

SIFCO Industries, Inc.
CORPORATE GOVERNANCE GUIDELINES AND POLICIES
Adopted January 26, 2010
Proposed January 17, 2013 (No Changes)

This document is designed to describe certain governance guidelines and policies of the SIFCO Industries Board of Directors. This document should be reviewed annually and revised as the Board approves.

I. Board Responsibilities

The full Board should deal with all matters of significant policy and scope. Specifically, action of the Board is required for the following matters:

- A. Change corporate objectives and goals, major policies and strategic plans;
- B. Authorize individual capital expenditure exceeding \$250,000 or an accumulative total established yearly by the Board;
- C. Make acquisitions for cash or notes totaling over \$150,000 each or make any acquisition for stock;
- D. Enter into any lease under which the present value of all payments discounted at 8% exceeds \$150,000 or the term exceeds 15 years;
- E. Dispose of physical property of the company valued in excess of \$150,000 for each parcel or \$500,000 cumulative total per annum;
- F. Incur debt exceeding \$500,000 per year.
- G. Contract for professional services exceeding \$200,000 in cost;
- H. Repurchase the company stock for the company;
- I. Establish any salary exceeding the limits set by the Compensation Committee or enter into any employment contracts;
- J. Respond to Unsolicited Offers in accordance with the policy attached hereto as Addendum I.

II Director Qualifications

The Board shall have a majority of directors who meet the independence criteria adopted by the NYSE AMEX.

III Committees of the Board

The Board shall have the following Committees:

- A. The Audit Committee will consist of all the independent directors. The Charter for the Audit Committee is attached as Addendum II.
- B. The Compensation Committee will consist of all the independent directors. The Charter for the Compensation Committee is attached as Addendum III.
- C. The Nominating and Governance Committee will consist of all the independent directors. The Charter of this Committee is attached as Addendum IV.
- D. The Board may approve such other committee as it deems appropriate and in accordance with the company's Regulations.
- E. The SIFCO Foundation, formerly the Steel Improvement Foundation, directors will consist of the Board of Directors of SIFCO Industries, Inc.

IV Meetings of the Board

The Board shall hold a minimum of four meetings annually; meetings will generally be held in April, July and November and following the Annual Meeting, generally held the last part of January. The independent directors will meet at regularly scheduled executive sessions at least once per year.

- A. A minimum of one field trip each year is desirable so that the Board may visit the physical properties of the company and meet the local management.
- B. A schedule will be distributed to the Directors by the Chairman, showing the meeting when various Board responsibilities will be handled.
- C. The Chairman of the Board shall deliver a Board packet, consisting of a proposed agenda plus additional material for prior study, to each Director approximately one week before a meeting.
- D. Any Director may add an item to the agenda by contacting the Chairman or Secretary.
- E. The Company will provide orientation for new Directors and will make available to the Directors continuing education programs.

V. Compensation of the Board

Outside members should be compensated appropriately for their services on the Board with an annual retainer, paid at the end of each quarter. The Chairman thus can feel free to ask their advice and assistance as needed between meetings.

VI. Ethics and Conflicts of Interest

The Board expects the affairs of the company to be conducted on a high moral and ethical level and has adopted a Code of Ethics to govern the actions and working relationships of SIFCO employees, officers, and directors. The Code is attached as Addendum V.

SIFCO Industries, Inc.

**Policy of the Board of Directors
with Respect to Unsolicited Offers**

This statement sets forth the policy of the Board of Directors of SIFCO Industries, Inc. (“Company”) with respect to the handling of unsolicited offers for the Company as a whole or for any significant part of its assets or business units (“Offers”).

Any person who receives an Offer, or to whom an Offer is communicated or implied, shall promptly inform the Chief Executive Officer of the fact and terms of the Offer.

If the Offer could involve a change of control of the Company or the sale by the Voting Trust of all or a material portion of the shares of the Company held thereby, the Chief Executive Officer shall promptly notify the Board of Directors of the fact and terms of the Offer.

- At the request of any member of the Board, the Chief Executive Officer shall call a meeting of the Board of Directors for the purpose of discussing the Offer and the potential impact thereof on the Company as a whole and its shareholders.
- To the extent an Offer impacts the Company and its shareholders as a whole, care should be taken not to comment, respond to the offer or on the adequacy or inadequacy of an Offer prior to the Board being informed of and having an opportunity to consider the offer.
- The Board of Directors does not have the authority to compel any shareholder to accept or reject an offer to buy his shares of the Company; however, the Board of Directors is responsible to shareholders as a whole to the extent any Offer may affect shareholders’ interests.

The Chief Executive Officer shall be the spokesman for the Company with respect to any discussion of or comment on any Offer:

- Each person who has knowledge of an Offer shall be under a strict duty to keep such information confidential and refrain from discussing it with any person other than directors of the Company and its counsel.
- No person shall respond to any inquiry from the press with respect to any such matter involving the Company. Such inquiries should be answered with “The Chief Executive Officer of the Company is the designated representative of the Company for purposes of dealing with the media. I have no comment on your question,” or a similar neutral, non-responsive statement.