NORTH AMERICA INVOICING INSTRUCTIONS

Kennametal's Suppliers are a critical link in our vision to build a more sustainable future. We are committed to paying our Suppliers accurately and on time, so we use scanners and optical character recognition to read invoices. Invoices from Suppliers that follow these instructions can be scanned, processed, and paid more efficiently.

Invoice Content Requirements

Purchase Order (PO) Invoices

Suppliers must prepare invoices containing the following information taken from Buyer's PO:
- PO number
- PO line item number
- PO material number (if applicable)
- Description of the product or service exactly as it appears on the Kennametal PO
- Unit of measure (must match the PO)
- Unit price (must match the PO)
- Item quantity
- Total invoice value

Non-Purchase Order Invoices

Suppliers submitting invoices for goods or services that align to specific preapproved categories may invoice Kennametal without a valid PO number.
- **For non-PO invoices,** the invoice must be forwarded to the Kennametal end user for review. The Kennametal end user will submit the invoice to accounts payable for processing.

General Invoicing Guidelines

- The first page of the attachment should be the first page of the invoice.
- Suppliers shall provide supporting documentation as required to validate invoice charges.
- No invoice shall be issued prior to completion of services or shipment of products.
- An invoice is to reference only one PO.

All Invoices

Supplier's invoice shall also include:
- Supplier's phone number and remit-to address.
- Invoice number.
- Invoice date.
- E-mail address where we can contact the supplier if there are issues with the invoice.

Invoice Submittal

Kennametal's preferred method for invoice submittal is via the Ariba Network. In some cases, the PO may offer an email address, fax number or mailing address for invoice submission. Suppliers should submit invoices as directed by the instructions on the PO if not utilizing the Ariba Network. Suppliers must not submit duplicate invoices or use multiple methods for submitting the same invoice.

Preferred Submittal Method (Ariba Network)

Suppliers who registered a full-use or light Ariba Network account with Kennametal are required to submit invoices via the Ariba Network. Invoices submitted manually, outside of the Ariba Network will be rejected by Kennametal.

Kennametal specifies the following Ariba Network invoice practices:

Supported

- Detail Invoices – Apply against a single PO referencing a line item.
- Partial Invoices – Apply against specific line items from a single PO.
- Credit Invoices – Item level credits; price/quantity adjustments
- Tax data is accepted at the header/summary level or at the line item level of the invoice.
- Shipping data is accepted at the header/summary level of the invoice.

Not Supported

- Summary or Consolidated Invoices – Apply against multiple POs; not accepted by Kennametal
- Invoicing for Purchasing Cards (P-Cards) – An invoice for an order placed using a purchasing card; not accepted by Kennametal
- Duplicate Invoices – A new and unique invoice number must be provided for each invoice; Kennametal will reject duplicate invoice numbers unless resubmitting a corrected invoice that previously had a failed status on the Ariba Network.
- Service Invoices – For PO line items designated as Service, suppliers should submit invoices to K-CORP-Invoice.Service@kennametal.com for service entry and invoice posting. DO NOT submit invoices for service items via the Ariba Network. Orders with mixed item types (Material & Service) should have invoices submitted for only the material item type.

Alternate Submittal Methods

The alternate methods for invoice submittal are email then via mail or facsimile as a last option. The preferred method (Ariba Network) should be used whenever possible in order to minimize transaction costs for both the Supplier and Kennametal.

1. **Email**
   - Invoices may be emailed to the billing email address identified on the PO.
   - Invoices are to be attached as PDF or tiff files and one PDF or tiff is to contain only one invoice. Sending invoices in any other format is not acceptable and will result in the invoice not being processed.
   - Only invoices and supporting documentation should be delivered to the billing email address.
   - There can be multiple PDF or tiff invoices included in one email. Each PDF or tiff file will be processed as a separate invoice.

2. **Fax/Mail**
   - Invoices may be **faxed** to billing fax number identified on the PO.
   - Invoices may be **mailed** to the billing address identified on the PO.

Supplier Invoices not in Accordance with the Above Will be Rejected (or Delayed)

Kennametal wants to pay suppliers in accordance with agreed upon terms. We greatly appreciate supplier's cooperation in adhering to these requirements as it will help us to process invoices faster. Any exception to the content or submittal rules may result in **invoice rejection or delayed payment** as well as additional communication and coordination between our companies. The following examples lead to delays:

- Sending the same invoice multiple times.
- Sending an invoice to an email address other than the billing email address identified on the PO.
- Faxing or mailing an invoice as opposed to emailing the invoice.
- Emailing a single PDF or tiff file with multiple invoices (any invoices after the first submission will not be processed).
- Emailing a ZIP file invoice or similarly unreadable format.
- Sending documents that are not invoices, such as statements, inquiries and notices, to billing email addresses. The e-mail addresses for invoice submission are unmanned scanning center for the submission of invoices only. Other communications will not be answered.

Evaluated Receipts Settlement (ERS) Process

ERS (Evaluated Receipts Settlement) is a procedure for the automatic settlement of a goods receipt or service PO. Suppliers on the ERS program are paid based on Kennametal's received quantity and the price on the PO at the time of receipt. An invoice is not required for payment processing. Suppliers interested in enabling this process should contact **k-corp-ap.inq@kennametal.com** for additional information.

Preferred Method of Payment

Kennametal prefers to pay Suppliers electronically via the ACH (Automated Clearing House) payment system. To receive payments via ACH contact **k-corp-ap.inq@kennametal.com** for the necessary setup forms.

We're Here to Help

For general Accounts Payable questions, contact Kennametal Accounts Payable at **k-corp-ap.inq@kennametal.com**. For specific PO questions, contact your Kennametal Buyer directly.