

**POLICY GOVERNING INQUIRY IN CASE OF LEAK OF UNPUBLISHED PRICE SENSITIVE
INFORMATION/ BREACH OF THE CODE (the 'Policy')**

**[Under Regulation 9A of Securities and Exchange Board of India (Prevention of Insider
Trading) Regulations, 2015]**

1. Background

- 1.1. Regulation 9A of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (“**SEBI PIT Regulations**”) mandates every listed company to formulate a written policy and procedures for inquiry in case of leak of unpublished price sensitive information (UPSI) and initiate appropriate inquiries on becoming aware of leak of unpublished price sensitive information and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

2. Applicability

- 2.1. This Policy shall be applicable with effect from April 1, 2019.

3. Scope

- 3.1. This Policy deals with-
- 3.1.1. Formulating procedures for inquiry such as initiating inquiry, reporting, etc. in case of leak or suspected leak of UPSI.
 - 3.1.2. Strengthening the internal control system to prevent leak of UPSI.
 - 3.1.3. Penalizing any insider (who is Designated Person and/or their Immediate Relatives) who appears to have found guilty of violating this Policy.

4. Definitions

The definitions of some of the key terms used in the Policy are given below. Capitalized terms are not defined herein shall have the meaning assigned to them under the Code/SEBI PIT Regulations.

- 4.1. “**Audit Committee**” means the Audit Committee constituted by the Board of Directors of the Companies in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).
- 4.2. “**Code**” means the Code of Conduct for Kennametal India Limited Code of Conduct for Regulating, Monitoring and Reporting of Trading in Securities by Designated Person and Immediate Relative of Designated Persons.

- 4.3. **“Compliance Officer”** means the person as defined in Code.
- 4.4. “Leak of UPSI” means communication of information which is/deemed to be UPSI by any person, who is in possession of UPSI, to any other person, directly or indirectly, overtly or covertly or in any manner whatsoever, except for legitimate purposes, performance of duties or discharge of legal obligations.
- 4.5. “Delinquent” means the person or persons against or in relation to whom an inquiry is initiated in case of leak or suspected leak of UPSI.
- 4.6. "Unpublished price sensitive information" means any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: –
- 4.6.1. financial results;
 - 4.6.2. dividends;
 - 4.6.3. change in capital structure;
 - 4.6.4. mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions;
 - 4.6.5. changes in key managerial personnel; and
 - 4.6.6. Material Events as specified in the Policy on Determining Materiality and Archival of Disclosures pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 as amended from time to time.
- 4.7. “Whistle Blower” means an employee making a disclosure under the Whistle Blower Policy.
- 4.8. “Working days” means working days of KIL.

5. Procedure for inquiry in case of Leak or suspected Leak of UPSI

5.1. Reporting Mechanisms:

Reports of concerns about Leak of UPSI can be reported by

- 5.1.1. the Delinquent
- 5.1.2. regulators
- 5.1.3. any other person, including employees of the Company (henceforth collectively referred to as ‘Complainant’ or ‘Whistle Blower’).

- 5.2. Reports of concerns about Leak of UPSI or breach of Code/ SEBI (Prohibition of Insider Trading) Regulations, 2015 can be addressed to:
- 5.2.1. Ethics Alert Line (toll-free and anonymous): 000-117 +1-877-781-7319 OR
 - 5.2.2. K-Corp Ethics Mailbox: k-corp.ethics@kennametal.com Source of information relating to leak of UPSI OR
 - 5.2.3. Kennametal Office of Ethics and Compliance: Fax: +1 724-539-3839/ Telephone: +1 724-539-4031/ Mailing Address: Office of Ethics and Compliance, 1600 Technology Way, Latrobe, Pennsylvania (USA) 15650 OR
 - 5.2.4. Audit Committee of KIL OR
 - 5.2.5. The Compliance Officer of KIL
- 5.3. Good faith concerns (hereinafter referred to as “Protected Disclosures”) reported through one of the above mechanisms will be promptly investigated by Kennametal’s global Office of Ethics and Compliance in coordination with partners from the Office of the General Counsel, and Internal Audit, among others as deemed appropriate before referring to the Audit Committee of KIL for needful action.
- 5.4. A Whistle Blower may report any violation of the above clause to the Chairman of the KIL Audit Committee, who is authorized to investigate into the same and/ or pass necessary directions to the Compliance Officer/ Legal Counsel of KIL or the Kennametal Global Ethics & Compliance Officer. The Audit Committee Chairman is also authorized to recommend suitable action to the management post investigation carried out independently.

6. Rights and Obligations of the Delinquent

- 6.1. The Delinquent shall-
- 6.1.1. co-operate with the Inquiry Committee during the investigation process.
 - 6.1.2. have a right to consult with a person or persons of their choice, other than members of Inquiry Committee.
 - 6.1.3. right to be informed of the outcome of the investigation
- 6.2. The Delinquent(s) has the responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated by the Delinquents.

- 6.3. Unless there are compelling reasons not to do so, Delinquents will be given the opportunity to respond to material findings contained in investigation report. No allegation of wrongdoing against a Delinquent shall be considered as maintainable unless there is good evidence in support of the allegation.
- 6.4. In case the Delinquent is an employee of the Company who has resigned (is on notice period) due efforts shall be made by the Inquiry Committee to complete the investigation at the earliest but without compromising the quality of investigation.
- 6.5. Subject to certain exceptions as have been laid out in the SEBI (PIT) Regulations when a Delinquent person who has traded in securities has been in possession of UPSI, his trades would be presumed to have been motivated by the knowledge and awareness of such information.

7. Decision and Reporting

- 7.1. If an investigation leads the Office of Ethics and Compliance / Chairman of the KIL Audit Committee to conclude that there has been a Leak of UPSI or breach of the Code, has been committed, the Legal Counsel of KIL / Chairman of the KIL Audit Committee shall recommend to the management of KIL to take such disciplinary or corrective action as he may deem fit. It is clarified that any disciplinary or corrective action initiated against the person as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or employees' conduct and disciplinary procedures.
- 7.2. The investigation shall be completed normally within 30 days of the receipt of the concerns reported through one of the above mechanisms and is extendable by such period as the Global Director, Ethics and Compliance and/or KIL Audit Committee deems fit. All reports of investigations shall be promptly reported to the Audit Committee Chairman by the Compliance Officer/ Legal Counsel of KIL. The investigation report shall be submitted to the Audit Committee/ Board of Directors immediately and such report shall also be submitted to SEBI simultaneously.
- 7.3. If the Delinquent is proved guilty, the disciplinary action that may be initiated by the investigating authority include wage freeze, suspension, recovery, ineligibility for future participation in the Company's stock option plans or termination, as may be decided by the Audit Committee or the Board of Directors or any other person authorized by the Board.

8. Retention of Documents

- 8.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by KIL for a period of 7 (Seven) years or such other period as specified by any other law in force, whichever is more.
- 8.2. In case the complaint is against the Chairman/CEO of the Company, the Chairman of the KIL Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the KIL Audit Committee if deemed fit. The KIL Audit Committee shall appropriately and expeditiously investigate the complaint.
- 8.3. If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency.
- 8.4. A complainant who makes frivolous/ bad faith allegations despite knowing it to be frivolous shall be subjected to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

9. Protection / Non-Retaliation

- 9.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this Policy. The Company, as a Policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties / functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure.
- 9.2. The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless the individual discloses his details publicly or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the KIL Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law

enforcement agencies, in which case members of the organization are subject to subpoena. Any other person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

10. Administration and Review of this Policy

- 10.1. The Compliance Officer/ Legal Counsel of KIL OR the Office of Ethics and Compliance, in coordination with the Office of the General Counsel shall be responsible for the administration, interpretation, application and review of this Policy. The Global Director, Ethics and Compliance also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

11. Amendment

- 11.1. KIL reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on any person unless the same is notified appropriately viz., publishing on the KIL website or intimating the Stock Exchanges/ SEBI.
