



Stock Ownership Guidelines for Senior Leadership

Kennametal believes that stock ownership guidelines for its Board of Directors, executives and other senior leadership team members effectively link shareowner and management interest, promote an overall ownership culture, enhance company performance and drive value.

Stock ownership levels are expressed as a multiple of annual salary. Our minimum stock ownership levels are as follows:

Level	Target Level as a Multiple of Base Salary
Non-Employee Directors (multiple of annual retainer)	5X
Chief Executive Officer and Executive Chairman	5X
Chief Financial Officer, Top Industrial Segment Executive, Top Infrastructure Segment Executive and Top WIDIA Segment Executive	3X
All Other Executive Leadership Team Members Reporting to the CEO	2X
Senior Leadership Direct Reports to the ELT (e.g. VP and MD)	0.5X

Directors and team members have five years from the date they become subject to the guidelines to acquire the requisite stock ownership, and are expected to make continuous progress towards their ownership levels.

The following sources count towards the satisfaction of stock ownership:

- Stock owned outright (individual Fidelity accounts and other brokerage accounts)
- Stock owned jointly with, or separately, by spouse and/or children
- Unvested Restricted Stock Units
- Performance shares that have achieved performance conditions
- 401(k) shares
- Deferred stock credits as represented in the deferred plan

Exclusions include unexercised stock options and performance shares which have not met performance conditions.

Team members within the 2X, 3X and 5X target levels are reviewed with the Compensation Committee annually. Noncompliance will be addressed by the Committee on a case-by-case basis.

Senior Leadership Direct Reports to the ELT are required to review their ownership levels annually to ensure compliance.