

KADANT INC.

Risk Oversight Committee of the Board of Directors

Charter

Statement of Purpose

The purpose of the Risk Oversight Committee (“Risk Oversight Committee”) shall be to assist the Board of Directors of Directors of Kadant Inc. (“Board of Directors”) in fulfilling its oversight responsibilities with respect to the Company’s risk management processes, including assessment of key strategic and operational risks. The Risk Oversight Committee shall have the following responsibilities:

- Provide oversight of management’s activities relating to the identification, evaluation, management and monitoring of the Company’s critical enterprise risks, including the major strategic, operational and reputational risks inherent in the business of the Company (“Enterprise Risks”);
- Receive periodic reports from management on selected risk topics as the Risk Oversight Committee deems appropriate; and
- Report to the Board of Directors the Enterprise Risks which have the potential to significantly impact the Company’s ability to execute its strategic priorities and achieve its performance goals and objectives.

Risk assessment and risk management are the responsibility of the Company’s management. The Risk Oversight Committee has an independent oversight role, and, in fulfilling that role, relies on the reviews and reports provided by management. Other committees of the Board of Directors, such as the Audit Committee, have responsibility for oversight of the Company’s financial and compliance risks, and the Risk Oversight Committee shall collaborate with the Chairman of the Audit Committee to assist the Audit Committee in its review of the Company’s risks that have been delegated to the Audit Committee in its charter.

Membership, Structure and Procedures

1. Membership. The Risk Oversight Committee shall be composed of at least two directors, as determined from time to time by the Board of Directors. The members of the Risk Oversight Committee shall be appointed by the Board of Directors and serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. Each member of the Risk Oversight Committee shall meet applicable standards of independence, and the determination of independence shall be

made by the Board of Directors. The members of the Risk Oversight Committee may be removed, with or without cause, by the Board of Directors.

2. Chair. Unless a Chair is elected by the Board of Directors, the members of the Risk Oversight Committee shall designate a Chair by majority vote. The Chair will preside over all regular sessions of the Risk Oversight Committee and set the agendas for meetings.
3. Meetings. The Risk Oversight Committee shall meet as often as it deems necessary in order to perform its responsibilities. Meetings of the Risk Oversight Committee may be called by the Chairman of the Board of Directors, the Chair of the Risk Oversight Committee, or by a majority of the members of the Risk Oversight Committee. Notice of any meeting of the Risk Oversight Committee shall be given in the same manner as meetings of the Board of Directors, as provided in the Company's by-laws. Members of the Risk Oversight Committee may participate in meetings of the committee by means of conference telephone or other communications equipment, in accordance with the Company's by-laws. A majority of the total number of members of the Risk Oversight Committee shall constitute a quorum for the transaction of business. The vote of a majority of the members present shall be necessary for the approval of any action or determination. Any action or determination of the Risk Oversight Committee may be taken without a meeting if all members of the committee consent in writing or by electronic transmission, in accordance with the Company's by-laws. Records of the meetings of the Risk Oversight Committee shall be kept by the Company's Secretary, unless another individual shall be designated by the committee. All directors that are not members of the Risk Oversight Committee may attend meetings of the Risk Oversight Committee but may not vote. Additionally, the Risk Oversight Committee may invite to its meetings, or exclude in its discretion, any other director, management of the Company and such other persons as it deems appropriate in order to carry out its responsibilities.
4. Subcommittees. The Risk Oversight Committee may form and delegate authority to one or more subcommittees (including a subcommittee consisting of a single member), as it deems appropriate from time to time under the circumstances.

Authority and Responsibilities

The following functions shall be the common recurring activities of the Risk Oversight Committee in carrying out its purposes outlined above. These functions serve as a guide with the understanding the Risk Oversight Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Risk Oversight Committee shall also carry out any other responsibilities and duties delegated to it by the Board of Directors from time to time related the purposes of the Risk Oversight Committee outlined above. The Risk Oversight Committee shall:

1. Review, monitor and discuss with management the Company's significant Enterprise Risks and opportunities, including steps management is taking to assess, manage or mitigate such risks and opportunities.

2. Provide input to management regarding the appropriate level of risk exposure and tolerance throughout the Company and by line of business, and provide guidance on defining risk review activities regarding decisions, initiatives, transactions and exposures.
3. Provide the Board of Directors an overview of the results of the Risk Oversight Committee's activities and recommend specific critical Enterprise Risks that warrant the Board of Directors oversight and attention.
4. Review and discuss with management the adequacy of the Company's resources and infrastructure to fulfill its risk management responsibilities, as deemed appropriate given the nature of the Company's activities and size.
5. Review periodic updates on all critical Enterprise Risks, including appropriate information regarding potential exposure, status of risk management action or contingency plans and actual risk events.
6. Review the Company's disclosure of Enterprise Risks in all filings with the Securities and Exchange Commission.
7. In collaboration with the Audit Committee, review, assess and discuss (i) any significant risks or exposures, the steps management has taken to minimize such risks or exposures and the Company's underlying policies with respect to risk assessment and risk management.

Other Powers and Authority

1. Reports to the Board of Directors. The Risk Oversight Committee shall report regularly to the Board of Directors.
2. Charter. The Risk Oversight Committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.
3. Independent Advisors. The Risk Oversight Committee shall have the authority to engage such independent legal and other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Risk Oversight Committee is empowered, without further action by the Board of Directors, to cause the Company to pay the compensation of such advisors as established by the Risk Oversight Committee.

As adopted: 9/15/14