

Terms and Conditions of Purchase

1. Definitions

1.1 "Purchaser" shall refer exclusively throughout these terms and conditions to Kennametal.

1.2 "Supplier" shall refer to any company, firm, organisation or individual supplying goods and/or Services to the purchaser.

1.3 "The order" means the order printed overleaf which is the complete order made by the purchaser on the supplier. The purchaser will not be responsible for any goods supplied or work done unless the order can be produced nor will the purchaser be bound by any variation of the order unless such variation has the purchaser's prior written approval. All order references shall be quoted in correspondence, advice notes, invoices and any other relevant documents.

1.4 "Goods" and "Work" shall refer to the goods and/or work specified in the order and shall include without limitation all items referred to in the order.

1.5 "Acceptance" of the order shall be acceptance of these conditions which shall exclusively govern the trading relationship between the purchaser and supplier. It is a condition of the order that no terms, conditions, stipulations or otherwise attached to a supplier's quotation or howsoever presented by the supplier shall apply to the order except where these are expressly agreed to by the purchaser in writing and such agreement appears on the face of the order. Any variation required to these conditions by the purchaser shall appear on the face of the order.

2. Compliance With Order

The quantities specified in the order shall not be exceeded nor the specification modified without the prior authorisation of the purchaser on the purchaser's official order form. The cost of any modifications made by the supplier without prior authorisation shall be met entirely by the supplier.

3. Price and Payment

The price specified in the order shall remain fixed and binding. Payment will be made on the last day of the second month following the month of invoice.

4. Patents

The Supplier agrees to defend at its own expense the purchaser, distributors and dealers of the purchaser, and end users of the product of the purchaser, and to hold them harmless in respect to any and all claims that the products or materials furnished by the supplier under the order infringe UK and/or other patent, trade mark, copyright, registered design or inventions held by others and with respect to any and all legal action, controversies, demands and liabilities arising out of any such claim provided that the foregoing shall be of no effect if the allegation or claim is the direct result of the supplier following express written design instructions furnished by the purchaser.

5. Sub-Contracting

The order must be assigned by the supplier without the purchaser's prior written consent save only for the supply of materials or items not usually made by the supplier. The terms and conditions of this order are not limited or otherwise affected by the existence of a sub-contract or any other terms thereof and the supplier shall not set-up the existence of a sub-contract as a defence in any legal proceedings between the supplier and the purchaser.

6. Warranty

The supplier warrants all materials and/or services covered by the order to be free from defect of materials and workmanship and will be fit and sufficient for the purpose intended and merchantable. The supplier will indemnify the purchaser against any loss, damage or injury to the purchaser or loss, damage or injury made against the purchaser by third parties and any costs and expenses arising in connection therewith which result from the supplier's failure to comply with any terms of the order or the supplier's performance of the contract whether negligent or otherwise. The supplier shall provide all facilities, systems and advice required by the purchaser or the purchaser's insurers for the purpose of contesting or dealing with any action, claim or matter arising out of the supplier's performance of the order. This warranty shall survive any

inspection, delivery, acceptance or payments by the purchaser of the goods and/or services and shall be in addition to those implied by or available at law.

7. Delivery and Passing of Title

7.1 The goods and/or services must be delivered in the quantities and at the time stated in the order or in accordance with purchaser's material delivery schedule or other instructions and the purchaser reserves the right to adjust its delivery schedule at any time. The forward lead times for procurement of materials and production planning will be agreed with the supplier but the supplier will be fully responsible for ensuring that materials are available to meet the scheduled delivery dates. The purchaser may cancel the order if the supplier fails to deliver the goods and/or services by the specified dates without any liabilities except to pay for goods already accepted. This right of cancellation is without prejudice to any other remedy the purchaser may have.

7.2 Representatives of the purchaser (and HM Government qualify inspectors) shall have the right to visit the supplier at all reasonable times to inspect all material, workmanship or services entering into the performance of this order and/or to monitor the progress of the work done before, during or after manufacture but that such inspection shall not constitute acceptance. The supplier shall furnish without additional charge all reasonable facilities and assistance for the safe and convenient inspections and tests required. The purchaser shall have the right to reject and return, at the supplier's expense, to require the correction or replacement of, materials, workmanship, or services which are defective or do not conform to the requirements of this order. All rejects shall be held at the supplier risk and expense, including all transportation and handling costs.

7.3 Property in the goods shall not pass to the purchaser until the purchaser has inspected the goods. The risk shall pass upon delivery by the supplier of the goods to the point specified by the purchaser but shall pass back to the supplier immediately upon notification to the supplier of any rejection by the purchaser of the goods or as otherwise specified in these conditions.

7.4 All goods to be delivered free unless otherwise accepted in writing.

7.5 If because of failure of the supplier to meet deliveries required, pursuant to this order the purchaser incurs additional costs and/or penalties for late delivery. The supplier shall indemnify the purchaser against all liabilities in respect of claims, demands, costs, charges, expenses and penalties incurred by the purchaser.

8. Confidentiality

All information which the purchaser has disclosed or may disclose to the supplier and any information relating to the purchaser's business or products which may have come or may come into the possession of the supplier during the execution of the order shall be treated by the supplier in strict confidence and shall not be disclosed to any third parties, nor be used for any purpose other than the execution of the order save that this provision shall not apply to information which is freely available to the public.

9. Property of the Purchaser

All materials, tooling and any other equipment which the purchaser may order on the supplier or loan to the supplier for the execution of the order shall not be used for any purpose other than the execution of the order and supplier shall keep separate and clearly mark with the same of the purchaser all material, tooling and equipment. Such items shall be retained by the supplier in good condition and shall not be disposed of other than in accordance with the written instructions of the purchaser.

10. Termination

In the event of a breach or failure to comply with the terms and conditions of the order or if the supplier (being a company or organisation) shall enter into an agreement or composition with its creditors or if the supplier has a receiver appointed or passes into liquidation, otherwise than for purposes of reconstruction or amalgamation, the purchaser shall be entitled to cancel this order without liability and/or to recover damages from the supplier.

11. Force Majeure

The supplier nor the purchaser shall be liable to the other for any failure to fulfil obligations

under the order providing such failure is attributable to force majeure.

12. Clause Headings

Headings are inserted for convenience only and do not form part of the terms and conditions.

13. Law

This order shall be constructed in all respects in accordance with English law and the parties hereto submit to the jurisdiction of the English courts. The supplier will at all times comply with all legislation and regulations relevant to the goods and/or services covered by this order.

14. CONFLICT MINERALS Seller hereby certifies that no material delivered by Seller to Buyer under this Order contains any substance originating from the Democratic Republic of Congo or any adjoining country that would require disclosure by Buyer under the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or any rule promulgated thereunder. Seller represents and warrants that it has adopted all appropriate policies and procedures, and taken all necessary measures, in accordance with the conflict minerals provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and all rules promulgated thereunder, to grant the certification in the preceding sentence. Seller shall flow down the substance of this clause to its suppliers which perform work or provide goods or services under this Order. Such flow down is subject to verification by Buyer.