

KENNAMETAL INC.

BOARD OF DIRECTORS CORPORATE GOVERNANCE GUIDELINES

Amended and Restated January 2010

TABLE OF CONTENTS

I.	BOARD MEMBERSHIP MATTERS	1
A.	Selection of New Director Candidates.....	1
B.	Board Membership Criteria	2
C.	Size of the Board	2
D.	Board Composition and Independence	2
E.	Outside Board Membership.....	5
F.	Term Limits.....	5
G.	Retirement Age	5
H.	Director Duties and Responsibilities.....	5
I.	Conflicts of Interest.....	6
J.	Changes in Job Responsibilities.....	6
K.	Former Chief Executive Officer’s Board Membership	6
L.	Directors Orientation and Continuing Education	6
M.	Board Compensation.....	7
II.	BOARD STRUCTURE, OPERATIONS AND MEETINGS	7
A.	Selection of Chairman	7
B.	Lead Director Concept	8
C.	Selection of Agenda Items for Board Meetings	8
D.	Distribution of Board Materials	9
E.	Attendance of Non-Directors at Board Meetings.....	9
F.	Executive Sessions of the Board.....	9
G.	Board Access to Management and Independent Advisors.....	10
H.	Board Interaction with Company Constituencies and the Public.....	10
I.	Assessing the Performance of the Board.....	10
III.	BOARD COMMITTEES	10
A.	Committees	10
B.	Assignment and Rotation of Committee Members.....	11
C.	Frequency and Length of Committee Meetings.....	11
D.	Committee Agenda and Reports	11
IV.	APPROVAL OF RELATED PERSON TRANSACTIONS	12
A.	General.....	12
B.	Related Person Transaction Policy	12
C.	Procedures for Review of Related Person Transactions.....	12
V.	LEADERSHIP DEVELOPMENT	13
A.	Selection of the Chief Executive Officer	13
B.	Formal Evaluation of the Chief Executive Officer	13
C.	Succession Planning	13
D.	Management Development	14
VI.	GUIDELINES AND CODE OF BUSINESS ETHICS AND CONDUCT.....	14
A.	Review.....	14
B.	Availability on Website	14

KENNAMETAL INC.

CORPORATE GOVERNANCE GUIDELINES

The following Corporate Governance Guidelines (the “Guidelines”) have been adopted by the Board of Directors (the “Board”) of Kennametal Inc. (the “Company”) to assist the Board in the exercise of its duties and responsibilities and to serve the best interests of the Company. These Guidelines reflect the Board’s commitment to monitor the effectiveness of policy and decision making both at the Board and management level, with a view to achieving strategic objectives of the Company while enhancing shareowner value over the long term. These Guidelines should be interpreted in the context of all applicable laws, including the Pennsylvania Business Corporation Law and the Articles of Incorporation and By-Laws of the Company. The Guidelines are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. The Guidelines are subject to modification from time to time by the Board as the Board may deem appropriate and in the best interests of the Company or as required by applicable laws and regulations.

Interpretation Note: When necessary or appropriate, these Guidelines provide for procedures for consultation or communications between the Chairman, the Chief Executive Officer, and the Lead Director. In cases where the positions of Chairman and Chief Executive Officer are combined, or the positions of Chairman and Lead Director are combined, or no director is currently designated as a Lead Director, these procedures will be modified as the circumstances warrant.

I. BOARD MEMBERSHIP MATTERS

A. Selection of New Director Candidates

The Board is responsible for nominating members for election to the Board and for filling vacancies on the Board that may occur between annual meetings of shareowners. The Board delegates to the Nominating/Corporate Governance Committee the responsibility for identifying, screening and recommending candidates to the Board for Board membership. The Nominating/Corporate Governance Committee has the sole authority and discretion to retain and terminate any search firm used to identify prospective director candidates.

The Nominating/Corporate Governance Committee may consider recommendations for prospective director candidates offered by any member of the Board or senior management. Any director candidates nominated by the shareowners shall be considered by the Nominating/Corporate Governance Committee for recommendation in accordance with the Company’s By-Laws.

The invitation to join the Board should be extended on behalf of the Board by the Chairman and/or the Chief Executive Officer, the Chair of the Nominating/Corporate

Governance Committee, and, if the Board has designated a Lead Director, by the Lead Director.

B. Board Membership Criteria

Directors should be selected on the basis of, among other things, independence, integrity, diversity, experience, sound judgment in areas relevant to the Company's businesses, and willingness to commit sufficient time to the Board, all in the context of an assessment of the perceived needs of the Board at that point in time. Each Board member is expected to ensure that other existing and planned future commitments do not materially interfere with his or her service as a director.

The Nominating/Corporate Governance Committee is responsible for recommending to the Board, and annually reviewing, the criteria that it believes appropriate for Board membership.

C. Size of the Board

The Board believes that a size of eight (8) to twelve (12) directors is appropriate. This range encourages diversity of experience without diminishing individual accountability or effective discussion. The Board would consider increasing the size under special circumstances, including to accommodate the availability of an outstanding candidate for Board membership.

The Nominating/Corporate Governance Committee shall periodically review the size of the Board, and recommend to the Board the size that is most effective in relation to future operations.

D. Board Composition and Independence

Independent Directors. A majority of Board members shall be comprised of directors who qualify as independent directors (the "Independent Directors") under the listing standards of the New York Stock Exchange (the "NYSE"), the rules and regulations of the Securities and Exchange Commission (the "SEC") and the requirements of any other applicable regulatory authority, in each case as and when required.

The Board shall review annually the relationships that each director has with the Company (either directly or indirectly, including: (i) as a partner, shareholder or officer of an organization (including charitable organizations) that has a relationship with the Company; or (ii) an immediate family member of such director that has a relationship with the Company), considering all relevant facts and circumstances. Following such annual review, only those directors who the Board affirmatively determines have no material relationship with the Company (either directly or indirectly) will be considered Independent Directors, subject to any additional qualifications under the listing standards of the NYSE or the rules of any other applicable regulatory authority, in each case as and when required.

A director will be presumed to have no material relationship with the Company and to be an Independent Director as long as:

- (i) the director is not or was not employed by, nor is or was any of his or her immediate family members an executive officer of, the Company within the past three (3) years;
- (ii) neither the director, nor any of his or her immediate family members, received, during any twelve-month period within the past three (3) years, more than \$100,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided, such compensation is not contingent in any way on continued service);
- (iii) (a) neither the director, nor any of his or her immediate family members, is a current partner of a firm that is the Company's internal or external auditor; (b) the director is not a current employee of such a firm; (c) the director does not have an immediate family member who is a current employee of such a firm and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice; or (d) neither the director, nor any of his or her immediate family members, was within the last three (3) years (but is no longer) a partner or employee of such a firm and personally worked on the Company's audit within that time;
- (iv) neither the director, nor any of his or her immediate family members, is or was, within the past three (3) years, employed as an executive officer of another company where any of the Company's present executive officers concurrently serve or served on that company's compensation committee;
- (v) the director is not a current employee, nor is any of such director's immediate family members a current executive officer of, a company (whether as a customer, supplier, investment bank, law firm or otherwise) that made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues;
- (vi) the director is not an executive officer, a partner, a member or a beneficial owner of more than ten percent (10%) of the equity interest of a company to which the Company was indebted at the end of any fiscal quarter during the Company's most recently completed fiscal year or current fiscal year in an amount in excess of five percent (5%) of Company's total consolidated assets at the end of such fiscal quarter;
- (vii) the director is not an executive officer, a partner, a member or a beneficial owner of more than ten percent (10%) of the equity interest of a company which was indebted to the Company, other than in the ordinary course of business or on arms-length terms, at the end of any fiscal quarter during the Company's most recently completed fiscal year or current fiscal year in an amount in excess of \$100,000 at the end of such fiscal quarter;

- (viii) neither the director nor any of his or her immediate family members was indebted to the Company, other than in the ordinary course of business or on arms-length terms, at the end of any fiscal quarter during the Company's most recently completed fiscal year or current fiscal year in an amount in excess of \$100,000 at the end of such fiscal quarter; and
- (ix) the director is not affiliated with a tax exempt entity that receives more than five percent (5%) of its total annual contributions from the Company (based on tax exempt entity's most recently completed fiscal year).

References to the Company in this Part I. D. include any parent or subsidiary in a consolidated group with Kennametal Inc.

Immediate family members of a director are the director's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such director's home. When applying the look-back period referenced in clauses (i) through (v) above, Immediate Family members do not include individuals who are no longer immediate family members as a result of legal separation or divorce, or those who have died or become incapacitated.

The basis for any determination that a relationship is not material shall be explained in the Company's annual proxy statement. However, no director shall be determined to be an Independent Director who has one of relationships described in clauses (i) through (v) above. In applying the test in clause (i) above, employment as an interim Chairman or CEO or other executive officer shall not disqualify a director from being considered independent following that employment. In applying the test in clause (ii) above, compensation received by a director for former service as an interim Chairman or CEO or other executive officer does not need to be considered in determining independence under this test. In addition, compensation received by an immediate family member for service as an employee of the Company (other than an executive officer) need not be considered in determining independence under this test.

In applying the test in clause (v) above, both the payments and the consolidated gross revenues to be measured shall be those reported in the last completed fiscal year. The look-back provision for this test applies solely to the financial relationship between the Company and the director or immediate family member's current employer; former employment of the director or immediate family member need not be considered. Contributions to tax exempt organizations shall not be considered "payments" for purposes of clause (v) above; provided, however, that any such contributions made by the Company to any tax exempt organization in which any independent director serves as an executive officer shall be disclosed in the Company's annual proxy statement, if, within the preceding three (3) years, contributions in any single fiscal year from the Company to the organization exceeded the greater of \$1 million, or two percent (2%) of such tax exempt organization's consolidated gross revenues.

Management Directors. The Chief Executive Officer should serve on the Company's Board. While the Board is willing to consider additional members of management for service as directors, Board membership is not necessary, nor is it a prerequisite, to any higher management position in the Company.

E. Outside Board Membership

The Company does not have a policy limiting the number of other public company boards upon which a director may sit. Non-management directors should advise the Chairman and the Chair of the Nominating/Corporate Governance Committee in advance of accepting an invitation to serve on another board. Sitting on another public company's board should not create a conflict of interest or impair the director's ability to provide sufficient time to carry out his or her duties as a director of the Company.

Management directors shall seek and obtain the approval of the Board before accepting outside board memberships.

F. Term Limits

The Board does not believe that it should establish term limits. While term limits could help ensure that fresh ideas and viewpoints are available to the Board, they hold the disadvantage of losing the beneficial contribution of directors who have developed, over a period of time, increasing knowledge of, and insight into, the Company and its operations and who, therefore, could provide increasing contributions to the Board as a whole.

As an alternative to term limits, the Nominating/Corporate Governance Committee, in consultation with the Chairman, the Chief Executive Officer, and the Lead Director, if one has been designated, shall review each director's continuation on the Board near the end of such director's existing term. This process will provide each director a convenient opportunity to confirm his or her desire to continue as a member of the Board.

G. Retirement Age

Unless otherwise determined by the Nominating/Corporate Governance Committee due to special circumstances, no director may be nominated for re-election or re-appointment to the Board if he or she would be age seventy-three (73) or older at the time of election or appointment.

H. Director Duties and Responsibilities

The business and affairs of the Company shall be managed by or under the direction of the Board. The basic responsibility of a director is to exercise his or her business judgment and to act in what he or she reasonably believes to be in the best interests of the Company. A director is expected to spend the time and effort necessary to properly discharge such director's duties and responsibilities. Accordingly, each director is expected to rigorously prepare for (including the review of materials received in advance of meetings), attend and participate in all Board and applicable committee meetings, and keep current with issues and policy decisions facing the Company and other global businesses. In addition, directors are expected to attend the Annual Meeting of Shareowners. A director who is unable to attend a meeting is expected to notify the Chairman or the Chair of the appropriate committee in advance of such meeting.

I. Conflicts of Interest

The Board expects all directors to act ethically at all times and to avoid any action, position or interest that conflicts with an interest of the Company, or gives the appearance of conflict. The Company annually solicits information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company. If an actual or potential conflict of interest develops, the director should immediately report the matter to the Chairman, the Chair of the Nominating/Corporate Governance Committee, and the Lead Director, if one has been designated, for evaluation.

If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the Board, excuse himself or herself from the participation in the matter, and shall not vote on the matter.

J. Changes in Job Responsibilities

A director who changes employers or whose job responsibilities change meaningfully (including retirement) from those held when he or she was elected to the Board should offer to resign from the Board.

The Board does not believe that in each case such a director should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominating/Corporate Governance Committee to review the continued appropriateness of Board membership under the circumstances. The affected director shall be expected to act in accordance with the Nominating/Corporate Governance Committee's recommendation.

K. Former Chief Executive Officer's Board Membership

The Board believes this is a matter to be decided in each individual instance. It is assumed that when the Chief Executive Officer no longer holds that position, resignation from the Board should be offered at the same time. Whether the individual continues to serve on the Board is a matter for discussion at that time with the new Chief Executive Officer and the Board.

L. Directors Orientation and Continuing Education

Each new director must participate in the Company's orientation program, which should be conducted within two (2) months of the meeting at which the new director is elected. This orientation program shall include presentations by senior management to familiarize new directors with the Company's business; vision; values; strategic plans; significant financial, accounting, and risk management issues; conflicts of interest policies; compliance programs; the Code of Business Ethics and Conduct; these Guidelines; principal officers; the internal audit function; and independent public accountants.

Directors are encouraged to participate in continuing educational programs, as appropriate, to maintain the skills necessary to perform their director duties and responsibilities.

M. Board Compensation

Only non-management directors receive compensation for serving on the Board. Management directors shall not receive additional compensation for their services as directors.

The Board believes that a meaningful portion of non-management director compensation should be in Capital Stock or deferred stock credits of the Company to further the direct correlation of directors' and shareowners' economic interests.

Management (with the assistance of outside experts)) shall report at least biennially to the Nominating/Corporate Governance Committee on the status of Board compensation in relation to other U.S. companies of comparable size, industry and complexity. Such review shall also include a review of both direct and indirect forms of compensation to the Company's directors, including any charitable contributions by the Company to organizations with which a director is affiliated and any consulting or other arrangements between the Company and a director.

Changes in Board compensation, if any, should come upon the recommendation of the Nominating/Corporate Governance Committee, but with full discussion and concurrence by the Board.

Directors on the Audit Committee shall not receive any compensation from the Company other than director fees (including fees paid for service on Board committees).

II. BOARD STRUCTURE, OPERATIONS AND MEETINGS

A. Selection of Chairman

The Company's By-Laws, which the Board can amend as particular circumstances warrant, provide for the directors to annually elect a Chairman for the Company from among the Board.

The Board has no fixed policy with respect to the combination of the positions of Chairman and Chief Executive Officer and, if the roles are to be separate, whether the Chairman should be an employee of the Company. The Board believes that the separation or combination of these offices is a matter for discussion by the Board and that the Board may make the selection in the manner and upon the criteria that the Board considers to best serve the Company's needs at a particular time.

B. Lead Director Concept

The Board believes that, under certain circumstances, it is desirable to designate a Lead Director of the Board who can provide, in conjunction with the Chairman and the Chief Executive Officer, leadership and guidance to the Board.

In connection with the periodic evaluation of the composition of the Board, the Nominating/Corporate Governance Committee shall consider whether circumstances warrant the designation of a Lead Director. The determination of whether a Lead Director is necessary or desirable shall be made by the Board, upon the recommendation of the Nominating/Corporate Governance Committee.

If the Board designates a Lead Director, then the Lead Director's name shall be disclosed in the Company's annual proxy statement as the presiding director of the executive sessions of the Board.

A statement of the representative duties and responsibilities of the Lead Director is attached as Appendix A. In performing his or her duties and responsibilities, the Lead Director is expected to consult with the Chairs of the appropriate Board committees and solicit their participation in order to avoid diluting or conflicting with the authority or responsibilities of such committee Chairs.

C. Selection of Agenda Items for Board Meetings

The Chairman, with input from the Chief Executive Officer, the Board and the Lead Director, if one has been designated, shall establish the agenda for each Board meeting. The Corporate Secretary shall distribute a preliminary agenda sufficiently in advance of each meeting to assure that Board members are apprised of the principal matters to be considered.

By July of each year, the schedule of meetings for the ensuing calendar year shall be distributed to each of the directors.

Each Board member may recommend agenda items and is encouraged to raise, at any Board meeting, subjects that are not on the agenda for that meeting.

At least one Board meeting each year shall be an extended (several days) Board meeting during which the Board shall review long-term strategic, business and annual operation plans, and discuss principal issues that are expected to affect the Company in the future.

D. Distribution of Board Materials

Information and data are important to the Board's understanding of the Company's business and essential to prepare Board members for productive meetings. To conserve meeting time and focus deliberations, Board materials relevant to each meeting should, to the extent practicable, be distributed in writing to the Board sufficiently in advance of the meeting to permit prior review by the directors unless the subject matter is too sensitive. When there is no prior distribution of materials on a sensitive subject, (i) each Board member should be advised in advance of the meeting of the subject and the principal issues to be considered and (ii) the Board should be provided ample time to deliberate on any action to be taken. Management shall make every effort to provide materials that are brief, concise, and consistent with providing the desired and essential information.

E. Attendance of Non-Directors at Board Meetings

The Board concurs that, at the discretion of the Chairman and the Chief Executive Officer, the senior officers of the Company may attend Board meetings or appropriate portions thereof. In addition, the Chairman and the Chief Executive Officer may, as particular circumstances warrant, invite other members of management to attend Board meetings or appropriate portions thereof.

Furthermore, the Board encourages the continuation of the long-standing practice of management to bring managers into Board meetings from time to time who: (i) can provide additional insight into the items being discussed by the Board; or (ii) senior management believes have future potential as leaders.

F. Executive Sessions of the Board

The non-management directors or the Independent Directors shall meet privately in regularly scheduled executive sessions without the presence of any management. If the non-management directors include directors who are not Independent Directors, one or more executive sessions per year should be limited to Independent Directors. The Chairman shall preside at such executive sessions or, in the event the Chairman is a member of management, and a Lead Director has been designated, then the Lead Director shall preside at such executive sessions. The Chairman or the Lead Director, as applicable, may designate an Independent Director to preside at the executive session if the particular circumstances warrant. Following each executive session, the director that presided over the executive session shall discuss with the Chairman and the Chief Executive Officer, to the extent appropriate, matters emanating from the executive session.

Any interested parties desiring to communicate with the Chairman, the Lead Director, if one has been designated, or non-management directors or Independent Directors as a group regarding the Company may send correspondence in care of the Company's Corporate Secretary, or contact the toll-free HELPLINE, which can be utilized on a confidential and anonymous basis, twenty-four (24) hours a day.

G. Board Access to Management and Independent Advisors

Board members shall have complete access to management and to the Company's outside advisors.

Board members shall use judgment to ensure that such access is not distracting to the business operation of the Company and that the Chief Executive Officer is appropriately advised of any such access.

The Board may retain and have access, as necessary and appropriate, to independent advisors of its choice with respect to any issue relating to its activities.

H. Board Interaction with Company Constituencies and the Public

The Board believes that management speaks for the Company. Directors should refer all inquiries from the press, media and other constituencies to management. While individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, it is expected that Board members would do this with the knowledge of management and, absent unusual circumstances, only at the request of management.

If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman or the Lead Director, if one has been designated.

I. Assessing the Performance of the Board

The Nominating/Corporate Governance Committee shall oversee an annual assessment of the Board's performance to determine whether the Board and its committees are functioning effectively. The results of the assessment shall be discussed with the full Board at the same time the Nominating/Corporate Governance Committee makes recommendations of nominees for inclusion in the proxy statement for the next annual meeting. The Nominating/Corporate Governance Committee shall be responsible for establishing the evaluation criteria, implementing the process for such evaluation, as well as considering other corporate governance principles that may, from time to time, merit consideration by the Board.

III. BOARD COMMITTEES

A. Committees

The Board shall have the following standing committees: Audit, Nominating/Corporate Governance and Compensation. The Board has the flexibility to form a new committee or disband a current committee depending on the circumstances.

Only Independent Directors shall serve on the Nominating/Corporate Governance, Audit and Compensation Committees as and when required under the listing standards of the NYSE and the rules and regulations of any other applicable regulatory authority; provided, that directors serving on the Audit Committee shall also meet the additional independence and financial literacy qualifications, as and when required, under the Securities Exchange Act, the listing standards of the NYSE and the rules and regulations

of any other applicable regulatory authority. At least one member of the Audit Committee must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment.

Each committee shall have a charter setting forth the purpose, responsibilities and duties of the Committee.

Each committee shall be led by a committee Chair, who shall be appointed by the Board annually based upon the recommendations of the Nominating/Corporate Governance Committee.

B. Assignment and Rotation of Committee Members

The Nominating/Corporate Governance Committee shall be responsible, after consultation with the Chairman and the Lead Director, if one has been designated, for recommending to the Board the assignment of Board members to the various committees, including the Chair of each committee, taking into account each director's particular experience and knowledge of the Company and the preferences of each director. The Board shall then appoint annually the members of the committees, including the Chair of each committee.

While rotating committee members should be considered periodically, the Board does not believe rotation should be mandated as a policy because there are significant benefits attributable to continuity, experience gained in service on particular committees and utilizing effectively the individual talents of Board members.

C. Frequency and Length of Committee Meetings

The Chair of each committee, in consultation with its members and appropriate management and in accordance with the committee's charter, shall determine the frequency and length of the meetings of the committee, taking into account the various duties and responsibilities of the committee. By July of each year, the schedule for meetings of each committee for the ensuing calendar year shall be distributed to the directors.

D. Committee Agenda and Reports

The Chair of each committee, taking into account recommendations of committee members and in consultation with appropriate management, shall establish the agenda for each committee meeting.

Minutes of each committee meeting shall be provided to each Board member to assure that the Board remains fully apprised of topics discussed and actions taken. The Chair of each committee shall also regularly report at Board meetings on committee matters.

IV. APPROVAL OF RELATED PERSON TRANSACTIONS

A. General

The Board shall be responsible for the review, approval and monitoring of transactions involving the Company and “related persons” as defined under applicable SEC rules (generally, directors and executive officers or their immediate family members, or shareholders owning five percent or greater of the Company’s outstanding stock). The Nominating/Corporate Governance Committee shall assist the Board with the evaluation and monitoring of any of these transactions.

B. Related Person Transaction Policy

- (i) The Board or the Nominating/Corporate Governance Committee shall review any related person transaction that meets the minimum threshold for disclosure in the annual proxy statement under the relevant SEC rules.
- (ii) Related person transactions must be approved by the Board or by the Nominating/Corporate Governance Committee. The Board and/or the Nominating/Governance Committee will approve the transaction only if the members determine that it is in the best interests of the Company. In considering the transaction, the Board or committee will consider all relevant factors, including as applicable (a) the Company’s business rationale for entering into the transaction; (b) the alternatives to entering into a related person transaction; (c) whether the transaction is on terms comparable to those available to third parties, or in the case of employment relationships, to employees generally; (d) the potential for the transaction to lead to an actual or apparent conflict of interest and any safeguards imposed to prevent such actual or apparent conflicts; (e) the overall fairness of the transaction to the Company; and (f) if a director is involved in the transaction, whether or not the approval of the transaction would impact his or her status as independent.
- (iii) The Nominating/Governance Committee shall periodically monitor the transaction to ensure that there are no changed circumstances that would render it advisable for the Company to amend or terminate the transaction. The Nominating/Corporate Governance Committee shall also periodically report at Board meetings on related person transaction matters to assure that the Board remains fully apprised of topics discussed and actions taken.

C. Procedures for Review of Related Person Transactions

- (i) Management or the affected director or executive officer must bring the matter to the attention of the Chairman, the Lead Director, if any, the Chair of the Nominating/Corporate Governance Committee, or the Company’s Secretary.
- (ii) The Chairman shall determine whether the matter should be considered by the Board or by the Nominating/Governance Committee. If the

Chairman is involved in the transaction and a Lead Director has been designated, then the Lead Director shall make the determination. If no Lead Director has been designated, the Chairman shall consult with the Chairs of the standing committees to determine whether the matter should be reviewed by the full Board or by the Nominating/Corporate Governance Committee.

- (iii) If a director is involved in the transaction, he or she will be recused from all discussions and decisions about the transaction.
- (iv) The transaction must be approved in advance whenever practicable, and if not practicable, must be ratified, amended or terminated as promptly as practicable after proper review.

V. LEADERSHIP DEVELOPMENT

A. Selection of the Chief Executive Officer

The Board shall be responsible for identifying potential candidates for, and selecting, the Chief Executive Officer. In doing so, the Board shall consider, among other things, a candidate's experience, understanding of the Company's business environment, leadership qualities, skills, integrity, reputation in the business community and willingness to devote the necessary time and effort to make the Company successful.

B. Formal Evaluation of the Chief Executive Officer

The Compensation Committee, in consultation with the Lead Director, if one has been designated, and the rest of the non-management directors, shall evaluate annually the overall performance of the Chief Executive Officer. The results of the evaluation shall be communicated to the Chief Executive Officer by the Chairman and/or the Lead Director and/or the Chair of the Compensation Committee, as particular circumstances warrant.

The evaluation should be based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management.

The Compensation Committee shall use the results of the evaluation in the course of its deliberations when considering the compensation of the Chief Executive Officer.

C. Succession Planning

The Chief Executive Officer shall prepare and distribute annually to the Board a report on succession planning, which shall include an assessment of senior officers and their potential to succeed the Chief Executive Officer and other senior management positions. The potential successor to the Chief Executive Officer must demonstrate leadership qualities and experience, knowledge of the Company's business and a strategic vision for the Company.

D. Management Development

The Chief Executive Officer shall prepare and distribute annually to the Board a report on the Company's program for management development.

This report should be given to the Board at the same time as the succession planning report.

VI. GUIDELINES AND CODE OF BUSINESS ETHICS AND CONDUCT

A. Review

The Nominating/Corporate Governance Committee shall review annually these Guidelines and the Company's Code of Business Ethics and Conduct, and make any recommendations for change to the Board, as it may deem necessary or appropriate.

B. Availability on Website

These Guidelines, Board committee charters and the Company's Code of Business Ethics and Conduct shall be available on the Company's website.

APPENDIX A

REPRESENTATIVE RESPONSIBILITIES OF THE LEAD DIRECTOR

Purpose: The purpose of the Lead Director is to provide, in conjunction with the Chairman and the Chief Executive Officer, leadership and guidance to the Board of Directors (the “Board”) of Kennametal Inc. (the “Company”).

Qualifications: The Lead Director shall have a thorough understanding of the roles and responsibilities of the Board, including experience serving on the Board or similar boards of directors in a leadership capacity.

Duties and Responsibilities: The Lead Director shall:

- (a) Consult with the Chairman and the Chief Executive Officer on matters pertaining to corporate governance; provided, that, it is understood that the Nominating/Corporate Governance Committee shall have the leadership role with respect to the Company’s corporate governance matters.
- (b) Preside over the executive sessions of the non-management directors; coordinate and develop the agenda for such executive sessions; and discuss appropriate matters emanating from such executive sessions with the Chief Executive Officer.
- (c) Act as the principal liaison between the non-management directors and the Chief Executive Officer on sensitive issues.
- (d) Consult with the Compensation Committee with the annual evaluation of the Chief Executive Officer’s performance, and in conjunction with the Chairman and/or the Chair of the Compensation Committee, meet with the Chief Executive Officer to discuss the results of such evaluation.
- (e) Advise the Chief Executive Officer as to an appropriate schedule of Board meetings, seeking to ensure that non-management directors can perform their duties responsibly while not interfering with the flow of Company operations.
- (f) Provide the Chief Executive Officer with input as to the makeup of agendas for Board meetings.
- (g) Advise the Chief Executive Officer as to the quality, quantity, and timeliness of the flow of information from management that is necessary for the non-management directors to effectively and responsibly perform their duties, and, where appropriate, specifically request the inclusion of certain material to be given to the non-management directors.
- (h) Assist the Board and management in assuring implementation of and compliance with the Company’s Corporate Governance Guidelines and Code of Business Ethics and Conduct while recommending any revisions judged appropriate to the Nominating/Corporate Governance Committee.