



Kennametal Anti-Corruption and Anti-Bribery Training

Training For: 3rd Parties



Introduction:

Anti-Corruption and Anti-Bribery Training for Business Partners

As a responsible global organization and consistent with our core values, we are committed to conducting business to the highest ethical and legal standards wherever we operate in the world. This includes full compliance with the U.S. Foreign Corrupt Practices Act (FCPA), U.K. Bribery Act and all applicable anti-corruption and anti-bribery laws wherever we do business. We expect all our partners, including all sales agents and distributors to share our commitment to ethics and integrity, while also ensuring full compliance with all applicable laws wherever they operate, including the FCPA. We expressly prohibit employees and partners from engaging in bribery in any form or for any purpose, anywhere in the world. Kennametal's Global Anti-Corruption and Anti-Bribery Procedure applies to all third parties. Please review this procedure and comply with the requirements. We value your partnership and thank you for taking the time to complete this informational training program.

Requirements for Doing Business with Kennametal

- As a representative of Kennametal in the market place, we have certain requirements related to your business operations. *(These items are part of your agreement with Kennametal):*
 - Compliance with our [“Code of Conduct”](#).
 - Compliance with all applicable laws and regulations.
 - We strictly prohibit the use of bribery or corruption in any form to gain or retain business. No exceptions.
 - Bribery is illegal and contrary to Kennametal’s values (you must comply with our [Global Anti-Corruption and Anti-Bribery Policy](#)).
 - Compliance with United States export regulations and other applicable export regulations that may apply to the transaction.
- Promptly investigate and remediate ethics and compliance concerns that may arise in your business operations.

Always operate with the highest ethical standards

What is the Foreign Corrupt Practices Act and How Does it Apply to Your Business?

- Bribery and corruption is illegal under the U.S. Foreign Corrupt Practices Act (FCPA)
- The FCPA applies to you wherever you operate because Kennametal is a U.S.-based corporation.
- Businesses and individuals can be personally prosecuted for engaging in bribery or corruption.
- Even alleged violations can seriously damage reputations:
 - Diminish our standing in the industry
 - Negatively affect customers' perceptions
 - Impair our ability to succeed, as individuals and as companies

The reputations of both companies are at stake!

Who is Covered Under the FCPA?

The FCPA applies to:

- U.S. Companies
- Foreign subsidiaries and affiliates of U.S. companies
[Examples include: KMT India Ltd., KSSPL, KMT Korea, Ltd., KMT (Xuzhou) Company Ltd., KMT Hardpoint Shanghai Ltd., KMT Singapore Pte Ltd., KMT Australia Pty, KMT Malaysia Sdn Bhd, KMT (Thailand) Co. Ltd.]
- Employees, Distributors and Third Party Agents of such companies



Kennametal's distributors must comply with the FCPA!

Who is a “Foreign Government Official” Under the FCPA?

Under the FCPA, the term “foreign government official” includes:

- Any officer or employee of a government or any department, agency, or instrumentality of the government.
- Any person acting in an official capacity for or on behalf of any foreign government, department, agency or instrumentality.
- Officers and employees of public international organizations (e.g. World Bank, United Nations).
- Political party officials and candidates for public office.



Always “KNOW” the party you are dealing with. Who do they work for?

What is “Bribery”?

A **bribe** is the giving or promising to give something of value (regardless of amount) to gain an **improper advantage**.

A few examples of bribes are cash, gift cards, sharing of commissions, vacations, extravagant gifts, employment opportunities in return for business gains...etc.



It is not just the value of the gift, but that it was given with the intent of getting a favorable decision or treatment in return, or to gain or retain business.

Business gifts and entertainment are generally permissible where they are reasonable in value, they are tied to a clear business purpose, and are not being offered in return for gaining or retaining business.

The giving or receiving of gifts, entertainment, or anything of value with a government official is strictly prohibited.

What is an “Improper Advantage”?



Includes the following:

- obtaining or retaining business;
- directing business to any person or firm;
- obtaining a tax break;
- realizing a break on customs duties through reclassification or under-valuation;
- extending an existing contract;
- obtaining permission to secure real estate;
- rendering a favorable judicial or regulatory decision, or waiver of penalties; and
- granting a license or concession.



When in doubt, ask questions and do not proceed!

Raising Compliance Questions or Concerns

- You can report Kennametal-related compliance questions and concerns to our Office of Ethics and Compliance.
 - K-corp.ethics@Kennametal.com
 - (1) 412-248-8275
- Our confidential [Helpline System](#) is available to our partners 24/7 – if you file a report, provide as much detail as possible to allow us to properly investigate.
- See Kennametal's [Ethics and Compliance](#) page on Kennametal.com for more information.

