

CARPENTER TECHNOLOGY CORPORATION
CORPORATE GOVERNANCE GUIDELINES

As amended August 8, 2017

1. Mission and Duties of the Board and Directors

The mission of the Board of Directors (the “Board”) of Carpenter Technology Corporation (the “Corporation”) is to establish appropriate policies and provide strategic direction and oversight for the conduct of the Corporation’s business and affairs in the best interest of the stockholders and other appropriate constituents of the Corporation, consistent with applicable legal, regulatory and ethical requirements for prudent and effective corporate governance. In furtherance of this mission, the Board has adopted a document, the “Duties and Responsibilities of Directors”, that outlines some of the basic and specific duties of the Board and related responsibilities of each Board member (each a “Director”), including, among others: (a) succession planning, (b) adoption of corporate strategy, (c) integrity of the Corporation’s internal controls, (d) review of financing requirements, and (e) dividend practice.

2. Selection of the Non-Executive Chairperson of the Board

The Chairperson shall be selected by the Board from the independent Directors, as defined in Guideline 18 hereof. The Chairperson shall serve for a term of three years. At the discretion of the Board, the Chairperson can serve consecutive terms without limit.

3. Separation of Non-Executive Chairperson and Chief Executive Officer Positions

Except on an interim basis as approved by the Board, the Board’s policy is that the roles of the non-executive Chairperson of the Board (the “Chairperson”) and Chief Executive Officer should be separate and should not be held simultaneously by the same individual.

4. Lead Director Concept

The Board believes that it is best to have a separation of the Chief Executive Officer and Chairperson of the Board, and in the event that the offices of Chairperson and Chief Executive Officer are held by the same person, even in a temporary situation, the Board believes that it is prudent to appoint a Lead Independent Director that is separate from the Chair/CEO. If appointed by the Board, the Lead Independent Director shall serve in a lead capacity to coordinate the activities of the other independent directors, and shall perform such other duties and responsibilities as the Board may determine.

5. Number of Committees

The Board currently has three standing committees: Audit/Finance, Corporate Governance, and Compensation and two other committees: Science and Technology and Strategy. From time to time, the Board may find it desirable and prudent to form a new committee or disband a current committee, depending upon the circumstances then prevailing and in consideration of the standards established by the New York Stock Exchange and applicable laws and regulations.

6. Assignment and Rotation of Committee Members

The Corporate Governance Committee is responsible for recommending the assignment of Directors to various Committees. The Board's policy is to consider periodic rotation of the Chairperson of the Board's various committees as well as periodic rotation of Non-Management members of the Committees. In evaluating such periodic rotations, the Corporate Governance Committee shall consider the benefits of a Director's continuity of service on a Committee, as well as the particular skills and experience of each Director which may be beneficial for continued service as the Chair or a member of a particular Committee. Members of management of the Corporation (collectively, "Management") may not serve on any Committee except for the Science and Technology Committee and the Strategy Committee. Committee membership decisions will also apply applicable standards of the New York Stock Exchange and applicable laws and regulations.

7. Frequency and Length of Committee Meetings

With the exception of the Audit/Finance Committee, which meets at least four times per year, each Committee is required to meet at least twice annually. The chairperson of each Committee determines the length of the meetings for such Committee.
8. Committee Agenda

The chairperson of each Committee, in consultation with the appropriate members of Management and staff, will develop the Committee's agenda. Whenever possible, a Committee agenda will be issued at least one week prior to the beginning of the Committee's meeting.
9. Selection of Agenda Items for Board Members

The Chairperson and the Chief Executive Officer will establish the agenda for each Board meeting. Each Director is free to suggest the inclusion of item(s) on the agenda.
10. Board Materials Distributed in Advance

In the absence of extraordinary circumstances, information and data important to the Board's understanding of the business should be distributed in writing to the Board before the Board meets. Management will make every attempt to see that this material is as concise and well organized as possible while providing the necessary information. Board materials will generally be mailed one week in advance of the Board Meeting.
11. Presentations

As a general rule, presentation materials on specific subjects should be sent to the Directors in advance, so that the Board's meeting time may be conserved and discussion time focused on questions that the Board has about the material. Exceptions may be made with respect to highly sensitive subjects or materials.

12. Regular Attendance of Non-Directors at Board Meetings

The Board is comfortable with the regular attendance at each Board Meeting of non-Directors who are also members of Management. Should the Chief Executive Officer desire additional attendees on a regular basis, it is expected that this suggestion would be made to the Board for its concurrence.

13. Executive Sessions of Independent Directors

The independent Directors of the Board will meet in an executive session at least twice per year to: (a) review the performance of the Chief Executive Officer, and (b) address any other matters affecting the Corporation that may concern individual Directors. The Chairperson will chair the executive sessions and will promptly summarize the executive session discussions with the Chief Executive Officer and other non-independent Directors, if appropriate.

Section 2.4 of the By-Laws also provides that special meetings of the Board may be called by three Directors, one from each class of Directors then in office.

14. Board Access to Senior Management

Directors have complete access to the Corporation's Senior Management. It is assumed that Directors will use judgment to be sure that this contact is not distracting to the business operation of the Corporation and that such contact, if in writing, will be copied to the Chairperson and Chief Executive Officer. The responsibility of officers and Senior Management positions is outlined in the General Responsibilities of Officers and Senior Management Positions, which is a general statement of the Board's expectations of Management.

The Board encourages Senior Management to, from time to time, bring other managers employed by the Corporation into Board meetings who: (a) can provide additional insight concerning the items being discussed because of personal involvement in these areas, and/or (b) represent managers with future potential and whom Senior Management believes should be given exposure to the Board.

15. Board Compensation Review

It is the responsibility of the Corporate Governance Committee to review the adequacy of Director compensation and recommend changes to the Board. As guidance to the Committee, it is the sense of the Board that Directors' compensation be, in a substantial way, tied to the performance of the Corporation. Accordingly, a significant portion of the Director compensation should be in the form of Carpenter stock or stock equivalents. The Board also believes Non-Management Directors' compensation should be commensurate with that of similarly situated public companies and, therefore, their compensation should be set between the 25th and 75th percentiles paid by such public companies with a 50th percentile target as determined by an independent compensation consultant or advisor.

16. Size of the Board

The By-Laws provide for a minimum of 6 and a maximum of 17 Directors. The exact number of Directors is to be determined by resolution of the Board. It is the sense of the Board that a size of approximately 10-12 members is appropriate, but the Board should be willing to increase its size, from time to time, to accommodate the availability of outstanding candidates or to facilitate orderly, long-term Board succession.

17. Mix of Inside and Outside Directors

As stipulated in Section 2.1 of the By-Laws, there must be a majority of independent Directors on the Board. The Board is willing to consider nominating members of Management, in addition to the Chief Executive Officer, to serve as Directors.

The Board believes that Management should encourage senior managers to understand that Board membership is not necessary nor a prerequisite to any higher Management position in the Corporation. Executive Officers other than the Chief Executive Officer currently attend Board Meetings on a regular basis, even though they are not members of the Board.

18. Board Definition of Independence for Directors

The Corporation has generally defined independent Directors as those Directors who are neither current nor former officers of the Corporation or its subsidiaries, have no direct or indirect material relationship with the Corporation, including as a partner, stockholder or officer of an organization that has a relationship with the Corporation, and otherwise satisfy the independence criteria established by the New York Stock Exchange and applicable laws and regulations.

For purposes of these Guidelines, service as an interim Officer shall not cause a Director to be considered to be an inside director or otherwise not to be independent. The determination of independence will be applied by the directors using their reasonable business judgment. Further, with the exception of the Science and Technology Committee and the Strategy Committee, only independent Directors may serve on any of the standing Committees. Director independence determinations are reviewed periodically by the Corporate Governance Committee.

19. Board Membership Criteria

The Corporate Governance Committee is responsible for reviewing, on a continuing basis, the size and composition of the Board to assure that appropriate skills and experience are represented on the Board and that there is compliance with established criteria for Board membership, such as those outlined in Section III, Term of the Duties and Responsibilities of Directors, or in other sections of these Guidelines.

In addition to such matters, the Corporate Governance Committee will review the performance, attendance at education programs (both with respect to those sponsored by the Corporation and programs provided by nationally recognized educational organizations) and any potential conflicts of individual Directors whenever a Director is being considered for re-nomination to the Board.

20. Retirement Policy

As stated in Section 2.8 of the By-Laws, unless otherwise provided by resolution of the Board, any Director, who is an Officer of the Corporation (other than an interim Officer), shall retire from the Board upon the earlier of (a) attaining age 65 or (b) retirement as an Officer of the Corporation.

A Director who is not an Officer of the Corporation (a “Non-Management Director”) shall retire from the Board at the next Annual Meeting of Stockholders after the Director attains age 72, unless extraordinary circumstances exist as determined by the Board, in accordance with the By-Laws. Upon recommendation by the Corporate Governance Committee and resolution of the Board, a Non-Management Director may be renominated for election to the Board. As stated in Guideline 18, a former Officer serving on the Board will be considered an inside Director for purposes of Corporate Governance.

21. Selection of New Director Candidates

The Board itself should be responsible, in fact as well as procedure, for selecting individuals to be elected (or recommended to the stockholders for election) as members of the Board. The Board delegates the screening process to the Corporate Governance Committee with input from the Chairperson and Chief Executive Officer.

Non-employee Director nominees shall be persons who have broad general training and experience in business, science, engineering, finance or administration. While the Corporate Governance Committee reviews individuals from various disciplines and backgrounds and while it may be desirable that nominees be educated in one or more of finance, law, education, science, engineering, government or other profession or vocation, it is not essential that all such backgrounds be represented at all times on the Board. Nor is it desirable that there be a concentration of similar backgrounds on the Board. At least a majority of Directors shall meet the independence requirements of the New York Stock Exchange and all other applicable legal requirements. The Board will ensure that it has a sufficient number of independent members to serve on prescribed committees in light of such requirements.

In selecting Director candidates, the Corporate Governance Committee and the Board shall be mindful that the foremost responsibility of a Carpenter Director is to represent the interests of stockholders as a whole. As such, the Corporate Governance Committee and the Board shall also consider a Director nominee’s judgment, experience, integrity, honesty, accountability and similar characteristics. While prominence and reputation in a particular profession or field of endeavor are what typically lead to the consideration of most persons as possible director candidates, such attributes may indicate the presence of substantial demands on the time of such person. Accordingly, there is the further consideration of whether an otherwise attractive candidate

will have the time available to devote to the work of the Board and one or more of its standing Committees.

Whenever possible, conflicts of interests between a Director or a potential nominee and the Corporation shall be avoided. Moreover, the Corporation's policy is that the nomination of outside professionals (including, but not limited to lawyers, investment bankers, and accountants), who individually or whose firms provide services to the Corporation, shall be avoided.

22. Extending the Invitation to a Potential Director to Join the Board

An invitation to join the Board will be extended only after approval by the entire Board, but may be extended by the Chairperson or as otherwise directed by the Board.

23. Directors Orientation and Director Education

To orient new Directors, the Corporation has established an interview process with Senior Management and provides tours of the manufacturing facilities. All Directors are expected to participate in director continuing education programs sponsored by nationally recognized education organizations not affiliated with the Corporation, as well as continuing education programs sponsored by the Corporation from time to time.

24. Directors who Change Their Present Job Responsibilities

It is the sense of the Board that any Director who, during his or her term of office, change employment or employment status, or undergoes a significant change in job responsibilities, or is placed in a position that may adversely affect his or her duties to the stockholders or the Corporation, should volunteer to resign from the Board in accordance with the procedure described below. In addition, if any Director of any standing committee of the Board, other than the Science and Technology Committee, ceases to be independent or otherwise satisfy any of the criteria for membership on such committee, such Director, should volunteer to resign from the Board in accordance with the procedure described below.

Upon or before occurrence of any of the events described above in this Guideline 24, a Director shall submit an offer to the Corporate Governance Committee resigning his or her directorship. After deliberation, the Corporate Governance Committee shall submit its recommendations to the Board concerning such offer and the Board shall act promptly to accept or reject

such offer. Nothing herein shall affect any Director's ability to voluntarily resign from the Board in accordance with the applicable provision of the By-Laws.

It is not the sense of the Board that Directors who retire or change from the position held when they became Directors should necessarily leave the Board. There should, however, be an opportunity for the Board via the Corporate Governance Committee to review the continued appropriateness of Board membership under these circumstances. The Corporate Governance Committee will submit its recommendation concerning the proffered resignation to the entire Board.

In the event a Director retires from a position and if the Board declines to accept the proffered resignation of the Director, such Director shall continue to serve with his/her class. Any other limitation on Board service, such as the age limit, continues to apply.

If any independent Director ceases to satisfy the requirements of independence under applicable law, any listing requirements of the New York Stock Exchange, or Corporation policy, or have reason to believe that his or her independence may be compromised, such Director shall forthwith inform the Chairperson of the Board and the Chairperson of the Corporate Governance Committee.

25. Shareholdings

It is the policy of the Corporation that Directors maintain a reasonable equity interest in the Corporation in order to provide them with a proprietary interest in the growth and performance of the Corporation, to generate an increased incentive to contribute to the Corporation's future success and prosperity by their personal efforts and generally to enhance the community of interest between Directors and stockholders of the Corporation. Each Director should acquire six times his or her annual cash retainer in shares of common stock of the Corporation within a five-year period and he or she is expected to retain the stock as long as he or she remains a Director of the Corporation.

26. Term Limits

Except as provided in Guideline 24, the Board does not believe there should be term limits on Directors' Board service. While term limits could help

insure that there are fresh ideas and viewpoints available to the Board, term limits hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Corporation and its operations and, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to general term limits on Board service, the Corporate Governance Committee, in consultation with the Chairperson and the Chief Executive Officer, will review each Director's performance on the Board every three years in conjunction with the Director's potential nomination by the Board for re-election. In any event, the age limit of 72 provided in the By-Laws for non-employee Directors continues to apply.

27. Annual Performance Self-Evaluation

The Board will conduct an annual self-evaluation to determine whether the Board and its Committees are functioning effectively. The Corporate Governance Committee will oversee the self-evaluation process of the Board's performance. Results of the self-evaluation process will be discussed with the Board as soon as practicable upon completion of the process. Evaluations of individual Directors will be conducted by the Corporate Governance Committee as each Director is considered for re-election to the Board.

28. Formal Evaluation of the Chief Executive Officer

The performance of the Chief Executive Officer is reviewed annually by the full Board without the Chief Executive Officer in attendance. The results of the evaluation are communicated to the Chief Executive Officer by the Chairperson of the Compensation Committee. The evaluation is based on objective criteria and personal goals established by the Chief Executive Officer and agreed to by the Board.

The Chief Executive Officer's performance against the goals is reviewed by the Compensation Committee in conjunction with the Committee's recommendation to the full Board of the Chief Executive Officer's compensation.

29. The Chief Executive Officer and Outside Boards

The Board has not adopted a formal policy with respect to limiting the Chief Executive Officer's outside board activities. However, it is the sense of the

Board that the Chief Executive Officer is responsible for maintaining an appropriate balance between these outside board activities and his or her primary responsibility to the Corporation.

30. Succession Planning

The Corporate Governance Committee is responsible for determining the process for evaluating the Corporation's succession planning.

There should be an annual report by the Chief Executive Officer to the Board on succession planning for the Chief Executive Officer position.

There should also be available, on a continuing basis, the Chief Executive Officer's recommendation as to his or her successor should he or she be unexpectedly disabled or otherwise unavailable to perform his or her duties.

31. Management Development

The Compensation Committee is responsible for monitoring succession planning and management development for positions other than that of the Chief Executive Officer.

32. Board Interaction with Institutional Investors, The Press, Customers, Etc.

The Board believes that Management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation. However, it is expected that Board members would so communicate with the knowledge of Management and, in most instances, at the request of Management.

33. Confidentiality

The proceedings and deliberations of the Board and its Committees will be treated as confidential. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

34. Reliance on Management and Consultants

The Board will be entitled to rely upon management and such counsel, accountants, auditors and other expert advisors and consultants ("Consultants") as it deems appropriate. Except as otherwise provided in a Committee charter, the Board will have the authority to select, retain,

terminate and approve the fees and other retention terms of such Consultants, which fees will be borne by the Corporation.