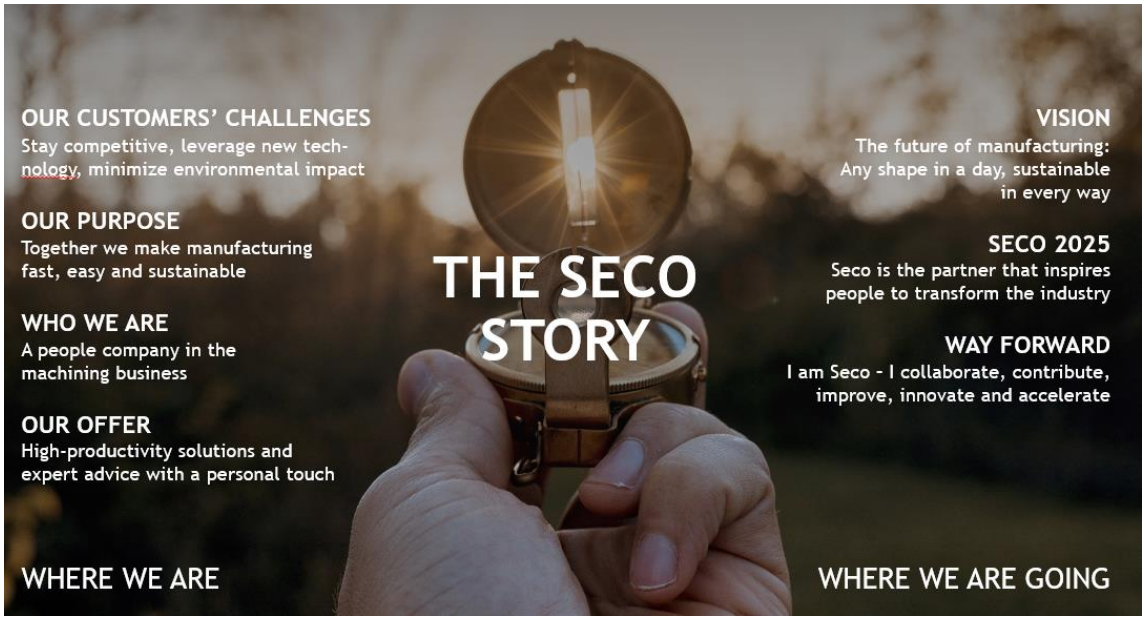
2020 Distributor Conference Summary and Q&A Answers

Re-writing our Story:

"Switching gears", the theme of our 2020 Distributor Conference, summarized that message: our industry is ever-evolving and our customers' businesses are changing. While this means opportunities, this also means that we have to change. As we continue to develop competitiveness in our core business, we also need to explore the new opportunities that arise.

We were excited to share our Seco Story with our distributor partners at the conference. The Seco Story is more than a corporate mission statement. It describes where we are today and where we are going in 7 chapters listed and explained below.



- Our customers' challenges:
  Stay competitive, leverage new technology, minimize environmental impact

The new Industry 4.0 era marked a shift from mass production to customization. E-commerce capabilities are critical in the world of digitalization. SMART/connected machines and 3D printing are drastically changing manufacturing, and the need for speed is every customer's challenge. Flexibility and responsiveness are key, and so are profitability and sustainability. Customers are under increasing pressure to minimize environmental impact and reduce waste. As a supplier, our task is to support our distributors and their customers in their transition into the next era of manufacturing.

- Our purpose:

  Together, we make manufacturing fast, easy and sustainable

Together with our distributor partners, we are a key part of some of the world's most important industries. We help people commute and travel the world. We support the energy industry, which is the backbone of our society. We help manufacture medical devices. In all these segments, we strive to help customers solve technical challenges though solutions that ensure high-precision machining and high-quality output. Our goal is to make our customers' lives less complex by helping them make manufacturing faster (access, productivity, delivery times), easier (assistance, flexibility, simplicity) and more sustainable (circular systems, less waste, reduction of ecological impact).

- Who we are:

  A people company in the machining business

A lot of manufacturers sell carbide and offer comparable products that might perform at similar levels. At Seco, we are not just a product company, we aim to be a true people company. We do have a strong and unique culture based on our shared values: Passion for Customers, Family Spirit and Personal Commitment. And we bring this culture to our channel partners in the relationships we build with them.



- Our offer:

  High-productivity solutions and expert advice with a personal touch

Customers want products, services and solutions and in an extremely competitive market their main need is productivity – increase output and reduce costs. Seco has a long history of innovation and our solutions are based on our high-quality tools in indexable milling, solid milling, stationary, hole-making and tooling systems. But product innovation alone is not enough. Customers also need digital technology and services to stay competitive and have access to instant data and information. The third element to a strong offering is our hands-on application advice provided by our technical sales force. In

building our offer, we aim at exceeding customer expectations with products, services, knowledge and experience and providing them in a friendly, honest and reliable way.

- Our Vision:
  The future of manufacturing: any shape in a day, sustainable in every way

We want to create a business and industry that attracts the best people and the best partners. We believe that one day, manufacturing will be so flexible and fast that almost any shape can be produced in a day – from concept to finished product. This is a future where advanced machine shops are completely digital and circular and where mass customization is standard. Seco and its distributor partners make it possible to produce special one-off components in cost-efficient and responsible ways.

- Seco 2025:
  The partner that inspires people to transform the industry

As a supplier, we need to embrace the new manufacturing industry characterized by Artificial Intelligence, machine learning and automation and we have to implement changes to not only increase our own efficiency but to give ourselves the knowledge and expertise we need to support our channel partners and their customers as they go through the same transformation. As we transform ourselves, we hope to inspire our customers to transform as well. One of our goals is to create a customer's journey that is personal, seamless and fast.

- Our way forward:
  I am Seco – I collaborate, contribute, innovate and accelerate

We know who we are as a supplier and we have a vision of where we want to go. To get there, we need everyone's contribution. Not only within Seco, where everyone needs to be working towards our common goals, but through full collaboration and engagement with our distributor partners as well. We are excited to share our future with partners who share our vision and our values. With a clear focus and simplicity in executing our strategy, we will get the speed we need to support our customers together.

Global and North American Business Update

- Global Market Overview:

America's industrial production went further into decline in the last quarter of 2019 and a weak 2020 is expected. Asia is seen to have bottomed out where China posted an industrial production growth of 6% in the fourth quarter. Japan struggled in the fourth quarter due to the tax hike and decline will remain over 2020. The European sentiment has improved over the last quarter of the year even though industrial production finished the year with low levels.

-Automotive: automotive production remained in decline in the 4th quarter of 2019, leading to reserved forecasts for 2020.

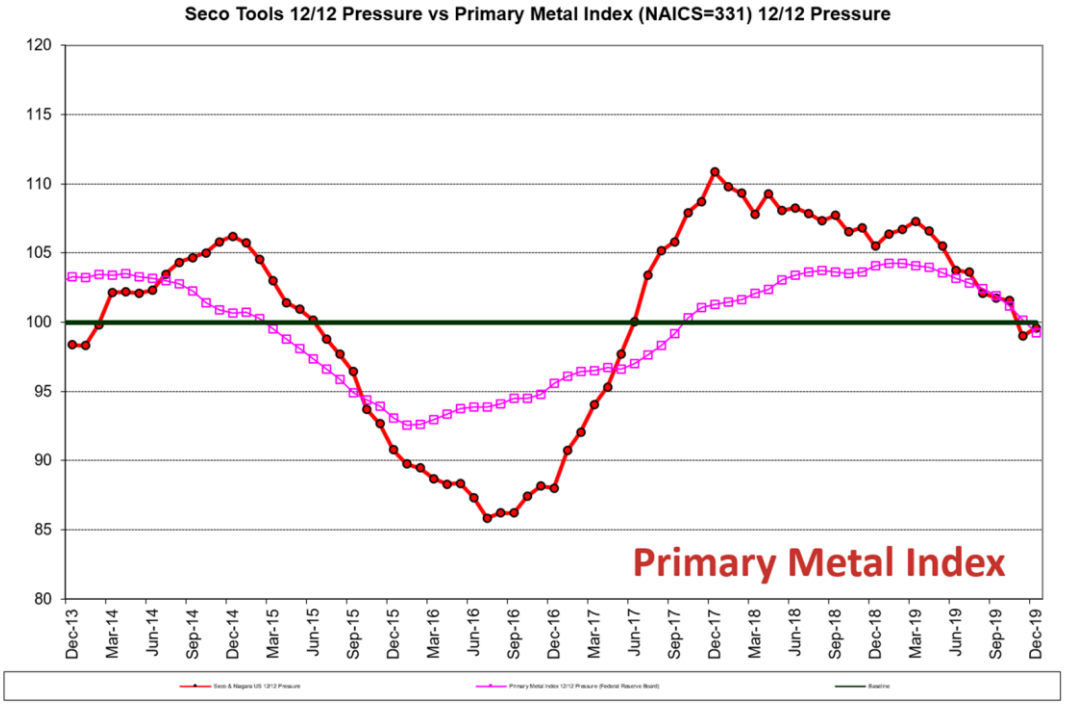
-Oil & Gas: the oil & gas price increased to $65 a barrel during Q4 of 2019, which may indicate extended activity. However, uncertainty remains in the sector due to the US/Iran conflict.

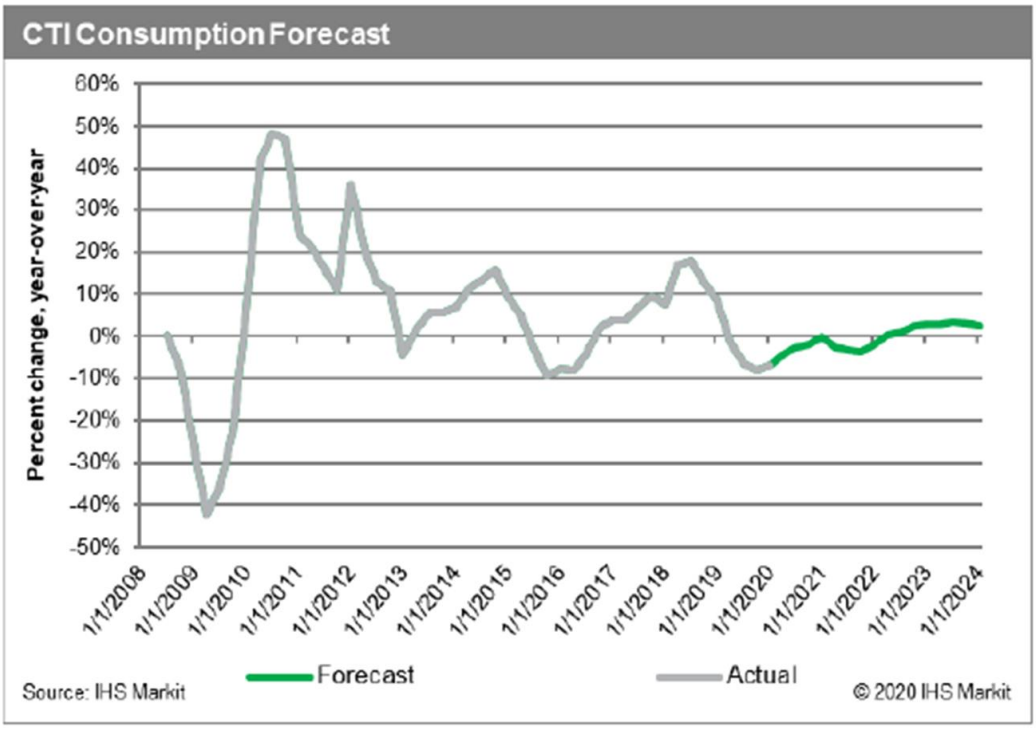
-Aerospace: the global aerospace sector showed positive growth in Q4. The industry is expected to fall back during the first half of 2020 due to the suspended production of Boeing 737 Max.

- North America Market conditions:

The U.S Cutting Tool Institute (USCTI) reported November 2019 cutting tool consumption at $189.1 million on their latest report, which was down 12.6% from October. With a YTD total of $2.3 billion, 2019 was down 1.1 % at the time when compared to 2018. Although we have not yet received the year end report, we expect a negative growth of the cutting tool market for 2019.

The primary Metal Index kept decreasing in 2019 and forecasts point to a slow and flat market in the next couple of years.





- Seco North America 2019 Performance:

Seco showed low positive results in North America in 2019, with an increase in productivity of +3.4% and an overall YOY sales growth of 1.1%. The growth was led by our strong performance in Mexico as shown in the below table.

COUNTRY	V%	% of Total
USA	+1%	87%
Mexico	+9%	8%
Canada	+0%	5%
North America	+1.1%	100%

Seco continued to actively prospect companies for future acquisitions throughout the year. At the end of December, we acquired the cutting tool division of Quimmco Centro Tecnologico (QCT), a leading Mexico-based cutting tool company with strong capabilities in custom made round tools. The acquisition will give Seco manufacturing and reconditioning capabilities close to the growing Mexican market and will shorten lead times for customers.

- Seco North America 2020 Targets and Priorities:

To drive efficiency and productivity, Seco has chosen to focus on 3 strategic areas in 2020:

-Great Customer Experience

-Sustainability

-Great Place to Work

Customer experience is reflected in every single touchpoint we have with our customers, from social media, printed ads, marketing materials or web content to packaging, customer service and even invoicing. In a cutting tool market that continues to get commoditized, customer experience will be a key differentiator for us versus other manufacturers.

We selected 7 sustainable development goals for Seco North America, including affordable and clean energy, responsible consumption and production, climate action and gender equality. Globally, environmental impact is rapidly becoming a key metric for companies and younger generations who want to work for companies that focus on sustainability. We want to lead the way in our industry and attract new talents. As a first step, we launched a sustainability campaign on Feb.3rd to reduce paper waste and support reforestation projects around the world. We partnered with OneTreePlanted and between Feb.3rd and April 30th, 2020 Seco will plant a tree for every 5th e-commerce order we receive.

Company purpose and culture is equally critical to attract and retain key talents. An attractive working environment is essential to facilitate change and attract talented professionals. We want to be recognized for being a great employer in the industry.

Distributor Strategy and Programs

In today's highly competitive market, mergers and acquisitions continue to shrink the distribution channel and Internet ordering keeps increasing. Seco and its distributor partners need to align their expectations and goals even more to get mutual success. Planning and engagement are key to joint sales growth. Our Central Zone managers initiated the CARE Program to define and apply the right behaviors when working with our distributors. It has proven successful and encourages us to keep working in this direction to strengthen our relationships with our channel partners.



In this respect, we modified our Distributor Incentive Programs for 2020 so they can truly benefit our distributors and support sales growth. We also took the feedback received from the Distributor Advisory Council (DAC) into account as building more efficient incentive programs was a big focus for the DAC in 2019.

Each Goldstar distributor will have access to 3 Incentive Programs in 2020:

- Growth Incentive Program:

Already in place in 2019, this program is based on LY total purchase volume (all inclusive – Seco, Niagara, standard and special items). Each distributor is assigned a new target for 2020 and the payout is 5% of all purchases above the growth target.

- New Business Program:

This program encourages new Seco business opportunities. Qualifying end user accounts will include end users not previously reported to Seco on COGS reports received from our distributors and previously reported end users with no sales in the past 24 months. Accounts will be auto-generated via COSGS reports during the first 6 months of 2020. The final list of accounts will be vetted with our field sales for accuracy. The target is $24K per account and will be pro-rated based on when the account is added to the program (2K adjustment per month). The payout is 5% of all sales over the growth target for each account.

- Conversion Program:

This is the only incentive program for which an agreement needs to be signed. The conversion program is open to all accounts (not just integrated accounts). Accounts should be jointly selected between Seco and the distributor by March 1st, 2020 for the agreement to be issued. A minimum of 3 accounts is required, with a maximum number of 5 accounts authorized. The growth target is 10% over LY sales with a minimum target of $25K for each account. Each account is tracked separately and the payout is 5% of all sales over the growth target, increased to 10% if the target is reached for all selected accounts.

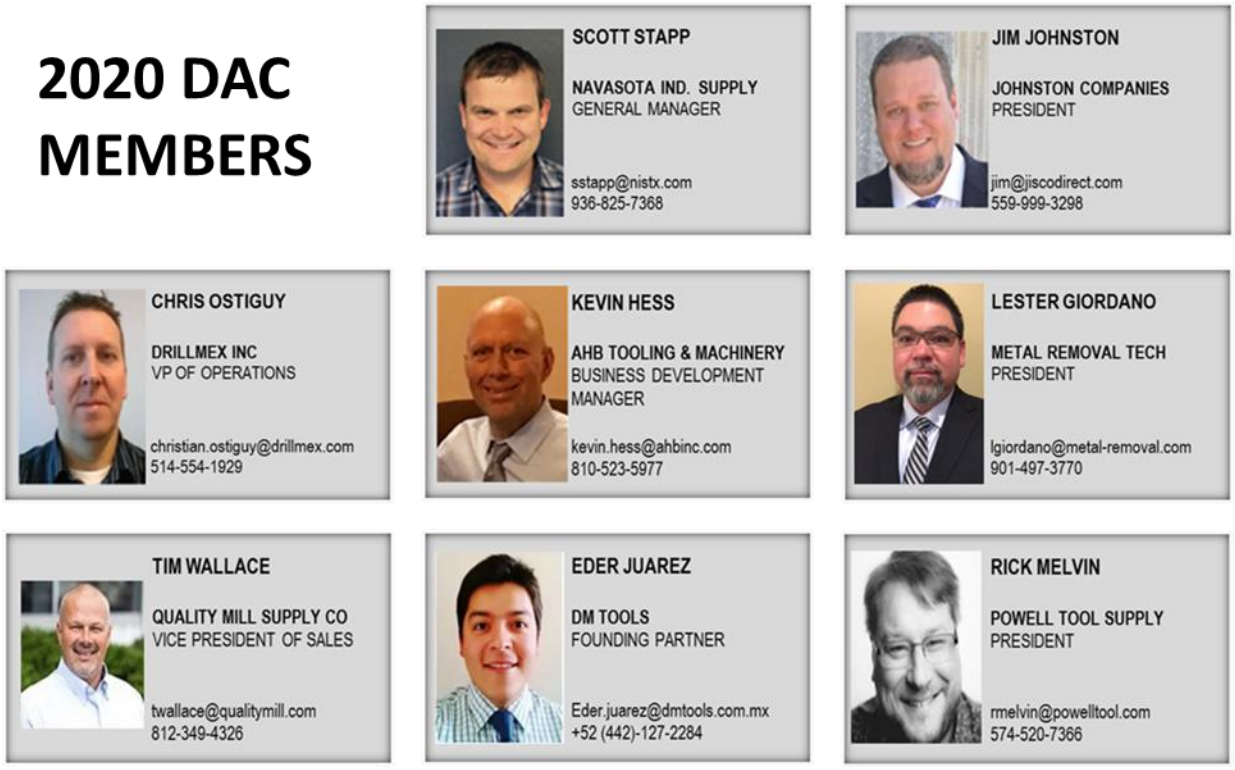
Our Test Tool Program remains unchanged for 2020 at the moment and test budgets are available to all Goldstar distributors with a CP3 certified sales person on staff. As we understand the capabilities of our new ERP system better, we will work on simplifying the test tool program and making it more user-friendly to address the feedback given by our DAC members.

The implementation of our new ERP system is scheduled for May 2020. As we prepare for this transition, you will receive communications from us regarding upcoming changes in processes or policies. Stay tuned!

Our Distributor Partners:

- 2020 Distributor Advisory Council Members:

We had a few changes in our Council in 2019, and below are your 2020 DAC Members. We are pleased to welcome 3 new members to the team: Rick Melvin from Powell Tool, Tim Wallace from Quality Mill Supply and Eder Juarez from DM Tools.



Our DAC members, led by our DAC Chairman Scott Stapp from Navasota Industrial Supply, continue to gain momentum in working with the fellow distributors in their respective network. Feedback of successful DAC sessions during the Distributor Conference indicates that this concept is working. The Council is the voice of all Seco distributors, not just a few representatives, and the goal is to gather everyone's feedback and better communicate across the board.

The DAC 2019 key priorities were:

-Revised Incentive Programs

-Conversions

-Training – especially for inside sales

-User-friendly distributor test tool program

-Interactive Summary Business Review

The new 2020 Incentive Programs were launched, including a conversion program, and our end mill conversion tool is almost complete. We started working on training modules for inside sales, with the objective to develop online modules that are more convenient for everyone. We will continue this project in 2020 and will also re-evaluate a revised test tool program and Summary Business Review.

Distributor Partner Recognition Program & Seco Values

We launched our Distributor Partner Recognition Program back in 2017 and ran it for the 4th consecutive year during the 2020 distributor conference. This program is based on Seco core values but also includes additional awards in alignment with our strategy. Congratulations to all our winners!

- Passion for the Customer: Tri-State Industrial Supply of PA
- Family Spirit: Technicut
- Personal Commitment: DXP Machinery Tooling
- Digital Distributor: AHB Tooling & Machinery
- Conversion Champion: Mallory Safety
- Distributor of the Year: Metal Removal Technologies

We also had the chance to share what Family Spirit means to us with all our distributor attendees, through a fun team building event. Teams "suffered" through a series of tricky trivia questions but for a good cause! Each team was competing for a charity of their choice. Congratulations to our 2 finalists, Jeremy Denney and Aaron Hamilton, who are true trivia champs! Seco proudly donated $7,500 to St Jude and $2,500 to the American Cancer Society on their behalf. Hats off to our runner ups as well as they won $1000 each to Wounded Warriors and Make a Wish. Thank you all for living our values with us!

Seco Digital Offering:

- Seco Apps and My Pages

Digital tools for both distributors and customers and the need for a digital strategy were part of our panel discussion on how to keep adding value together.

Seco introduced a couple of Apps in 2019: Compare (our turning app) and the Solid Milling App, to keep bringing you and your customers the information you need at your fingertips. The Seco Compare App allows you to find the Seco inserts you need to replace the inserts you are currently using. You can search by grade or geometry, select your current supplier, select your specific grade or chipbreaker… Our Solid Milling App, which includes over 5,000 solid carbide end mills from both our Jabro and Niagara product lines, gives you cutting data in just 6 easy clicks so you can be sure to run the right tool the right way! Both apps are available for Iphone and Androids.

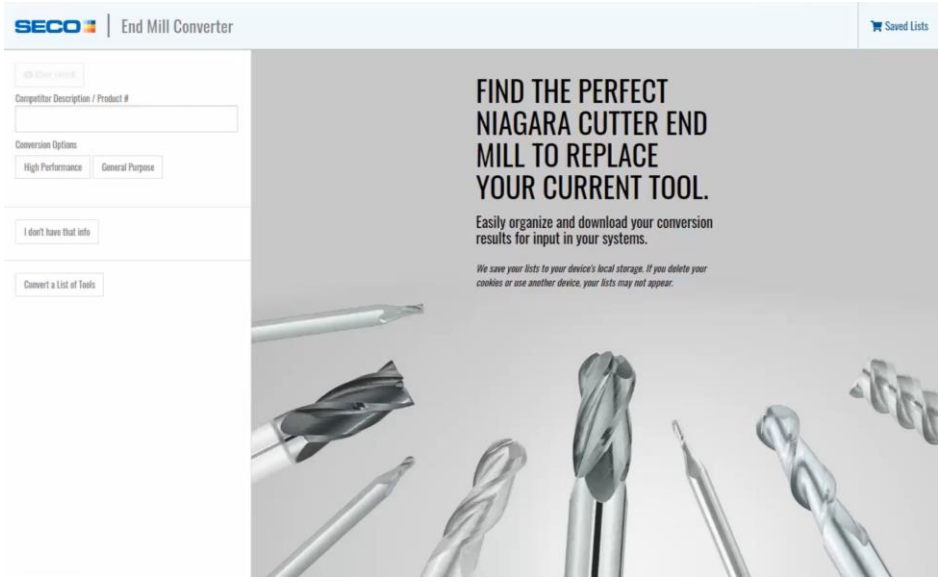
In parallel, we continue to enhance our My Pages Portal on a regular basis. As we switch to a new ERP system, more and more applications will be available to you on My Pages.



- Seco End Mill Converter:

Our end mill converter is getting close to completion. We are uploading our last set of data and working on fixing any system issues that arose in early versions. The converter, designed for general purpose end mill conversions as a first step, will help you and your teams easily convert competitor end mills to the Niagara equivalent, whether as a quick one-off search or by uploading full list of SKUs. Once the

converter is ready, we will pilot it with a few distributor partners to finalize any required updates before making it available more broadly.



- I2Q – Inquiry to Quote:

A key pillar of Seco's digital journey is to keep reinforcing our Digital Customer Experience. One area we have focused on improving for our distributors is our quotation process. We have developed the I2Q platform to bring ease and standardization to the quotation process. With I2Q, quotes will be created instantly in My Pages through a new My Pages Portlet called My Quote. This will give you and your teams fast and easy access to pricing with a one-click quote process. Past quotes will also be archived so you can quickly re-access previous inquiries and re-use the information when needed.

New Products:

- Swiss Tooling:

We were very excited to introduce our new full Swiss Tooling range at this year's conference. Forecasts expect the global Swiss Machine Market to grow 2% YOY. High-strength fasteners in wind towers is one of the latest trends that will gain traction in the screw machine market. However, swiss tooling is in high demand in a lot of other markets than power generation:

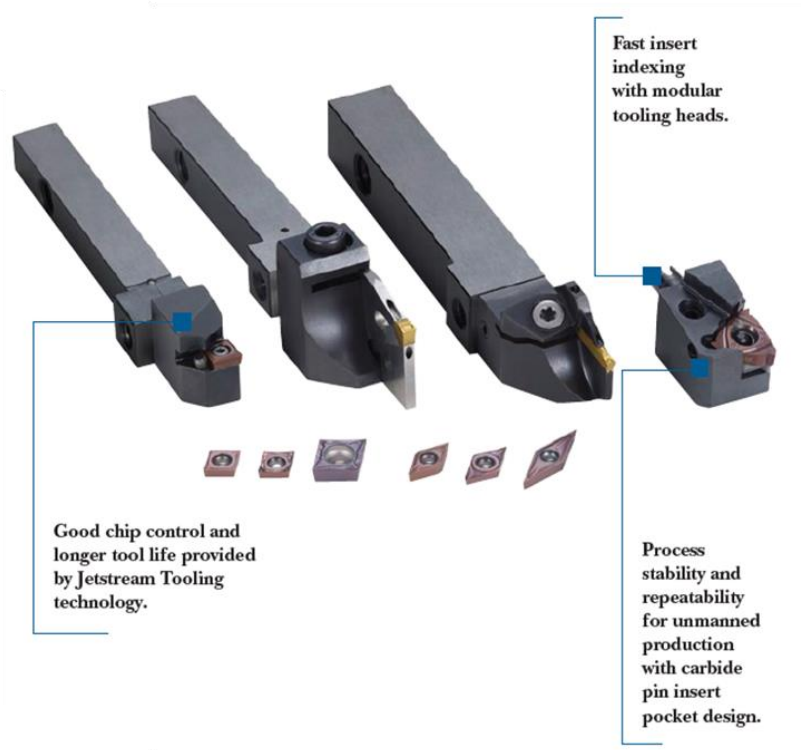
-Aerospace: specialty fasteners, fittings, spindles, flanges

-Automotive: shock absorber bolts, axle nuts, fittings, valves, threaded rods, gauges

-General Machining: interior components for home appliances, valves, nozzles, bearings, shafts, fasteners

-Medical: dental and surgical tools, standard and custom bio implants, bone screws and bolts, brass surgical nozzles

With its Swiss tooling line, Seco identified key customer challenges and developed solutions that overcome the industry's most demanding applications.



Customer Challenges:

- Tight spacing between tools and limited access in sliding head machines make insert indexing difficult and time consuming. Assembling coolant hoses also proves cumbersome in the limited space.
- Erratic chip behavior hinders unmanned small-part machining operations and causes production stoppages.
- Workpieces require high-quality surface finishes and precise component dimensions.

Seco's Solutions:

To keep both insert indexing and unruly chips from stopping small-part production, Seco developed patented insert pockets with Modular Quick-Change (QC) Swiss Toolholders. With fast, easy and repeatable insert indexing, downtime is reduced, operations are streamlined and processes are secure. Our Jetstream Tooling and Jetstream Duo technologies allow for effective chip evacuation and temperature control of the cutting zone via high-pressure coolant and dual coolant channels.

IMPACT	BENEFITS	ADVANTAGES	FEATURES
Fast and secure indexing	Increased machining time	Increased production capacity	Secure single-lock Quick-Change system
Precise and consistent indexing	Reliable part quality	Scrap reduction cost savings	Patented carbide pin pocket design
Precision high pressure coolant delivery	Efficient chip evacuation and extended tool life	Increased operator safety, part quality and parts per insert edge	Jetstream Tooling and Jetstream Duo

- Rotating Products:

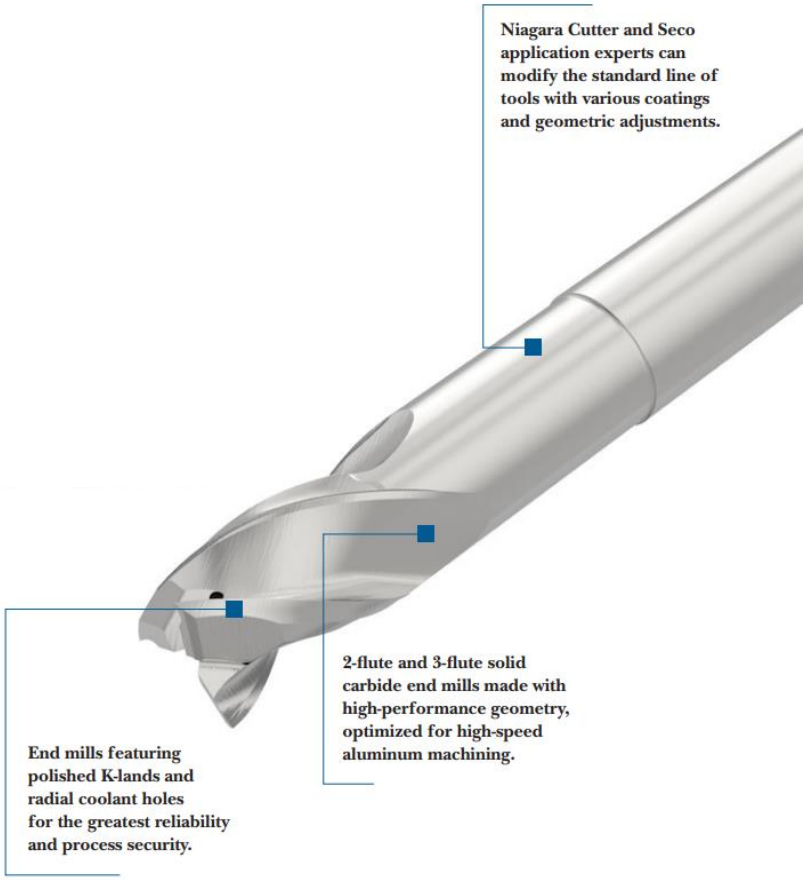
Our February 2020 Product Launch introduced a few key solutions for rotating products.

-**Double Turbo 16**: to improve surface finish when roughing. Our positive helix angle with 11° improves the performance and results in less power consumption, smoother cutting and longer tool life. Together with the impressive 90-degree angle accuracy and the double-sided inserts, this generates an improved surface finish and optimizes costs.



-**New CVD Milling Grades Duratomic**: we continue to expand our Duratomic grades, this time with the MP1501 and MP2501 grades which deliver high reliability for steel and cast iron machining. With our Duratomic coating, the tool life will increase by 20-30% without changing cutting data. The power of the used-edge detection also eliminates waste and improve sustainability.

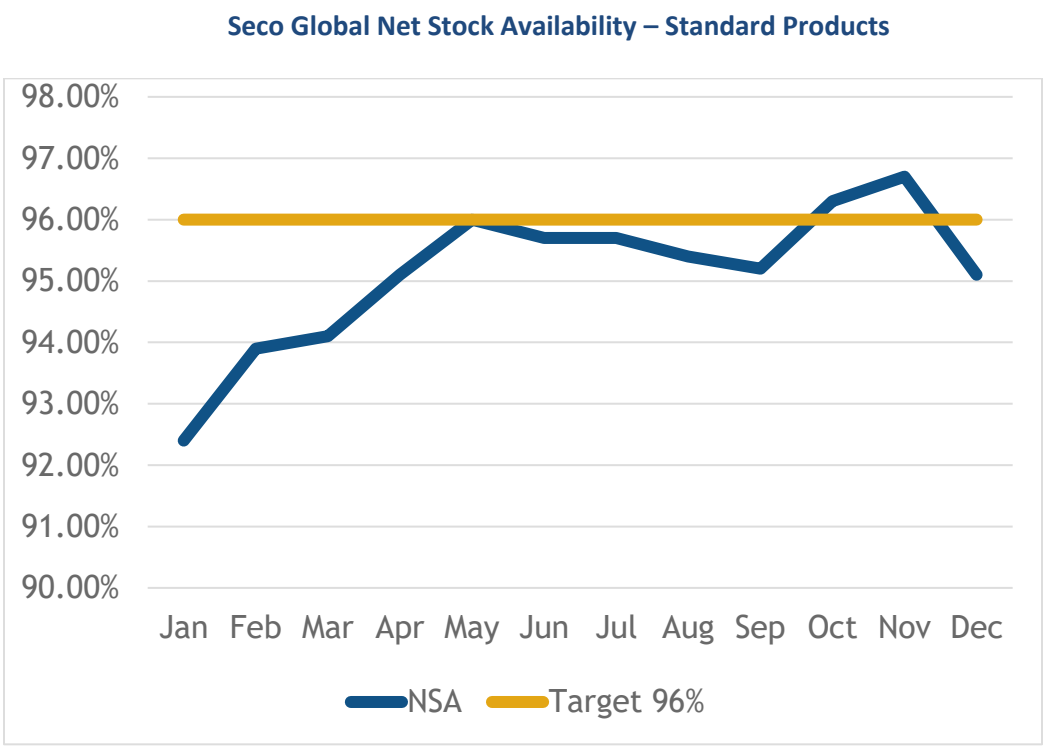
-**Niagara Cutter AN230/AN335:** designed for high velocity milling (16,000 to 33,000 rpm or more), our high-performance AN230 and AN335 Solid carbide end mills achieve exceptional material removal rates for aerospace slotting and profiling applications in aluminum. The standard range of AN230 and AN335 tools may also be modified to suit unique aerospace and heavy machinery applications.



-**Extended Seco Universal Drill Range:** with the addition of 8xD and 12XD, we now offer a fully comprehensive range of length to diameter ratios from 3xD to 12XD. Our Universal solid carbide drills are designed to cover a wide range of work piece materials, enabling versatile, lean and cost-effective drilling operations.

Distributor Conference Questions and Answers

Area:	**Products**
Q:	What are the application differentiations between the T4 concept and the new double Turbo 16?
A:	*The new Double Turbo Mill offers a freer cutting experience, due to the higher helix built into the insert geometry. The smoother cutting promotes improved tool life but also makes for a smoother cut. The true 90 deg. Design allows for much more improved wall finishes when stepping down or side milling. In addition the depth of cut capability increases as a result of the insert edge length 15mm vs 12mm compared to T4.*
Q:	What is the significance of the diamond finish in the flutes of Seco's new face mill?
A:	*Both Double Quattro and the new Double Turbo incorporate this new feature into their design. This is for brand recognition.*
Q:	Standard items still seem to be regularly out of stock – is this being addressed?
A:	*Our global CEO, Fredrik Vejgarden, mentioned that Seco had a really big focus on deliveries and net stock availability (NSA) globally in 2019. We had a NSA target of 96% that we reached as of October and exceeded before the year end Holidays. It was a big improvement from our January results of 92.5%. In North America, we also stabilized our Net Stock Availability above 96% since the beginning of November 2019.*



Area:	**Training**
Q:	Would Seco consider moving Step 1 of the CP3 program online to enable distributors to certify more of their sales team?
A:	*Based on the feedback we received from our DAC members, we started looking at offering more training online. We are in the infant stage of this project and are not sure which shape or form it will take exactly and which training classes will be made available online but we will*

	communicate as we get more advanced in the project. STEP 1 does not hold the same machine demos requirements as our STEP 2 program so could be a good candidate for online courses.
Q:	Will Seco VBS training be available in Spanish and in Mexico?
A:	*It is our goal to make VBS available in Spanish and locally in Mexico for our Mexican distributors - we just cannot confirm a timeframe on this at the moment. We are working on getting more instructors trained, including Spanish speaking ones.*
Q:	How do we get more in-house online training for our order desk?
A:	*Part of the training project we are working on following our latest DAC meeting includes a deeper look into the specific training needs of our distributors 'customer service and inside sales teams. Our objective is to build quick online modules per relevant topics so your teams can complete them at their convenience.*

Area:	**Programs**
Q:	Is Seco going to look at increasing the current price for recycled carbide due to the company focus on sustainability?
A:	*Our recycled carbide rates are heavily dependent on the market rates but we definitely want to do all we can to increase the use of our recycling program as part of our focus on sustainability. Any rate changes will be communicated to our distributors when in effect.*
Q:	Is the end mill converter tool only for Niagara or will it also include the Jabro line?
A:	*The end mill converter tool only includes Niagara items as it was designed for general purpose end mill conversions as a first step. We are therefore focusing on our Niagara General Purpose end mills.*
Q:	There is only one Ingersoll grade in the Seco compare app. Will others be added or is this the only one Seco matches up with?
A:	*Yes, other grades will be added as we continue to update the app with new data. We are currently in version 2. It is best to set up the app to auto update so the information remains up to date and you do not miss any product addition. If you do not set up the app to auto update, you will need to remain diligent in checking for updates to get the most recent version.*
Q:	Can we use a Tooling Voucher for the new Swiss lathe holders?
A:	*Yes, you can. Our Swiss lathe holders are classified under the B42 discount code, which is a category included in our voucher program.*

Area:	**I2Q / My Quote Quoting System**
Q:	Can we deliver My Quotes electronically to distributors (eCommerce), directly into their ERP?
A:	*In the initial launch version, the quote will be a PDF document. The next stage is to have that link so distributors will have a button to upload directly. There will also be an option to rebrand the initial Seco quote and add your pricing to it.*
Q:	Will the PDF quotes have hyperlinks to the products or just be images? Will the QR code on the pdf lead to the quote in My Pages or is that just part of the marketing content? Can we add a hyperlink to the email text that links to the quote in My Pages?
A:	*The user will receive an email containing a link to the quote and the pdf itself in My Pages. The QR code is a marker for any marketing content we want to display. These suggestions are all good so please keep sending your ideas to your Seco contacts. We will keep adding to the process – the first update has already been applied and continued improvement is our goal.*

Q:	Will distributors set their sell prices as a percentage discount, a net price or have the option?
A:	*The generated quote will show a net price to the distributors, who can then set their selling price to whatever they require. When distributors get access to either importing or re-using the quote for their customer, they will have both options, either to enter a markup percentage or a net value.*
Q:	How will tooling packages be priced out? Can we make it easier than having to manually calculate every line?
A:	*Currently, there is only the option to discount per line item or apply an overall discount. You can enter a net price which will back calculate the discount. Tooling packages are a local solution today and we are further discussing how to build in support for tooling packages and tooling vouchers into the new system. Stay tune for future enhancements!*

Area:	**Miscellaneous**
Q:	Did Seco authorize Fastenal as an authorized Seco distributor?
A:	*Yes, we did authorize Fastenal as of January 1st, 2020 and that decision was communicated to all distributor principals in an announcement sent by Scott Hecht on Dec. 22n, 2019. Fastenal had been a Seco partner for many years, both as a site- specific Integrator for Seco products and as a Solid Tool distributor. The authorization allowed us to simplify business transactions between both companies. In making the decision, we were very cautious of minimizing any potential impact on your businesses.*
Q:	Have local Seco reps been given the directive to only pursue end users that meet a certain $$ potential?
A:	*Our main focus in the current challenging market is sales growth and market share gain. In this respect, there is no directive to turn down any opportunity. Seco field sales representatives do have to focus on the right opportunities however as they only have so much bandwidth. We do follow an account classification process in each territory with increased focus on selected target accounts in order to achieve expected sales results. This strategy has been in place for several years with target account selection being a key part of our planning process with our distributor partners.*