

## Stock Ownership Guidelines

Kennametal has adopted Stock Ownership Guidelines for directors, executives and key managers to effectively link the interests of management and our shareowners and to promote an ownership culture throughout our organization. We believe that stock should be acquired and held in quantities that encourage management to make decisions and take actions that will enhance company performance and increase its value. These guidelines were first adopted in 1995 and are reviewed annually by the Compensation Committee at its October meeting as a standing agenda item. The current guidelines are:

|  | <b>Multiple<br/>of Base<br/>Salary</b> |
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| Chief Executive Officer  | 5X                                     |
| Vice Presidents serving as Group Presidents and Chief Financial Officer              | 3X                                     |
| Executive Management Council, Corporate Officers, and certain Business Unit Managers | 2X                                     |
| Other Key Managers   | 1X                                     |
| Non-Employee Directors (multiple of annual retainer)                                 | 5X                                     |

We require our executives and directors to achieve their ownership requirements within 5 years. Shares owned outright, restricted stock, and shares owned in benefit plans (such as a 401(k)) count toward fulfilling the ownership guidelines.