



KENNAMETAL INDIA LIMITED
(Amended and effective February 10, 2023)

CODE OF BUSINESS CONDUCT AND ETHICS

Under Regulation 17(5) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013

Kennametal India Limited (the “**Company**”) believes in and is committed to ethical and lawful business conduct of its Board of Directors, Senior Management Personnel and employees which is critical to the Company’s success. The Company upholds ethical and legal standards vigorously as we pursue our financial objectives without compromising honesty and integrity anywhere at any time.

As required under Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015], the Board of Directors shall lay down a code of conduct for all members of Board of Directors and Senior Management Personnel of the listed entity and the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

Consistent with these principles, the Company’s Board has adopted this Code of Business Conduct and Ethics (“**Code**”) as a guide to the high ethical standards expected of its **Board Members, Key Managerial Personnel (KMP) and its Senior Management Personnel** .

The objective of this Code is to provide guidance and shall be binding on the Board of Directors, Key Managerial Personnel and Senior Management Personnel to manage the operations and affairs of the company in an ethical manner. This Code shall lay down the guiding principles on which the company and its Board, Key Managerial Personnel and Senior Management Personnel shall conduct themselves.

1. Definitions

“**Board of Directors**” shall mean the board of directors, of the Company;

“**Director**” means a director appointed to the Board of the Company;

“**Independent Director**” means an independent director referred to in sub-section (6) of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

“**India Leadership Council**” means leadership team comprising of personnel holding the following positions by whatever designation conferred by the Company:

- Managing Director;
- Chief Financial Officer;
- General Counsel and Company Secretary, India;
- Business Heads representing different business segment;
- Head of Manufacturing Operations;
- Head of Human Resources;
- Head of Strategic Marketing; and
- such other senior leaders as recommended by the Managing Director and approved by the Nomination & Remuneration Committee of the Board, from time to time.

“Key Managerial Personnel” means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;

“key managerial personnel”, in relation to a company, means—

- *Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;*
- *Chief Financial Officer;*
- *Company Secretary; and*
- *such other officer as may be prescribed under the applicable laws from time to time.*

“Related Party”, with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager is a member or director; (v) a public company in which a director or manager is a director or holds along with his relatives, more than two per cent. of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any company which is- (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (ix) such other person as may be prescribed;

“Senior Management” or “Senior Management Personnel” means personnel of the company who are members of the India Leadership Council excluding the Board of Directors, members of the management who are one level below Chief Executive Officer or Managing Director or Whole Time Director or Manager and shall also include functional heads of the Company.

“whole-time director” includes a director in the whole-time employment of the company.

All other words and expressions used but not defined in this Code but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/ or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

2. In performing their duties the Directors, KMP and Senior Management will:

- Act ethically, diligently, in good faith and with integrity and in the best interests of the Company and its stakeholders;
- Act responsibly, with due care without allowing their independent judgment to be subordinated and in a manner to enhance and maintain the reputation of the Company;
- Abide by all applicable laws and regulations;
- Become and remain familiar with the Company's business and the economic and competitive environment in which it operates and understand its principal business plans, strategies and objectives;
- Commit the time necessary to prepare for, attend (in person or telephonically, as appropriate) and actively participate in regular and special meetings of the Board / Company;
- Disclose potential conflicts of interest that they may have regarding any matters concerning the Company;
- Inform the Board of Directors of changes in their employment, other board positions, relationship with other businesses that may interfere with their ability to perform their functions with independence;

- Maintain the confidentiality of all material non-public information relating to the business of the Company and NOT use such information acquired in the course of their duties for their personal advantage;
- While carrying out their duty, shall ensure that it is executed in accordance with the authorizations granted and within the limits prescribed under the relevant policies, codes and other guidelines issued by the Board of Directors or the Company from time to time;
- Will neither receive nor offer gifts and/or benefits with the objective of which are perceived to obtain any business advantage or to get business;
- Will declare and obtain prior approval of the Board or any Committee before entering into any transaction falling under the definition of Related Party Transactions as per the provisions of sections 184 and 188 of the Companies Act, 2013 and the rules made thereunder from time to time. and SEBI ((Listing Obligations and Disclosure Requirements) Regulations 2015;
- The Independent Directors shall abide by the provisions of Schedule IV of the Companies Act, 2013 (Code for Independent Directors), as appended herewith as Annexure.

3. Fair Dealing

Directors, KMPs and Senior Management shall not take a discriminatory stance towards or give unfair advantage to the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employee, customer, supplier or any business partner.

4. Free And Fair Competition

Directors, KMPs and Senior Management of the Company shall ensure compliance of Competition laws designed to encourage and protect free and fair market competition in India and elsewhere. The Company is committed to comply with the said regulations to enhance free and fair market.

5. Violation

In the event of any violation, the same shall immediately upon knowledge, be reported to the Chairman of the Company. The Chairman shall, thereafter, inform the Board of Directors of the Company about such violation at their subsequent meetings.

6. Amendments, Modification & Waivers

This Code shall be reviewed from time to time and any amendments or modifications thereto, shall be subject to the review and approval of the Board of Directors of the Company. This Code shall be uploaded on the website of the Company in compliance of Corporate Governance norms.

The members of the Board, KMPs and the Senior Management of the Company acknowledge and agree to abide by the Code.

All Directors, KMP, and the Senior Management will immediately upon adoption of the Code and thereafter annually on July 1, sign a confirmation of compliance with this Code.

Declaration & Acknowledgment of Receipt of Code of Conduct and Ethics

I have received and read the Company's Code of Conduct and Ethics. I understand the standards and policies contained in the Code of Conduct and Ethics and understand that there may be additional policies or laws applicable specific to my job and/or the work location.

I, _____, hereby confirm that I have complied with the said Code for the period July 01, 20____to June 30, 20____.

Signature : _____

Date :

Name :

Designation :

SCHEDULE IV
[See section 149(8) of the Companies Act, 2013]

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct: An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions: The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties: The independent directors shall—

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates; (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment: The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-independent directors and the Board as a whole;
 - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
