



December 17, 2013

RE: Kennametal's Commitment and Efforts to Ensure Conflict Free Sourcing

Kennametal Inc., a publically traded US company, has established clear standards of corporate governance which provide for our compliance with all applicable laws in the countries in which we operate and that recognize our obligations to appropriate corporate social responsibility. This includes a commitment to avoid contributing to the exploitation and trade of "conflict minerals" originating in the Democratic Republic of Congo ("DRC") and neighboring countries, which is helping to finance the conflicts in that region. Section 1502 of the Dodd-Frank Act (DFA) defines "conflict minerals" to include cassiterite, columbite-tantalite, gold, wolframite, or their derivatives, or any other minerals or their derivatives determined by the Secretary of State to be financing conflict in the DRC countries). The Securities and Exchanges Commission ("SEC") adopted the final rules on August 22, 2012 implementing Section 1502 of the Act. Companies subject to this rule will need to report compliance with this Act to the SEC in May 2014, covering the calendar year 2013.

Since the passing of the DFA and the final adoption of the rules, Kennametal has taken steps to develop and implement strategies for performing and satisfying the supply chain reporting requirements. In order to comply with the rule, Kennametal followed the SEC's three step process whereby it has determined in the first step that it is subject to the rule as a majority of Kennametal's products contain tungsten and some contain tantalum and tin. Kennametal subsequently moved to the second step and conducted a reasonable country of origin inquiry ("RCOI") on suppliers in its supply chain that source materials containing conflict minerals. Kennametal has communicated to all direct suppliers our requirement to be DRC conflict free and has added this requirement to our standard raw materials contracts. To date, the results of the reasonable country of origin inquiry have given Kennametal no reason to believe that the conflict minerals which are necessary to the functionality or production of Kennametal's products originate from the DRC or a neighboring country. Kennametal will continue to perform the RCOI process as well as other controls to ensure that Kennametal continues to source from only conflict free countries.

Please contact Bill Hanna, Director Global Metallurgical Operations, at William.Hanna@kennametal.com if you have any further questions

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