

CODE OF BUSINESS CONDUCT AND ETHICS

Introduction

We require the highest standards of business ethics and integrity on the part of all our employees and directors in the conduct of our business. The board of directors of Kadant Inc. has adopted this Code of Business Conduct and Ethics (Code) as a guide for the employees and directors of the Company, its subsidiaries and divisions, to help them recognize and deal with ethical issues, promote honest and ethical conduct, and to provide a mechanism for reporting violations.

No code of business conduct can replace the thoughtful behavior of our employees and directors. If you have any questions regarding the application of this Code or the appropriate conduct in a particular situation, you are encouraged to discuss the matter with your supervisor, subsidiary management, or executive personnel.

The Code does not and is not intended to interfere with or limit any rights individuals may have under applicable local laws. If you have any question regarding your individual rights, you are encouraged to contact your subsidiary management or the Company's legal department.

Compliance with Laws, Rules and Regulations

The Company requires that all employees and directors comply with all laws, rules and regulations applicable to the Company wherever it does business. You are prohibited from engaging in any transaction or matter on behalf of the Company which would cause the Company to violate any applicable law or regulation. You are expected to use good judgment and common sense in seeking to comply with all applicable laws, rules and regulations and to ask for advice when you are uncertain about them.

In addition to laws and regulations imposed by local governments and regulatory bodies, the Company from time to time adopts its own policies and procedures. As in the case of laws and regulations, you are also required to comply with the Company's internal policies and procedures. This Code is intended to be consistent with all applicable laws. If there are any inconsistencies between this Code and any applicable law, the applicable law shall control.

Ethical Conduct and Fair Dealing

All employees and directors should endeavor to deal honestly, ethically and fairly with the Company's customers, suppliers and employees. You should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Conflicts of Interest

All employees and directors must act in the best interests of the Company. That means that you must not engage in any activity or have a personal interest that presents a conflict of interest. A conflict of interest occurs when your personal interest interferes, or appears to interfere, with the interests of the Company as a whole. A conflict of interest can arise whenever you take action or have an interest that prevents you from performing your Company duties and responsibilities honestly, objectively and effectively. You must avoid situations that might affect your independence of judgment with respect to any business dealings between the Company and any other organization or individual.

A conflict of interest can arise in many ways. For example, a conflict of interest can arise through a relationship with other individuals or organizations that might impair, or even appear to impair, the proper performance of your Company duties and responsibilities. It may also involve a related-party transaction in which the parties do not deal with one another at arm's length. Related-party transactions may include, but are not limited to dealings between an employee who is in a position to influence a business transaction between the Company and (1) an individual who is a member of the employee's family or a close business associate, (2) a non-Company organization in which the employee serves an officer, trustee or partner, and (3) any individual or organization with whom the employee is negotiating or with whom he or she has an arrangement concerning future employment. A conflict of interest may also arise when an employee or director, or a member of his or her immediate family, receives improper personal benefits as a result of his or her position in the Company.

If you believe that a conflict of interest exists or may occur, whether involving you or another Company employee, you are encouraged to report all the details to your subsidiary president. The subsidiary president, after informing and consulting the Company's general counsel, shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest, unless the matter involves an officer or director. Conflicts of interest concerning an officer or director of the Company will be reported to the audit committee of the Company's board of directors for review and determination.

Corporate Opportunities and Assets

Employees are expected to give their full and undivided attention to their Company duties. You should not use Company facilities or your association with the Company to carry on a private business or profession. You should not engage in any profit-making business, or become involved with a nonprofit organization, outside of your employment with the Company, that interferes with your responsibilities at the Company or that is a competitor, customer or supplier of the Company, without your employer's written consent.

Employees and directors are expected to advance the Company's legitimate interests when the opportunity to do so arises. You must not take for yourself personal opportunities that are discovered through your position with the Company or the use of property or information of the Company.

Employees and directors should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's performance. You should protect and use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else.

Confidential Information

All employees must maintain the confidentiality of confidential information they receive or is entrusted to them in the course of performing their duties and responsibilities. This includes information you may receive from other employees or from another source, such as a supplier or customer. Confidential information is information that has not been disclosed to the public, and may include technical or financial information about the Company or another company, a business relationship or a transaction. You may not disclose such confidential information, unless authorized by your supervisor or you are legally required to do so, and you may not use confidential information for your own financial gain, for the financial gain of any other person or to obtain a personal benefit of any kind. You should not provide any confidential information concerning the Company to anyone outside the Company unless an appropriate confidentiality agreement is in place or you are specifically authorized by a Company officer.

From time to time, you may receive inquiries from someone outside the Company for information concerning the Company. You should not discuss with, or disclose to, individuals outside the Company any confidential internal Company matters, unless it is required in the performance of your Company duties and an appropriate confidentiality agreement is in place.

You may also receive inquiries from the media, shareholders and market professionals (such as securities analysts, institutional investors, investment advisers and brokers). If you receive any inquiries of this nature, you must decline to comment and refer the individual to your subsidiary president. These types of inquiries can only be handled by an authorized spokesperson for the Company. Guidance with respect to public disclosure of internal Company matters are described more fully in the Company's Public Disclosure Policy.

Entertainment and Gifts

Our employees and directors are prohibited from accepting costly entertainment, gifts or other favors (including cash) from our suppliers, competitors or customers, or any person seeking to do business with the Company. Such situations may create either a conflict or the appearance of a conflict between your interests and the interests of the Company. The use of Company funds for entertainment, gifts or other favors is not permitted unless they are moderate in amount or in accordance with local customs and, in all cases, in compliance with applicable law.

Common sense, good judgment and moderation should prevail in business entertainment engaged in on behalf of the Company. Business entertainment is intended to serve the legitimate business goals of the Company. Entertainment or gifts that appear excessive should be reported to your immediate supervisor so a determination can be made concerning the extent to which such gift or entertainment can be accepted or can be considered the personal property of the recipient.

Improper Payments, Gifts and Gratuities

The Company and each of our employees are expected to comply with the anti-bribery and anti-corruption laws that apply to our business activities. Once such law is the

U.S. Foreign Corrupt Practices Act (FCPA), which applies to all of our businesses and employees no matter where they are located or where they do business. In addition, the anti-bribery and anti-corruption laws adopted by other countries in which we operated apply to our business activities.

The FCPA prohibits the Company and its employees from making, or causing others to make, any illegal payment to anyone within the United States, or to any officials or agents of any foreign government, including for the purpose of advancing, promoting or expediting Company interests. As examples, you must never offer incentives to foreign or domestic government officials or agents in an attempt to influence that individual or gain an improper advantage. You must never give gifts, gratuities or other payments directly or indirectly to domestic or foreign government officials in an effort to obtain or retain business for the Company or to obtain any special or unusual treatment in connection with a business transaction. These requirements apply to our employees and our agents, no matter where they are doing business. If you are authorized to engage agents, you must ensure that they are reputable and require them to agree in writing to the Company's standards in this area.

In some but not all jurisdictions, small expenditures involving government officials (known as "facilitating payments") may be permitted by law. However, you must obtain the permission of your supervisor before making any payments involving government officials because the reason for a gift, gratuity, favor or payment may be subject to misinterpretation or may violate applicable laws. For example, facilitating payments are illegal under the U.K. Anti-Bribery Act and are considered bribes.

For additional guidance on this topic, consult the Company's Anti-Corruption Policy or the Company's general counsel.

Political Contributions

The legality of political contributions to national, state, local or foreign campaigns or causes must be determined on a jurisdiction-by-jurisdiction basis and therefore, must be approved in advance by the Company's general counsel. For example, Political contributions to U.S. federal election campaigns made directly or indirectly from Company funds are prohibited. Political contributions include any donation, gift, or loan of Company funds, assets or property.

Insider Trading

Employees and directors of the Company are prohibited from purchasing or selling securities of the Company or other companies on the basis of material nonpublic information concerning the Company or obtained in the performance of their Company duties, or from disclosing material nonpublic information to others who might trade on the basis of that information. The Company's policies with respect to insider trading are described more fully in the Company's Insider Trading Policy.

Accuracy of Books and Records; Accounting Matters and Public Information

The Company is committed to providing full, fair, accurate, timely and understandable disclosure of relevant information to stockholders, investors and the U.S. Securities and Exchange Commission. All employees and directors must honestly and

accurately report all business transactions. You are responsible for the accuracy of your records and reports. Accurate information is essential to the Company's ability to meet its legal and regulatory obligations.

All Company books, records and accounts must accurately reflect the true nature of the transactions they record. No false or misleading entries shall be made in the Company's books and records for any reason, and no undisclosed or unrecorded account or fund shall be established for any purpose. No disbursement of corporate funds or other corporate property shall be made without adequate supporting documentation. All accounting information should be prepared in conformity with applicable regulations and standards and the Company's accounting policies. The Company's financial statements shall conform to generally accepted accounting rules and the Company's accounting policies.

In connection with any audit, review or examination of the Company's financial statements or the preparation or filing of any report with the U.S. Securities and Exchange Commission, you must not make or cause to be made, directly or indirectly, a materially false or misleading statement to the Company's independent auditors. You are prohibited from taking any action, directly or indirectly, to coerce, manipulate, mislead or fraudulently influence any independent auditor engaged in the performance of any audit or review of the Company's financial statements.

Global Trade Compliance and Export Control Awareness

Our business is international and adherence to applicable global trade compliance, including trade sanctions, export control laws and regulations, is essential to our business. These sanctions and regulations may restrict business activities with specific countries, individuals and entities, and may limit the export or re-export of specific products and technologies. Failure to comply may subject the Company and its employees to penalties, fines, imprisonment and loss of export privileges, as well as adverse publicity.

It is important that we comply with all applicable global trade and export control laws and regulations pertaining to our operations. The Company must conduct all of its trade-related activities, including sales and shipments of products and transfers of technology, in a manner intended to satisfy its obligations under trade sanctions, export laws and regulations of the United States, European Union, and other countries in which it is engaged in business.

Maintaining Free Competition

Federal and state antitrust laws, as well as international competition laws, prohibit various practices that could limit competition or restrict free trade. Under these laws, companies may not enter into agreements with other companies, however informally, that unreasonably restrict competition. These laws are complex and vary considerably from country to country. In general, they concern agreements with competitors that harm customers, agreements that force customers to buy other products and services, or attempts to monopolize a market by pricing a product below cost in order to eliminate competition. Accordingly, you are expected to be sensitive to the possibility of legal concerns under competition laws and direct any questions or concerns to either your supervisor or the Company's general counsel.

Health and Safety

The safety and health of employees and the public are very important to the Company. Safety rules and work practices developed by our businesses are intended to help preserve the safety and health of employees and the public and to comply with applicable regulations. You are expected to know the safety rules pertaining to your job assignment, and to comply with these rules in the performance of your job. The Company will not tolerate any conduct by employees that jeopardizes the safety of the workplace, other employees or the public.

Equal Employment Opportunities; Human Trafficking and Slavery

As a company with a global reach, we work with employees and business partners of many different nationalities, cultures and customs. We expect individuals to be treated with dignity and respect. Our Company is opposed to all human trafficking and slavery in our operations, our supplier's operations or elsewhere.

Our Company does not tolerate unequal treatment or discrimination in violation of applicable law. Our Company's policy is to afford equal opportunities in accordance with applicable laws for employment to all individuals of any race, color, religion or belief, sex, sexual orientation and gender reassignment, marital or civil partner status, nationality, ethnic or national origin, disability (including but not limited to disabled veteran or veteran of Vietnam era status), age, and any other characteristic protected by applicable law, with due regard to an individual's relative qualifications and abilities.

Speaking Up and Seeking Guidance; Company Ethics and Compliance Hotline

The Company believes that every employee and its directors should act ethically in the performance of their responsibilities on behalf of the Company. Considering the complexity of this Code, questions of interpretation of the Code or the application of laws and regulations will arise from time to time. It is normal to have questions or need guidance in the ordinary course of business, and we believe many questions can be addressed by speaking to your immediate supervisor or your subsidiary management, including your human resources manager, finance manager or subsidiary president.

You are encouraged to raise your concerns using your subsidiary's normal channels as described in your subsidiary's work rules or employee handbook or through the Company's Ethics and Compliance Hotline. In particular, you are encouraged to report through the Company's Ethics and Compliance Hotline concerns regarding:

- fraud or misconduct in the areas of accounting, internal accounting controls and financial reporting;
- questionable accounting or auditing matters;
- bribery or other criminal activity; or
- insider trading.

You are also encouraged to use the Company's Ethics and Compliance Hotline if you are uncomfortable using your subsidiary's normal channels of communication or if you are afraid of retaliation if you report your concerns. Instructions on how to report concerns

using the Company's Ethics and Compliance Hotline are described in the Company's Ethics and Compliance Hotline Policy.

You may report confidentially and anonymously (to the extent legally permitted) in the manner described in the Company's Ethics and Compliance Hotline Policy. You may raise concerns without fear of retaliation, if your report is made in good faith. The Company will not discipline, discriminate against or retaliate against any employee who reports a concern, or who cooperates in any investigation or inquiry regarding such report, unless the report was not made by you in good faith.

Failure to comply with the standards outlined in this Code, or to cooperate in any investigation regarding an alleged violation, will result in appropriate disciplinary action, up to and including termination of employment, as determined by the Company. Certain violations of this Code may require the Company to refer the matter to the appropriate governmental or regulatory authorities for investigation or prosecution.

Waivers of Provisions of this Code

While some of the policies contained in the Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be appropriate. If you believe that an exception to any of these policies is appropriate in your case, you should first contact your immediate supervisor. If your supervisor agrees that an exception is appropriate, the approval of the Company's general counsel must be obtained.

Any executive officer or director who seeks an exception to any of these policies should first contact the Company's general counsel. Any waiver of this Code for executive officers or directors may be made only by the board of directors and will be disclosed as required by applicable laws and rules of the stock exchange on which the Company's common stock is listed.

Amendment

The Company reserves the right to unilaterally amend, alter or terminate this Code (as well as any other policies that the Company may adopt from time to time) at any time for any reason. The most current version of the Code will be posted on the Company's Web site at www.kadant.com under the heading Corporate Governance. This Code does not create a binding employment agreement between the Company and any employee, officer or director, or any other person or entity.

Effective Date: December 2017
Supercedes: December 2016