the "Award") for «number of stock units» Stock Units, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended on January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. Notwithstanding any provisions of the Plan, each Stock Unit represents the right to receive a cash payment from the Company (or an Affiliate or Subsidiary thereof, as applicable) equal to the Fair Market Value of one Share of the Company's Capital Stock, par value \$1.25 per share, subject to the Forfeiture Restrictions (defined below). Notwithstanding, Stock Units as initially awarded have no independent economic value, but rather are mere units of measurement used for purpose of calculating the number of Shares to be used in determining the amount of the cash payment, if any, to be made under the Award.

2. The prohibition against transfer and the obligation to forfeit and surrender the Stock Units to the Company are herein referred to as "Forfeiture Restrictions." The Stock Units may not be sold, assigned, pledged, exchanged, hypothecated, gifted or otherwise transferred, encumbered or disposed of, except as described in the Plan, to the extent then subject to the Forfeiture Restrictions. The Forfeiture Restrictions will be binding upon, and enforceable against, any permitted transferee of the Stock Units.

3. Provided that the Awardee does not Separate from Service and maintains Continuous Status as an Employee from the Grant Date through the lapse date, the Forfeiture Restrictions will lapse as follows: (a) on the first anniversary of the Grant Date, one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (b) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; (c) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units; and (d) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Stock Units will vest and the Forfeiture Restrictions will lapse as to those Stock Units.

4. The Awardee shall have only the Company's unfunded, unsecured promise to pay pursuant to the terms of this Award. The rights of the Awardee hereunder shall be that of an unsecured general creditor of the Company, and the Awardee shall not have any security interest in any assets of the Company (or an Affiliate or Subsidiary thereof). The Awardee shall not have any rights of ownership in the Shares subject to the Stock Units, including, but not limited to, the right to vote such Shares.

5. The Stock Units, to the extent then subject to the Forfeiture Restrictions, will be forfeited to the Company upon Separation from Service for any reason other than death, Disability, Retirement or involuntary termination by the Company during the two-year period following a Change in Control (an "Involuntary Change in Control Separation"). In the event that the Awardee Separates from Service as a result of death, Disability, Retirement or Involuntary Change in Control Separation, the Forfeiture Restrictions relating to any outstanding Stock Units under this Award will automatically lapse.

6. Except as otherwise provided herein, a cash payment equal to the Fair Market Value of the Shares underlying Stock Units which are no longer subject to Forfeiture Restrictions shall be made to the Awardee on the lapse date (or as soon as reasonably practicable thereafter but in no event later than the 15th day of the third month following such date), subject to the Awardee's satisfaction of all applicable income and employment withholding taxes. Notwithstanding the foregoing or any provisions of this Award or the Plan to the contrary, for a U.S. participant who is or becomes eligible to Separate from Service on account of Retirement during the term of this award, upon a Separation from Service due to Retirement, Disability or Involuntary Change in Control Separation, the cash payment will be delayed and delivered on the six (6) month anniversary of the Awardee's Separation from Service, subject to the Awardee's satisfaction of all applicable income and employment withholding taxes. For the avoidance of doubt, in the People's Republic of China, the Company, per se, will not make such cash payment to the Awardee, instead, the Chinese local subsidiary of the Company will, using its own RMB funds, make such cash payment in RMB equal to the Fair Market Value at the current foreign exchange rate to the Awardee.

7. This Award is intended to comply with Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) or an exception thereto and the regulations promulgated thereunder and will be construed accordingly. The Company reserves the right to administer, amend or modify the Award or to take any other action necessary or desirable to enable the Award to be interpreted and construed accordingly. Notwithstanding the foregoing, the Awardee acknowledges and agrees that Section 409A may impose upon the Awardee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.

8. Notwithstanding anything to the contrary in this Award or the Plan, in the event that this Award is not accepted by the Awardee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this Award shall become null and void and all Stock Units subject to this Award shall be forfeited by the Awardee as of the Forfeiture Date. For acceptance to be valid, the Awardee must accept this Award in the manner specified by the Company.

All other terms and conditions applicable to this Award are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe

Title: Vice President, Secretary and General Counsel

KENNAMETAL INC.STOCK APPRECIATION RIGHT AWARD FOR CHINA-BASED EMPLOYEES**Grant Date:**

Kennametal Inc. (the "Company") hereby grants to «name» (the "Optionee"), as of the Grant Date listed above, this Stock Appreciation Right Award (the "SAR") with respect to «number of SARs» shares of the Company's Capital Stock, par value \$1.25 per share (the "Shares"), at the price of \$XX.XX per Share, subject to the terms and conditions of the Kennametal Inc. Stock and Incentive Plan of 2010, as Amended and Restated on October 22, 2013, as further amended January 27, 2015 (the "Plan") and the additional terms listed below. Capitalized terms used herein, but not otherwise defined, shall have the same meaning ascribed to them in the Plan.

1. The SAR must be exercised within ten (10) years from the Grant Date and only at the times and for the number of Shares as follows: (a) prior to the first anniversary of the Grant Date, the SAR is not exercisable as to any Shares; (b) on the first anniversary of the Grant Date, one-fourth (1/4) of the Shares under the SAR will vest and become exercisable; (c) on the second anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the SAR will vest and become exercisable; (d) on the third anniversary of the Grant Date, an additional one-fourth (1/4) of the Shares under the SAR will vest and become exercisable; and (e) on the fourth anniversary of the Grant Date, the remaining one-fourth (1/4) of the Shares under the SAR will vest and become exercisable.
2. Notwithstanding any provision of this SAR or the Plan to the contrary, this SAR shall be settled solely by a cash payment from the Company (or an Affiliate or Subsidiary thereof, as applicable). The Optionee shall have only the Company's unfunded, unsecured promise to pay. The rights of the Optionee hereunder shall be that of an unsecured general creditor of the Company, and the Optionee shall not have any security interest in any assets of the Company (or an Affiliate or Subsidiary thereof). The Optionee shall not have any rights of ownership in the Shares subject to the SAR, including, but not limited to, the right to vote such Shares. For the avoidance of doubt, in the People's Republic of China, the Company, per se, will not make such cash payment to the Awardee, instead, the Chinese local subsidiary of the Company will, using its own RMB funds, make such cash payment in RMB equal to the total amount of appreciation at the current foreign exchange rate to the Optionee.
3. This SAR is intended to be exempt from coverage under Section 409A of the Internal Revenue Code (which deals with nonqualified deferred compensation) and the regulations promulgated thereunder, and the Company reserves the right to administer, amend or modify the SAR or to take any other action necessary or desirable to enable the SAR to be interpreted and construed accordingly. Notwithstanding the foregoing, the Optionee acknowledges and agrees that Section 409A may impose upon the Optionee certain taxes or interest charges for which the Awardee is and shall remain solely responsible.
4. Notwithstanding anything to the contrary in this SAR or the Plan, in the event that this SAR is not accepted by the Optionee on or before the date that is 180 days from the grant date noted herein (the "Forfeiture Date"), then this SAR shall become null and void and this Award shall be forfeited by the Optionee as of the Forfeiture Date. For acceptance to be valid, the Optionee must accept this SAR in the manner specified by the Company.
5. All other terms and conditions applicable to this SAR are contained in the Plan. A copy of the Plan and related Prospectus is available on your accounts page at netbenefits.fidelity.com under Plan Information and Documents, as well as on The Hub under Human Resources.

KENNAMETAL INC.

By: Kevin G. Nowe
Title: Vice President, Secretary and General Counsel