



Shiloh Industries, Inc.  
880 Steel Drive  
Valley City, Ohio 44280  
Telephone: (330) 558-2600

February 10, 2012

Dear Shiloh Stockholder:

You are cordially invited to attend the 2012 Annual Meeting of Stockholders of Shiloh Industries, Inc. (the "Company"), which will be held on Wednesday, March 14, 2012, at 10:00 a.m., at the MTD Products Inc Lodge, 6029 Grafton Road, Valley City, Ohio.

This year, your Board of Directors is recommending that you elect three Directors who are described in the proxy statement.

The Company has enclosed a copy of its Annual Report for the fiscal year ended October 31, 2011 with this notice of annual meeting of stockholders and proxy statement. If you would like another copy of the 2011 Annual Report, please contact Thomas Dugan at Shiloh Industries, Inc., 880 Steel Drive, Valley City, Ohio 44280, (330) 558-2600, and you will be sent one.

Please read the enclosed information carefully before completing and returning the enclosed proxy card. Returning your proxy card as soon as possible will assure your representation at the meeting, whether or not you plan to attend. If you do attend the annual meeting, you may, of course, revoke your proxy should you wish to vote in person.

Sincerely,

/s/ Theodore K. Zampetis  
Theodore K. Zampetis  
President and Chief Executive Officer

Shiloh Industries, Inc.  
880 Steel Drive  
Valley City, Ohio 44280

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**  
**March 14, 2012**

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The Annual Meeting of Stockholders of Shiloh Industries, Inc., a Delaware corporation (the “Company”), will be held on Wednesday, March 14, 2012, at 10:00 a.m. (the “Annual Meeting”), at the MTD Products Inc Lodge, 6029 Grafton Road, Valley City, Ohio 44280, for the purpose of:

(1) Electing three Directors to serve a term of three years and until their successors have been duly elected and qualified;  
and

(2) Transacting such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on January 17, 2012 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement thereof.

By Order of the Board of Directors

/s/ David J. Hessler  
David J. Hessler  
*Secretary*

February 10, 2012

The Company’s Annual Report for the fiscal year ended October 31, 2011 (the “2011 Annual Report”) is enclosed. The 2011 Annual Report contains financial and other information about the Company, but is not incorporated into the proxy statement and is not deemed to be a part of the proxy soliciting materials.

**Even if you expect to attend the Annual Meeting, please promptly complete, sign, date and mail the enclosed proxy card. A self-addressed envelope is enclosed for your convenience. No postage is required if mailed in the United States. Stockholders who attend the Annual Meeting may revoke their proxies and vote in person if they so desire.**

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MARCH 14, 2012:**

**This proxy statement and the Company’s 2011 Annual Report are also available at [www.shiloh.com/proxymaterials](http://www.shiloh.com/proxymaterials).**

**SHILOH INDUSTRIES, INC.**  
**880 Steel Drive**  
**Valley City, Ohio 44280**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MARCH 14, 2012**

This proxy statement is furnished in connection with the solicitation by the Board of Directors of Shiloh Industries, Inc., a Delaware corporation (the "Company"), of proxies to be used at the annual meeting of stockholders of the Company to be held on March 14, 2012 at 10:00 a.m., at the MTD Products Inc Lodge, 6029 Grafton Road, Valley City, Ohio (the "Annual Meeting"). This proxy statement and the accompanying proxy card and annual report to stockholders for the fiscal year ended October 31, 2011 are first being mailed to stockholders on or about February 10, 2012.

If the enclosed proxy card is executed and returned, the shares represented by it will be voted as directed on all matters properly coming before the Annual Meeting for a vote. Returning your completed proxy will not prevent you from voting in person at the Annual Meeting should you be present and desire to do so. In addition, the proxy may be revoked at any time prior to its exercise either by giving written notice to the Company of revocation or by submission of a later dated proxy prior to the Annual Meeting. However, your attendance at the Annual Meeting will not automatically revoke your proxy unless you vote again at the Annual Meeting or specifically request that your prior proxy be revoked by delivering written notice to the Company prior to the Annual Meeting.

Stockholders of record of the Company at the close of business on January 17, 2012 will be entitled to vote at the Annual Meeting. On that date, the Company had outstanding and entitled to vote 16,768,794 shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock"). A list of such holders will be open to the examination of any stockholder for any purpose germane to the meeting at Shiloh Industries, Inc., 880 Steel Drive, Valley City, Ohio 44280 for a period of ten days prior to the meeting. Each share of Common Stock is entitled to one vote. At the Annual Meeting, inspectors of election shall determine the presence of a quorum and shall tabulate the results of the vote of the stockholders. The holders of a majority of the total number of outstanding shares of Common Stock entitled to vote must be present in person or by proxy to constitute the necessary quorum for any business to be transacted at the Annual Meeting. Broker non-votes will be considered "present" for purposes of determining whether a quorum has been achieved at the Annual Meeting. A broker non-vote occurs if your shares are held in "street name" by a broker or nominee and the broker or nominee reports your shares as non-votes because you did not provide your broker or nominee with voting instructions for your shares.

The three nominees for Director receiving the greatest number of votes cast at the Annual Meeting in person or by proxy will be elected. Consequently, any shares of Common Stock present in person or by proxy at the Annual Meeting, but not voted for any reason, have no impact in the election of Directors. All other matters, if any, to be considered at the Annual Meeting require for approval the favorable vote of a majority of shares voted at the meeting in person or by proxy. Stockholders have no right to cumulative voting as to any matter, including the election of Directors. If any proposal at the Annual Meeting must receive a specific percentage of favorable votes for approval, abstentions in respect of such proposal are treated as present and entitled to vote under Delaware law, and, therefore, such abstentions have the effect of a vote against such proposal. Broker non-votes in respect of any proposal are not counted for purposes of determining whether such proposal has received the requisite approval.

The shares represented by all valid proxies received will be voted in the manner specified on the proxies. Where specific choices are not indicated on a valid proxy, the shares represented by such proxy will be voted for the nominees for Director named in this proxy statement and in accordance with the best judgment of the persons named in the enclosed proxy, or their substitutes, for any other matters which properly come before the Annual Meeting.

A representative of Grant Thornton LLP ("Grant Thornton"), the Company's independent registered public accounting firm for fiscal 2011 and 2012, is expected to be present at the annual meeting of stockholders, will have an opportunity to make a statement if the representative so desires, and will be available to respond to appropriate questions from stockholders.

## ELECTION OF DIRECTORS

The Company's Restated Certificate of Incorporation provides that the Board of Directors will be divided into three classes of Directors to be as nearly equal in number of Directors as possible. Class I consists of David J. Hessler, Gary A. Oatey, and John J. Tanis, and their current term of office will expire at this Annual Meeting. Class II consists of Cloyd J. Abruzzo, George G. Goodrich, and Dieter Kaesgen, and their current term of office will expire at the 2013 annual meeting. Class III consists of Curtis E. Moll, Robert J. King, and Theodore K. Zampetis, and their current term of office will expire at the 2014 annual meeting. At each annual stockholders' meeting, Directors are elected for a term of three years and hold office until their successors are elected and qualified or until their earlier removal or resignation. Newly created directorships resulting from an increase in the authorized number of Directors or any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause may be filled by a majority of the remaining Directors then in office.

The Board of Directors recommends that its three nominees for Director be elected at the Annual Meeting. The nominees are David J. Hessler, Gary A. Oatey, and John J. Tanis. Mr. Hessler has served as Director of the Company since 1993. Mr. Oatey has served as Director of the Company since 2004. Mr. Tanis has served as Director of the Company since 2001. If any nominee becomes unavailable for any reason or should a vacancy occur before the election, which events are not anticipated, the proxies will be voted for the election of such other person as a Director as the Board of Directors may recommend. Information regarding the nominees for Director and the continuing Directors of the Company is set forth below:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
Curtis E. Moll (1) . . . . .	72	Chairman of the Board and Director
Theodore K. Zampetis (1) . . . . .	66	President, Chief Executive Officer and Director
Cloyd J. Abruzzo (2)(3)(4) . . . . .	61	Director
George G. Goodrich (1)(3)(4) . . . . .	71	Director
David J. Hessler (2) . . . . .	68	Secretary and Director
Dieter Kaesgen (2) . . . . .	75	Director
Robert J. King, Jr. (2) . . . . .	56	Director
Gary A. Oatey (3)(4) . . . . .	63	Director
John J. Tanis (1)(2)(3)(4) . . . . .	85	Director

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- (1) Member of the Executive and Governance Committee.
  - (2) Member of the Finance and Pension Administration Committee.
  - (3) Member of the Compensation Committee.
  - (4) Member of the Audit Committee.

### Director Nominees

DAVID J. HESSLER has served as the Secretary and a Director of the Company since its formation in April 1993. Mr. Hessler has been a Senior Partner in the law firm of Wegman, Hessler & Vanderburg or its predecessors since 1968, and served as the Secretary of MTD Products Inc. ("MTD Products") from 1977 through January 2003. Mr. Hessler served as a director of MTD Products from January 2003 through January 2006. Mr. Hessler also serves as Secretary and as a director of MTD Holdings Inc. ("MTD Holdings"). MTD Holdings beneficially owns a majority of the Company's Common Stock.

Mr. Hessler has counseled clients in governance and business matters in his role at the law firm. Mr. Hessler has served the Company as a legal adviser since the Company's formation. In addition to his legal and management experience described above, the Company believes that Mr. Hessler should serve as a director because he brings thoughtful analysis, sound judgment and insight about best practices to the Board, in addition to his professional experiences, which strengthens the Board's collective qualifications, skills and experience.

GARY A. OATEY has served as a Director of the Company since August 2004. Mr. Oatey has been the Chairman and Chief Executive Officer of the Oatey Company, a manufacturer of plumbing products, since 1987. Mr. Oatey also serves as a director of The J. M. Smucker Company and Molded Fiber Glass Companies.

In addition to his professional experience described above, the Company believes that Mr. Oatey should serve as a director because he provides in-depth industry knowledge, business acumen and leadership to the Board, which strengthens the Board's collective qualifications, skills and experience.

JOHN J. TANIS has served as a Director of the Company since March 2001. From 1973 until he retired in 1997, Mr. Tanis served as Chairman, President and Chief Executive Officer of United Screw and Bolt Corporation, a manufacturer of metal stampings and plastic components.

Mr. Tanis has several decades of experience in overseeing the corporate governance and financial performance of a manufacturing company that participated in the automotive supply chain. In addition to the knowledge and experience described above, the Company believes that Mr. Tanis should serve as a director because he provides insight about industry trends and expectations to the Board, which strengthens the Board's collective qualifications, skills and experience.

### **Continuing Directors**

CURTIS E. MOLL has served as a Director of the Company since its formation in April 1993 and became Chairman of the Board in April 1999. From 1980 through January 2010, Mr. Moll served as the Chairman of the Board and Chief Executive Officer of MTD Products, an outdoor power equipment manufacturer and a wholly owned subsidiary of MTD Holdings. Mr. Moll is Chairman of the Board and Chief Executive Officer of MTD Holdings. MTD Holdings beneficially owns a majority of the Company's Common Stock. Mr. Moll also serves as a director of MTD Products, The Sherwin-Williams Company and AGCO Corporation.

Mr. Moll has been active in the affairs of the Company since the Company's formation. In addition to his experience and business background described above, the Company believes that Mr. Moll should serve as a director because he has extensive manufacturing, distribution and management experience and provides an historical as well as an internal perspective of the Company's business to the Board and strengthens the Board's collective qualifications, skills, and experience.

ROBERT J. KING, JR. has served as a Director of the Company since February 2005. In September 2009, Mr. King was appointed and currently serves as President and Chief Executive Officer of Park View Capital Corp. and Park View Federal Savings Bank. From October 2006 to September 2009, Mr. King was Senior Managing Director of FSI Group, Inc., a manager of private equity funds. From January 2006 to October 2006, Mr. King was a managing director of Western Reserve Partners LLC, an investment banking firm. Mr. King retired in January 2005 from Fifth Third Bancorp, a diversified financial services company. From August 1997 until his retirement, Mr. King was President and Chief Executive Officer of Fifth Third Bank (Northeastern Ohio). Mr. King also served as Regional President of Fifth Third Bank from June 2002 until his retirement. From 1990 through July 1997, Mr. King served as President and Chief Executive Officer of Fifth Third Bank (Northwestern Ohio). Mr. King joined Fifth Third Bank in 1975 and held a variety of positions prior to becoming President and Chief Executive Officer (Northwestern Ohio) in 1990. Mr. King is a director of MTD Holdings, The Andersons, Inc., Park View Capital Corp. and Park View Federal Savings Bank.

In addition to his professional experience described above, the Company believes that Mr. King should serve as a director because he has implemented acquisition strategies and financial transactions and capitalization initiatives throughout his career. His industry and leadership experience from both an operational and financial perspective strengthens the Board's collective qualifications, skills and experience.

THEODORE K. ZAMPETIS has served as a Director of the Company since July 1993 and as President and Chief Executive Officer of the Company since January 2002. From January 2001 to January 2002, Mr. Zampetis served as President of Strategic Partners International, LLC, a management consulting firm. From November 1999 to December 2000, Mr. Zampetis independently conducted research and performed certain consulting services. Previously, he had worked for 27 years at The Standard Products Company, a global manufacturer of rubber and plastic parts principally for automotive original equipment manufacturers, where he held various positions, including serving as the President and Chief Operating Officer of World Wide Operations from 1991 to 1999, at which point Standard Products was sold to Cooper Tire & Rubber Company. Mr. Zampetis was also a member of the Board of Directors of Standard Products from 1991 until 1999.

Mr. Zampetis' extensive career in the automotive supply industry in a leadership capacity overseeing all phases of the operations provides the Company's Board of Directors with a unique resource to guide the Company. In addition to his experience and business background described above, the Company believes that Mr. Zampetis should serve as a director because of his leadership, financial and operational experience, which strengthens the Board's collective qualifications, skills and experience.

CLOYD J. ABRUZZO has served as a Director of the Company since March 2004. Mr. Abruzzo retired in December 2003 from Stoneridge, Inc., a global designer and manufacturer of specialty electrical components and systems for the automotive and commercial vehicle markets. From May 1993 until his retirement, Mr. Abruzzo was a director and President and Chief Executive Officer of Stoneridge. Mr. Abruzzo joined Stoneridge in 1980 and held several positions prior to becoming President and Chief Executive Officer in May 1993.

In addition to his professional experience described above, the Company believes that Mr. Abruzzo should serve as a director because he provides in-depth industry knowledge, business acumen and leadership to the Board, which strengthens the Board's collective qualifications, skills, and experience.

GEORGE G. GOODRICH has served as a Director of the Company since March 2004. Mr. Goodrich has been the Executive in Residence at the Boler School of Business at John Carroll University since January 2003 and had served on its Board of Directors from 1994 until June 2005. Mr. Goodrich retired from Arthur Andersen & Co., a public accounting firm, in August 2001 after spending 37 years with the firm. At the time of his retirement, Mr. Goodrich was a partner of the firm and was Director of Global Tax and Assistant Treasurer for Andersen Worldwide, the parent organization of Arthur Andersen & Co. From 1990 to 1996, Mr. Goodrich also was the Managing Partner of the Cleveland office of Arthur Andersen & Co.

Mr. Goodrich qualifies as an audit committee financial expert due to his extensive background in accounting and finance built through his career in public accounting. In addition to his professional and accounting experience described above, the Company believes that Mr. Goodrich should serve as a director because he provides valuable business experience and judgment to the Board, which strengthens the Board's collective qualifications, skills and experience.

DIETER KAESGEN became a Director of the Company in May 2002. Mr. Kaesgen previously served as a Director of the Company from December 1995 until December 1999. Currently, Mr. Kaesgen has been President and Vice Chairman of MTD Holdings since March 2003. From January 2005 until February 2009, Mr. Kaesgen served as Special Assistant to the Chairman of the Board of MTD Products. From January 2001 until March 2005, Mr. Kaesgen served as President and Chief Operating Officer of MTD Products. Mr. Kaesgen has been a director of MTD Products since 1983. From October 1996 until January 2001, Mr. Kaesgen served as President of the Consumer Products Group of MTD Products. Mr. Kaesgen served as Executive Vice President and Chief Operating Officer of MTD Products from August 1988 to October 1996. Mr. Kaesgen has been employed with MTD Products since 1962 in various operational capacities.

Mr. Kaesgen has been active in the affairs of the Company for many years. In addition to his experience and business background described above, the Company believes that Mr. Kaesgen should serve as a director because he provides historical as well as an internal perspective of the Company's business to the Board and strengthens the Board's collective qualifications, skills, and experience.

Curtis E. Moll and Dieter Kaesgen are cousins.

## **Board of Directors, Committees and Directors Meetings**

The Board does not have a policy regarding the separation of the roles of the Chief Executive Officer ("CEO") and Chairman of the Board of Directors because the Board believes it is in the best interests of the Company to make that determination based on the position and direction of the Company and the membership of the Board of Directors. At this time, the Board has determined that having a separate director, who is not also serving as the Company's CEO, serve as Chairman is in the best interest of the Company's shareholders. This structure ensures a greater role for the outside directors in the oversight of the Company and active participation of all the directors in setting agendas and establishing Board priorities and procedures. Further, this structure permits the Company's President and CEO to spend more time and focus on the strategic direction and management of the Company's day-to-day operations.

It is management's responsibility to manage risk and bring to the Board of Directors' attention the most material risks to the Company. The Board of Directors oversees the processes established to report and monitor systems for material risks applicable to the Company. The Audit Committee regularly reviews enterprise-wide risk management, which includes treasury risks (commodity pricing, foreign exchange rates, credit and debt exposures), financial and accounting risks, legal and compliance risks, and other risk management functions. The Compensation Committee considers risks related to the attraction and retention of talent and related to the design of compensation programs and arrangements. The Compensation Committee and management do not believe that the Company maintains compensation policies or practices that are reasonably likely to have a material adverse effect on the Company. The full Board considers strategic risks and opportunities and regularly receives reports from management on risk and from the committees regarding risk oversight in their areas of responsibility.

The Board of Directors has determined that the Company is a “controlled company,” as defined in Rule 5615(c)(1) of the Marketplace Rules of the Nasdaq Stock Market, based on MTD Holdings’ beneficial ownership of approximately 50.1% of the outstanding Common Stock. Accordingly, the Company is not required to meet certain of the Marketplace Rules of the Nasdaq Stock Market, including the requirement to maintain a majority of independent directors on the Company’s Board of Directors and the requirements regarding the nomination of directors by independent directors.

The Board has determined that Messrs. Abruzzo, Goodrich, Oatey, and Tanis are independent under the Nasdaq’s corporate governance rules. The independent Directors meet regularly in executive session.

The Board of Directors has four standing committees: the Executive and Governance Committee, the Audit Committee, the Compensation Committee and the Finance and Pension Administration Committee.

The Executive and Governance Committee exercises the power and authority of the Board of Directors on all matters, except as expressly limited by applicable law, in the interim period between Board of Directors’ meetings. The Executive and Governance Committee did not meet in fiscal 2011. The current members of the Executive and Governance Committee are Messrs. Goodrich, Moll, Tanis and Zampetis.

The Board of Directors has adopted an Audit Committee charter that complies with Rule 5605(c)(1) of the Marketplace Rules of the Nasdaq Stock Market. The charter of the Audit Committee is available on the Company’s website ([www.shiloh.com](http://www.shiloh.com)). The Audit Committee has the responsibilities and authority under the charter set forth in Rule 5605(c)(1) of the Marketplace Rules of the Nasdaq Stock Market. Among other things, the Audit Committee is responsible for overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. The Audit Committee is also directly responsible for the appointment, compensation, retention and oversight of the work of the Company’s independent auditors, including the resolution of disagreements between management and the auditors regarding financial reporting. Additionally, the Audit Committee approves all related-party transactions that are required to be disclosed pursuant to Item 404 of Regulation S-K.

The current members of the Audit Committee are Messrs. Abruzzo, Goodrich, Oatey and Tanis. The Board of Directors has determined that it has at least one “audit committee financial expert,” as defined in Item 401(h)(2) of Regulation S-K, serving on the Audit Committee, George G. Goodrich, and that Mr. Goodrich is an “independent director” as defined in Rule 5605(a)(2) of the Marketplace Rules of the Nasdaq Stock Market. The Audit Committee held four meetings in fiscal 2011.

The Compensation Committee oversees all matters relating to human resources of the Company and administers (1) all stock option or stock-related plans and, in connection therewith, all awards of options and performance units to employees pursuant to any such stock option or stock related plan, (2) all bonus plans, including, without limitation, the Senior Management Bonus Plan and the Executive Incentive Bonus Plan and (3) all compensation of the Chief Executive Officer of the Company. The current members of the Compensation Committee are Messrs. Abruzzo, Goodrich, Oatey and Tanis. The Compensation Committee operates without a written charter. The Compensation Committee held two meetings in fiscal 2011.

The Finance and Pension Administration Committee reviews matters relating to various finance issues facing the Company as well as matters related to the Company’s pension plans. The current members of the Finance and Pension Administration Committee are Messrs. Abruzzo, Hessler, Kaesgen, King and Tanis. The Finance and Pension Administration Committee held one meeting during fiscal 2011.

The Board of Directors does not have a standing nominating committee or committee performing similar functions. The Board of Directors has determined that it is appropriate not to have a nominating committee because of the relatively small size of the Board of Directors, and the entire Board of Directors functions in the capacity of a nominating committee.

The Board of Directors periodically reviews the desired skills and characteristics for directors as well as the composition of the Board of Directors as a whole. This assessment considers the directors’ qualifications and independence, as well as diversity, age, skill and experience in the context of the needs of the Board of Directors. At a minimum, directors should share the values of the Company and should possess the following characteristics: high personal and professional integrity; the ability to exercise sound business judgment; an inquiring mind; and the time available to devote to Board of Directors’ activities and the willingness to do so. The Board of Directors does not have a formal policy specifically focusing on the consideration of diversity; however, diversity is one of the many factors that the Board of Directors considers when identifying candidates. In addition to the foregoing considerations, the Board of Directors will consider nominees suggested by directors and management. Ultimately, the Board of Directors will consider prospective nominees the Board believes will be effective, in collaboration with the other members of the Board of Directors, in collectively serving the long-term interests of the Company’s stockholders.

The Board of Directors does not have a formal policy with regard to the consideration of any director candidates recommended by stockholders. Because of the size of the Board of Directors and the small turnover of its members historically, the Board addresses the need to retain members and fill vacancies after discussion among current members and the Company's management. Accordingly, the Board of Directors has determined that it is appropriate not to have such a policy at this time. The Board of Directors, however, will consider director candidates recommended by stockholders. Any stockholder that wishes to nominate a director candidate should submit complete information as to the identity and qualifications of the director candidate pursuant to the procedures set forth below under "Communication with the Board of Directors." The Board of Directors does not have any specific qualifications that have to be met by director candidates and does not have a formal process for identifying and evaluating director candidates.

The Board of Directors held five meetings in fiscal 2011. All of the Directors attended at least seventy-five percent of the total meetings held by the Board of Directors and by all committees on which they served in fiscal 2011. Although the Company does not have a policy with respect to attendance by the Directors at the Annual Meeting of Stockholders, Directors are encouraged to attend. Eight of the nine members of the Board of Directors attended the 2011 Annual Meeting of Stockholders.

### **Communication with the Board of Directors**

The Board of Directors of the Company believes that it is important for stockholders to have a process to send communications to the Board. Accordingly, stockholders who wish to communicate with the Board of Directors or a particular Director may do so by sending a letter to the Secretary of the Company at 880 Steel Drive, Valley City, Ohio 44280. The mailing envelope must contain a clear notation indicating that the enclosed letter is a "Stockholder-Board Communication" or "Stockholder-Director Communication." All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board of Directors or certain specified individual Directors. The Secretary will make copies of all such letters and circulate them to the appropriate Director or Directors.

### **Principal Accountant Fees and Services**

#### ***Audit Fees***

Fees paid in fiscal 2011 and fiscal 2012 pertaining to fiscal 2011 to Grant Thornton for the audit of the annual consolidated financial statements included in the Company's Annual Report on Form 10-K and for the reviews of the consolidated financial statements included in the Company's Forms 10-Q were \$450,285 for the 2011 fiscal year and \$486,406 for the 2010 fiscal year.

#### ***Audit-Related Fees***

For fiscal 2011 and 2010, there were no fees paid to Grant Thornton for audit-related services.

#### ***Tax Fees***

Fees paid to Grant Thornton associated with tax compliance and tax consultation were \$5,355 and \$9,366 for the fiscal years ended October 31, 2011 and 2010, respectively.

#### ***All Other Fees***

For fiscal 2011 and 2010, there were no fees paid to Grant Thornton for products or services other than those listed above.

### **Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee has adopted a formal policy on auditor independence requiring the approval by the Audit Committee of all professional services rendered by the Company's independent auditor prior to the commencement of the specified services.

For the fiscal years ended October 31, 2011 and 2010, 100% of the services described in "Audit Fees" and "Tax Fees" were approved by the Audit Committee in accordance with the Company's formal policy on auditor independence.

### **Compensation Committee Interlocks and Insider Participation**

The members of the Company's Compensation Committee during the fiscal year ended October 31, 2011 were Messrs.

Abruzzo, Goodrich, Oatey and Tanis. No officer or employee of the Company served on the Compensation Committee. Additionally, no Compensation Committee interlocks existed during the Company's 2011 fiscal year.

### **Certain Relationships and Related Transactions**

The law firm of Wegman, Hessler & Vanderburg, of which Mr. Hessler is a Senior Partner, provided services to the Company in fiscal 2011 in the amount of approximately \$72,000 and provides services to the Company on an on-going basis. Mr. Hessler is the Secretary and a Director of the Company. Although Mr. Hessler is Secretary of the Company, he receives no compensation for holding such position.

Mr. Zampetis's son, Constantine Zampetis, is an employee of the Company. His salary for fiscal 2011 was \$103,297, which is in line with comparable positions within the Company and he received a bonus of \$27,328 for fiscal 2011.

Mr. Moll is the Chairman of the Board and Chief Executive Officer of MTD Products and Chairman of the Board and Chief Executive Officer of MTD Holdings, Mr. Kaesgen is a director of MTD Products and the President and Vice Chairman of the Board of MTD Holdings, Mr. Hessler is the Secretary and a director of MTD Holdings, and Mr. King is a director of MTD Holdings.

In fiscal 2011 and 2010, the Company had sales to MTD Products and its affiliates in the aggregate amount of approximately \$8.3 million and \$9.5 million, respectively.

## BENEFICIAL OWNERSHIP OF COMMON STOCK

Except as otherwise noted, the following table sets forth certain information as of December 31, 2011 as to the security ownership of those persons owning of record or known to the Company to be the beneficial owner of more than five percent of the voting securities of the Company and the security ownership of equity securities of the Company by each of the Directors and each of the executive officers named in the Summary Compensation Table (the “Named Executive Officers”), and all Directors and executive officers as a group. Unless otherwise indicated, all information with respect to beneficial ownership has been furnished by the respective Director, executive officer or five-percent beneficial owner, as the case may be. Unless otherwise indicated, the persons named below have sole voting and investment power with respect to the number of shares set forth opposite their names. Beneficial ownership of the Common Stock has been determined for this purpose in accordance with the applicable rules and regulations promulgated under the Securities Exchange Act of 1934 (the “Exchange Act”) and includes options held by such entities and individuals that were exercisable on December 31, 2011 or within 60 days thereafter. As of December 31, 2011, the Company had 16,763,428 shares of Common Stock outstanding.

Names And Addresses of Beneficial Owners	Amount and Nature of Beneficial Ownership of Common Stock	Percentage of Shares of Common Stock Beneficially Owned (%)
MTD Holdings Inc (1) . . . . . 5965 Grafton Road Valley City, Ohio 44280	8,405,266	50.1%
Dimensional Fund Advisers, Inc. (2). . . . . Palisades West, Building One 6300 Bee Cave Road Austin, Texas 78746	1,316,360	7.9%
T. Rowe Price Associates, Inc. (3). . . . . 100 E. Pratt Street Baltimore, Maryland 21202	1,258,360	7.5%
Raging Capital Management, LLC (4) . . . . . 254 Witherspoon Street Princeton, NJ 08542	840,291	5.0%
Cloyd J. Abruzzo . . . . .	30,000	*
George G. Goodrich. . . . .	3,000	*
David J. Hessler (5) . . . . .	280,235	1.7%
Dieter Kaesgen (6) . . . . .	8,452,266	50.4%
Robert J. King, Jr. . . . .	1,500	*
Curtis E. Moll (7). . . . .	8,588,141	51.2%
Gary A. Oatey . . . . .	7,000	*
John J. Tanis. . . . .	4,000	*
Thomas M. Dugan (8) . . . . .	31,775	*
Anthony Parente (9). . . . .	38,333	*
Theodore K. Zampetis (10) . . . . .	2,119,739	12.6%
All Directors and executive officers as a group (15 persons) (11) . . . . .	11,120,390	66.3%

\* Less than one percent

(1) Information reported is based on a Schedule 13D as filed with the Securities and Exchange Commission on July 20, 2010. MTD Holdings owns 100% of the capital stock of MTD Products. Includes 1,104,400 shares of Common Stock beneficially owned by the MTD Products Inc Master Employee Benefit Trust, a trust fund established and sponsored by MTD Products. MTD Holdings had sole voting power over 7,300,866 shares of common stock and sole dispositive power over 7,300,866 shares of common stock.

(2) Information reported is based on a Schedule 13G as filed with the Securities and Exchange Commission on February 11, 2011. Dimensional Fund Advisers L.P. (“Dimensional”), an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, furnishes investment advice to four investment companies

registered under the Investment Company Act of 1940, and serves as investment manager to certain other commingled group trusts and separate accounts. (These investment companies, trusts and accounts are the “Funds”). In its role as investment advisor and investment manager, Dimensional had sole voting power over 1,290,596 shares of Common Stock and sole dispositive power over 1,316,360 shares of Common Stock as of December 31, 2010. The Funds own all securities reported in this statement, and Dimensional disclaims beneficial ownership of such securities.

- (3) Information based on Schedule 13G as filed with the Securities and Exchange Commission on February 14, 2011. These securities are owned by various individual and institutional investors, which T. Rowe Price Associates, Inc. (Price Associates) serves as investment advisor with power to direct investments and/or sole power to vote securities. In its role as investment advisor, Price Associates, Inc., had sole voting power over 1,251,650 shares of Common Stock and sole dispositive power over 1,258,350 shares of Common Stock as of December 31, 2010. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Price Associates is deemed to be a beneficial owner of such securities; however, Price Associates expressly disclaims that it is, in fact, the beneficial owner of such securities. Information based on Schedule 13G as filed with the Securities and Exchange Commission on December 30, 2011.
- (4) Information based on Schedule 13G as filed with the Securities and Exchange Commission on December 30, 2011. These securities are owned by various individual and institutional investors for which Raging Capital Management, LLC (Raging Capital) serves as investment advisor with power to direct investments and/or sole power to vote securities. In its role as investment advisor, Raging Capital had shared voting power over 1,680,582 shares of Common Stock and shared dispositive power over 1,680,582 shares of Common Stock as of December 23, 2011. For purposes of the reporting requirements of the Securities Exchange Act of 1934, Raging Capital is deemed to be a beneficial owner of such securities; however, Raging Capital expressly disclaims that it is, in fact, the beneficial owner of such securities.
- (5) Includes 1,000 shares of Common Stock owned by Mr. Hessler’s spouse and 20,000 shares of Common Stock held by the Jochum-Moll Foundation, a charitable organization in which Mr. Hessler shares voting and investment power over all the foundation’s assets. Mr. Hessler disclaims beneficial ownership of these 21,000 shares of Common Stock.
- (6) Includes 7,300,866 shares of Common Stock which are owned of record by MTD Holdings and 1,104,400 shares of Common Stock beneficially owned by the MTD Products Inc Master Employee Benefit Trust, a trust fund established and sponsored by MTD Products. Mr. Kaesgen is Vice Chairman and President of MTD Holdings and a director of MTD Products. Mr. Kaesgen’s address is c/o MTD Holdings Inc, 5965 Grafton Road, Valley City, Ohio 44280.
- (7) Includes 7,300,866 shares of Common Stock which are owned of record by MTD Holdings and 1,104,400 shares of Common Stock beneficially owned by the MTD Products Inc Master Employee Benefit Trust, a trust fund established and sponsored by MTD Products. Mr. Moll is Chairman of the Board and Chief Executive Officer of MTD Holdings and is Chairman of the Board and Chief Executive Officer of MTD Products. Also includes 500 shares of Common Stock held by The Moll Family Properties, an Ohio general partnership of which Mr. Moll is a general partner, 1,000 shares of Common Stock held by Mr. Moll’s spouse, 1,000 shares held by Mr. Moll’s daughter and 20,000 shares of Common Stock held by the Jochum-Moll Foundation, a charitable organization in which Mr. Moll shares voting and investment power over all the foundation’s assets. Mr. Moll’s address is c/o MTD Holdings, Inc, 5965 Grafton Road, Valley City, Ohio 44280.
- (8) Includes 16,667 shares of Common Stock subject to stock options granted under the Company’s 1993 Key Employee Stock Incentive Plan, which are exercisable within 60 days of December 31, 2011.
- (9) Includes 25,000 shares of Common Stock subject to stock options granted under the Company’s 1993 Key Employee Stock Incentive Plan, which are exercisable within 60 days of December 31, 2011.
- (10) Includes 103,333 shares of Common Stock subject to stock options granted under the Company’s 1993 Key Employee Stock Incentive Plan, which are exercisable within 60 days of December 31, 2011. Also includes 191,646 shares of Common Stock held on December 31, 2011 by the T.K. Zampetis Family Foundation, a Section 501(c)(3) charitable organization in which Mr. Zampetis shares voting and investment power over all the foundation’s assets. Does not include shares of Common Stock owned by Mr. Zampetis’ son, Constantine Zampetis, of which Mr. Zampetis disclaims beneficial ownership.

(11) Includes 155,666 shares of Common Stock subject to stock options granted under the Company's 1993 Key Employee Stock Incentive Plan, which are exercisable within 60 days of December 31, 2011.

## Section 16(a) Beneficial Ownership Reporting Compliance

Based solely on a review of reports of ownership, reports of changes of ownership and written representations under Section 16(a) of the Exchange Act which were furnished to the Company during or with respect to fiscal 2011 by persons who were, at any time during fiscal 2011, directors or officers of the Company or beneficial owners of more than 10% of the outstanding shares of Common Stock, all Section 16(a) filing requirements for reporting persons were met, except for the disposition of 1,500 shares of Common Stock by David Hessler was filed late on Form 4 and a Form 3 for each of Elie Azzi, Paul Harland and Tres Kline was filed late.

### Summary Compensation Table

The table below provides information relating to compensation for fiscal 2011 and 2010 for the Company's Chief Executive Officer and two executive officers of the Company. The amounts shown include compensation for services in all capacities that were provided to the Company and its direct and indirect subsidiaries and predecessors.

Name and Principal Position (6)	Year	Salary	Bonus (1)	Stock Awards (2)	Option Awards (3)	Non-Equity Incentive Plan Compensation (4)	Nonqualified Deferred Compensation Earnings	All Other Compensation (5)	Total (7)
Theodore K. Zampetis, President and Chief Executive Officer	2011	\$481,250	n/a	n/a	\$220,925	\$408,346	n/a	\$26,443	\$1,136,964
	2010	\$310,385	n/a	n/a	n/a	n/a	n/a	\$8,400	\$318,785
Anthony M. Parente, Vice President and Chief Technology Officer	2011	\$176,154	n/a	n/a	\$89,400	\$112,068	n/a	\$15,200	\$392,822
	2010	\$150,154	n/a	n/a	n/a	n/a	n/a	\$8,400	\$158,554
Thomas M. Dugan, Vice President of Finance and Treasurer	2011	\$142,305	n/a	n/a	\$44,700	\$88,475	n/a	\$13,167	\$288,647
	2010	\$112,803	\$4,000	n/a	n/a	n/a	n/a	\$658	\$117,461

- (1) Amounts paid under the Company's bonus plan falls under the non-equity incentive plan caption because there are benchmarks that must be met in order for the Company to pay the bonus.
- (2) There were no stock awards outstanding or forfeitures of stock awards in fiscal 2011 or fiscal 2010 by the named executive officers.
- (3) The amount reported in this column represents the aggregate grant date fair value of option awards granted during fiscal year 2011 to the named executive officers computed in accordance with FASB ASC Topic 718.
- (4) Each of the awards described for fiscal 2011 were earned in fiscal 2011 and paid to the named executive officer in the first quarter of fiscal 2012. There were no bonuses awarded to any named executive officers in fiscal 2010.
- (5) The amounts shown in the "All Other Compensation" column are attributable to the following: \$8,400 in fiscal 2011 and 2010 to Mr. Zampetis and Mr. Parente for an auto allowance. Mr. Dugan received \$6,800 for an auto allowance in fiscal 2011 and was not eligible for an auto allowance in fiscal 2010. In addition, included are the Company's contributions to the Company's defined contribution plan on behalf of each named executive officer as the Company contribution was reinstated for fiscal 2011. Mr. Zampetis received a contribution of \$18,043, Mr. Parente received a contribution of \$6,800 and Mr. Dugan received a contribution of \$5,667. Also included are the Company's contributions to the Company's high deductible medical insurance plan. Mr. Zampetis and Mr. Parente did not participate in that plan for either year. Mr. Dugan received a contribution of \$700 to his high deductible medical insurance plant for fiscal 2011 and \$658 for fiscal 2010.
- (6) In fiscal year 2010 Mr. Parente was Vice President of Manufacturing. He was promoted to Vice President and Chief Technology Office on January 1, 2011. In fiscal year 2010, Mr. Dugan was Treasurer. He was promoted to Vice President Finance and Treasurer on January 31, 2011.

(7) For each named executive, total compensation consists of a cash portion and non-cash portion, as follows:

<u>Named Executive Officer</u>	<u>Year</u>	<u>Total Cash /Non-Cash</u>
Theodore K. Zampetis .....	2011	\$916,039/ \$220,925
	2010	\$318,785 / \$—
Anthony M. Parente .....	2011	\$303,422 / \$89,400
	2010	\$158,554 / \$—
Thomas M. Dugan .....	2011	\$243,947 / \$44,700
	2010	\$117,461 / \$—

Non-cash compensation includes the aggregate grant date fair value of option awards granted in fiscal 2011 calculated in accordance with the Black-Scholes method, as follows: For Mr. Zampetis, \$220,925 for awards at an option price of \$12.04 and / or \$13.24. For Mr. Parente, \$89,400 for awards at an option price of \$12.04. For Mr. Dugan, \$44,700 for awards at an option price of \$12.04.

## **Narrative Disclosure to Summary Compensation Table**

### ***Overview***

The following should be read in conjunction with the information presented in the compensation tables, the footnotes to those tables and the related disclosures appearing later in this proxy statement. The tables and related disclosures contain specific information about the compensation earned or paid during the fiscal years ending October 31, 2011 and 2010 to the following individuals, whom are referred to as the Named Executive Officers: Theodore K. Zampetis, President and Chief Executive Officer; Anthony M. Parente, Vice President and Chief Technology Officer; and Thomas M. Dugan, Vice President of Finance and Treasurer.

The compensation and benefits payable to the Company's Directors and executive officers are established by the Compensation Committee of the Company's Board of Directors (the "Committee"). The Committee consists of four members, Cloyd J. Abruzzo (Chairman), George G. Goodrich, Gary A. Oatey and John J. Tanis, each of whom is an independent director within the meaning of the listing standards of the Nasdaq Stock Market, a disinterested director within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and a "non-employee director" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended (The "Internal Revenue Cods").

The Committee held two meetings during fiscal 2011 and did not meet during fiscal 2010. Agendas for the meetings were established by the Chairman of the Committee. The Committee generally invites the Company's Chief Executive Officer to the meetings, and occasionally invites other members of senior management to provide relevant data and information, individual performance assessment and compensation recommendations. In addition, the Committee regularly meets in executive session without management. Because the Committee is satisfied with its experience in the Company's industry and has reviewed publicly available information regarding the compensation of executives of similar companies in the industry, the Committee has not engaged a corporate compensation consultant.

### ***Compensation Philosophy***

The Company's basic objectives for executive compensation are to recruit and keep top quality executive leadership focused on attaining long-term corporate goals and increasing stockholder value.

### ***Compensation Setting Process and Objectives***

Usually on an annual basis near the end of each fiscal year, the Committee reviews and establishes the compensation program for the subsequent year for the Named Executive Officers based on the Company's performance, individual performance and experience and market conditions and comparisons to the Company's competitors. The Company's Chief Executive Officer, Mr. Zampetis, after he meets with each of the executives, reviews their performance for the past year and, in cooperation with each executive, tailors personal goals (both qualitative and quantitative) for each executive for the next fiscal year. After these meetings, Mr. Zampetis recommends a compensation package and individual performance goals for each executive to the Committee for their consideration. The Committee conducts a similar process for Mr. Zampetis. In determining the mix and amount of executive compensation, the Committee reviews all components of executive compensation, including base salary, short-term incentives, long-term incentives, deferred compensation and perquisites, each of which is a common component of executive compensation at companies with which the Company competes.

As a result of improved market conditions and the Company's improved results during fiscal 2010, the Company began the process of restoring base salaries of all salaried employees, including the Named Executive Officers, to their pre-2009 levels. Such action was approved unanimously by the full Board of Directors, which included all Compensation Committee members. Based on the forecast of results for fiscal 2011, the Compensation Committee met at the beginning of the fiscal year and established performance goals for fiscal 2011.

### ***Elements of Compensation***

The elements of the Company's executive compensation program consist of base salary, short-term incentives (cash bonuses), long-term incentives (stock options), deferred compensation (cash balance retirement plan and profit sharing retirement plan) and other perquisites and personal benefits.

*Base Salary.* Base salaries serve as a primary means of compensation for Named Executive Officers and are set within ranges that are reasonable, considering comparable positions in companies similar to the Company in industry and region. Base salaries are also intended to be equitable and high enough to keep qualified executives from being over-dependent on cash bonuses in a cyclical industry. In recognition of the state of the automotive industry that the Company serves, the Company has in the past initiated steps to respond to current and anticipated market conditions. On November 1, 2005, at the request of Mr. Zampetis, his annual salary was reduced by 25% (\$125,000) to \$375,000. On November 18, 2008, Mr. Zampetis voluntarily reduced his annual salary further to \$300,000, an additional reduction of 20%. On February 23, 2009, Mr. Zampetis voluntarily reduced his salary further to \$270,000, an annual reduction of 10%. For the period May 4, 2009 until July 27, 2009, Mr. Zampetis suspended his salary completely. Subsequent to July 27, 2009, Mr. Zampetis' salary returned to an annual salary of \$270,000. During fiscal 2010, Mr. Zampetis' salary was restored on May 3, 2010 to \$322,500 and on August 9, 2010 to \$375,000. Mr. Zampetis' annual salary was restored on December 10, 2010 to \$500,000.

Mr. Parente was promoted to the position of Vice President and Chief Technology Officer on January 3, 2011 with an annual salary of \$168,000. On May 30, 2011, Mr. Parente was awarded a merit increase raising his annual salary to \$190,000. In fiscal 2010, Mr. Parente served as the Vice President of Manufacturing operations with an annual salary effective February 23, 2009 of \$144,000. During fiscal 2010, Mr. Parente's salary was gradually restored to levels preceding the economic downturn that began in 2008, resulting in an increase to \$148,000 on February 8, 2010, an increase to \$152,000 on May 3, 2010 and an increase to \$160,000 on August 8, 2010.

Mr. Dugan was promoted to the position of Vice President of Finance and Treasurer on January 31, 2011 with an annual salary of \$150,000. Mr. Dugan previously served as Treasurer of the Company. Mr. Dugan's salary as Treasurer was \$108,180 with an effective date of February 23, 2009. During fiscal 2010, Mr. Dugan's salary was gradually restored to levels preceding the economic downturn that began in 2008, resulting in an increase to \$111,185 on February 8, 2010, an increase to \$114,190 on May 3, 2010, an increase to \$120,200 on August 9, 2010 and an increase to \$123,806 on November 1, 2010.

As a result, the base salary of each Named Executive Officer during fiscal years 2011 and 2010 were:

<b><u>Named Executive Officer</u></b>	<b><u>2011 Base Salary</u></b>	<b><u>2010 Base Salary</u></b>
Theodore K. Zampetis	\$481,250	\$310,385
Anthony M. Parente	\$176,154	\$150,154
Thomas M. Dugan	\$142,305	\$112,803

*Short-Term Incentives.* The Company maintains the Shiloh Industries, Inc. Senior Management Bonus Plan (the "Bonus Plan") to provide its executive officers with annual cash incentives for superior performance. The Bonus Plan, which was reapproved by the stockholders of the Company in 2010, is administered by the Compensation Committee and entitles named executive officers to be paid a cash bonus based upon the attainment of certain performance criteria established annually by the Compensation Committee.

For fiscal 2010, the Company, anticipating that any economic recovery would be a slow and difficult process, did not establish performance targets, and no cash bonuses were awarded under the Bonus Plan for fiscal 2010.

For fiscal 2011, the Compensation Committee established performance goals based on the Company's earnings before interest, taxes, depreciation and amortization ("EBITDA"), entitling the executive officers to be paid a bonus based upon varying percentages of their respective base salaries and the level of achievement of EBITDA in relation to the target established by the Compensation Committee. Furthermore, the Committee established the target bonus for Mr. Zampetis at 90% of his base salary and for Messrs. Parente and Dugan at 65% of their respective salaries.

Generally, for each percent that the Company's EBITDA exceeded the EBITDA target of \$41.6 million for fiscal 2011, the executive's bonus would be increased by the corresponding percentage above their target bonus. For each percentage the Company's EBITDA was less than the target, the executive's bonus would be reduced by two times the percentage. If the Company's EBITDA was less than 75% of the target, no bonus would be earned.

For fiscal 2011, the Company attained 90.7% of the established EBITDA performance of the \$41.6 million. The aggregate cash bonuses awarded under the Senior Management Bonus Plan was \$719,484. The awards earned under the Senior Management Bonus Plan in fiscal 2011 were paid to the Named Executive Officers in the first quarter of fiscal 2012.

*Long-Term Incentives.* Long-term incentives consisting of stock options are intended to motivate executives to make and execute plans that improve stockholder value over the long-term. The Committee believes that equity-based awards align executives' interests with those of shareholders by reinforcing the risk of ownership and the importance of providing competitive long-term, total returns to shareholders. Such awards are granted under the 1993 Key Employee Stock Incentive Plan, and awards are generally based on the recipient's position within the Company and other personal performance factors. The Committee generally grants stock option awards annually. After the end of the fiscal year, the Committee assesses the financial performance of the Company, reviews the performance evaluations of each executive officer, and considers Mr. Zampetis's recommendations for stock option awards and grants the appropriate awards. During fiscal year 2011, the named executive officers received the following option awards:

Name of Executive Officer	Number of Shares Subject to Option Grant (1)	Grant Date Fair Value at Award (2)
Theodore K. Zampetis	25,000	\$220,975
Anthony M. Parente	10,000	\$89,400
Thomas M. Dugan	5,000	\$44,700

- (1) The exercise price for each of the options is \$12.04 and \$13.24 for 8,305 of Mr. Zampetis's shares (incentive stock option).
- (2) The grant date fair value of each stock option award is calculated using the Black-Scholes method.

During fiscal year 2010, the named executive officers did not receive option awards.

*Deferred Compensation.* In addition to a 401(k) plan, the Company provides a cash balance retirement plan and a profit sharing retirement plan, which is available to the Named Executive Officers of the Company on the same basis as all other eligible employees of the Company. The plans are designed to provide participants with a means by which to save for retirement. Both plans are qualified plans to which the Company has made profit sharing and matching contributions on behalf of the plans' participants. On October 31, 2006, the Company announced the freezing of benefits under its cash balance retirement plan. As a result, the cash balance retirement plan ceased to accrue current service costs effective January 31, 2007. Benefit obligations that were earned through January 31, 2007 by plan members remained and will continue to accrue interest and vest in accordance with the plan's vesting requirements, with 100% vesting achieved after five years of service.

Under the cash balance retirement plan's benefit formula, the estimated annual benefit payable upon retirement at age 65 as of October 31, 2011 for Anthony Parente and Thomas Dugan was \$57,048 and \$43,289, respectively. Theodore Zampetis is not entitled to benefits under this plan.

*Auto Allowance and other perquisites.* In fiscal years 2011 and 2010, the Company provided each named executive officer with an automobile allowance of \$8,400. Both Mr. Zampetis and Mr. Parente received the allowance for both years and Mr. Dugan began receiving the auto allowance upon his appointment as Vice President of Finance and Treasurer in January of 2011. In addition, Mr. Dugan was provided with employer contributions to the high deductible medical insurance plan. He received \$700 for fiscal year 2011 and \$658 for fiscal year 2010.

### ***Deductibility of Compensation***

Section 162(m) of the U.S. Internal Revenue Code places a limit on the deduction as a business expense of compensation in excess of \$1 million paid to certain "covered employees" of a publicly held corporation (generally, the Company's Chief Executive Officer and the next three most highly compensated executive officers in the year that the compensation is paid other than the Company's Chief Financial Officer). Compensation that is "performance-based compensation" is exempted

from the limitation if certain procedural requirements are satisfied. The Company's Bonus Plan is designed so that compensation paid under it qualifies as performance-based compensation within the meaning of Section 162(m).

## **Employment Agreement and Change in Control Agreements**

### ***Employment Agreement***

None of the Named Executive Officers has an employment agreement.

### ***Change in Control Agreements***

The Company has entered into Change in Control Agreements with Mr. Zampetis, Mr. Parente and Mr. Dugan. Under each agreement, certain benefits are payable by the Company to the Named Executive Officer if any of the following occur: (a) any person or group of persons (with certain limited exceptions) becomes the beneficial owner of 35% or more of either the then outstanding shares of Common Stock of the Company or the combined voting power of the outstanding voting securities of the Company, (b) a change in the composition of the Board of Directors results in a majority of the Directors that are not incumbent directors, (c) with certain limited exceptions, a merger or other such reorganization of the Company is consummated, or (d) the Company is completely liquidated or dissolved.

Upon a change of control, or if the Company terminated a Named Executive Officer not more than 180 days prior to a change in control, the Company must pay such Name Executive Officer a fixed dollar amount, if such executive is Mr. Zampetis or Mr. Parente, or an amount equal to one and a half times the sum of his effective annual salary and bonus, if such executive is Mr. Dugan. In addition, the Company will provide continued health coverage for the Named Executive Officer at a level at least as high as that enjoyed by the Named Executive Officer prior to the change in control or, if the Named Executive Officer's employment is terminated within 18 months after a change in control, the Company will reimburse him for the full cost of any group health continuation coverage that the Company would otherwise be required to offer under the Consolidated Omnibus Budget Reconciliation Act of 1986 until the earlier of the date (a) the Named Executive Officer becomes covered by comparable health coverage offered by another employer, or (b) 18 months after the date he receives his payment from the change in control.

Finally, to the extent a payment is made to Mr. Zampetis or Mr. Parente under a Change in Control Agreement and would be subject to excise taxes imposed by Sections 4999 and 280G of the Internal Revenue Code then the Company will pay to such Named Executive Officer an additional amount sufficient to offset such excise taxes and penalties incurred by the Named Executive Officer, as well as additional excise taxes and penalties that may result from such payment to offset the original excise taxes and penalties. To the extent a payment is made to Mr. Dugan under his Change in Control Agreement and would be subject to excise taxes imposed by Sections 4999 and 280G of the Internal Revenue Code, then the Company will pay Mr. Dugan the greater of (i) the change in control payment less the applicable excise taxes and (ii) the change in control payment reduced by an amount necessary so there are no excise taxes imposed by Sections 4999 and 280G of the Internal Revenue Code.

Had a change of control occurred on October 31, 2011, the last day of fiscal 2011, the following aggregate consideration would have been due to the Named Executive Officers currently employed by the Company: Mr. Zampetis, \$1,922,278; Mr. Parente, \$550,278; and Mr. Dugan \$388,947. The preceding amounts are composed of the change of control payment, the value of continued healthcare benefits and excise tax gross-up or reduction. The amounts of the change of control payment, the value of continued healthcare benefits and excise tax gross-up or reduction, respectively, for each Named Executive Officer is as follows:

<b><u>Named Executive Officer</u></b>	<b><u>Change in Control Payment</u></b>	<b><u>Value of Continued Healthcare Benefits</u></b>	<b><u>Excise Tax Gross-up or Reduction</u></b>	<b><u>Total Change in Control Aggregate Consideration</u></b>
Theodore K. Zampetis . . . . .	\$1,900,000	\$22,278	\$—	\$1,922,278
Anthony M. Parente . . . . .	\$528,000	\$22,278	\$—	\$550,278
Thomas M. Dugan . . . . .	\$371,250	\$25,992	\$(8,295)	\$388,947

The change of control payment and the gross-up or reduction would be paid in a lump sum.

**Shiloh Industries, Inc.**  
**Outstanding Equity Awards at Fiscal Year End for Fiscal Year 2011**

Named Executive Officer	Option Awards					Stock Awards			
	Number of Securities Underlying Unexercised Options - Exercisable	Number of Securities Underlying Unexercised Options - Not Exercisable (1)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price	Option Expiration Date	Number of Shares of Stock that Have Not Vested	Market Value of Shares that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares that Have Not Vested	Equity Incentive Plan Awards: Market Value of Unearned Shares that Have Not Vested
Theodore K. Zampetis	20,352	—	—	\$ 16.22	2/14/2012	n/a	n/a	n/a	n/a
Theodore K. Zampetis	16,667	8,333	—	\$ 2.33	12/12/2013	n/a	n/a	n/a	n/a
Theodore K. Zampetis	18,522	9,261	—	\$ 5.83	8/13/2014	n/a	n/a	n/a	n/a
Theodore K. Zampetis	—	8,305	—	\$ 13.24	12/10/2015	n/a	n/a	n/a	n/a
Theodore K. Zampetis	29,648	—	—	\$ 14.74	2/14/2017	n/a	n/a	n/a	n/a
Theodore K. Zampetis	—	—	—	\$ 2.11	12/12/2018	n/a	n/a	n/a	n/a
Theodore K. Zampetis	1,478	10,739	—	\$ 5.30	8/13/2019	n/a	n/a	n/a	n/a
Theodore K. Zampetis	—	16,695	—	\$ 12.04	12/10/2020	n/a	n/a	n/a	n/a
Anthony M. Parente	10,000	—	—	\$ 14.74	2/14/2017	n/a	n/a	n/a	n/a
Anthony M. Parente	—	6,667	—	\$ 2.11	12/12/2018	n/a	n/a	n/a	n/a
Anthony M. Parente	5,000	5,000	—	\$ 5.30	8/13/2019	n/a	n/a	n/a	n/a
Anthony M. Parente	—	10,000	—	\$ 12.04	12/10/2020	n/a	n/a	n/a	n/a
Thomas M. Dugan	2,000	—	—	\$ 13.06	10/28/2015	n/a	n/a	n/a	n/a
Thomas M. Dugan	8,000	—	—	\$ 14.74	2/14/2017	n/a	n/a	n/a	n/a
Thomas M. Dugan	—	3,333	—	\$ 2.11	12/12/2018	n/a	n/a	n/a	n/a
Thomas M. Dugan	1,667	1,666	—	\$ 5.30	8/13/2019	n/a	n/a	n/a	n/a
Thomas M. Dugan	—	5,000	—	\$ 12.04	12/10/2020	n/a	n/a	n/a	n/a

- (1) The options shown above that are not exercisable at October 31, 2011 were granted to the named executive officers on December 12, 2008, August 13, 2009 and December 10, 2010. These awards vest over a three year period, with one third of the December 12, 2008 awards vesting on December 12, 2009, 2010 and 2011, respectively, one third of the August 13, 2009 awards vesting on August 13, 2010, 2011 and 2012, respectively, and one third of the December 10, 2010 awards vesting on December 10, 2011, 2012 and 2013, respectively.

## Director Compensation

In fiscal 2011, all Directors, other than Directors who are employees of the Company, received a retainer of \$10,000 per quarter, or \$10,500 per quarter for Directors who served as Chairman of a committee. In addition, each such Director received a fee of \$1,750 for each Board of Directors meeting and \$1,000 for each committee meeting attended provided, that such fees for attendance at Board meetings and committee meetings do not exceed \$2,250 per day. Any such Director that also served as Chairman of a committee received an additional \$500 for each meeting at which that Director presided as Chairman of a committee. Finally, each such Director is reimbursed for any reasonable travel expenses incurred attending such meetings. All director compensation is paid in cash.

### Director Compensation for Fiscal Year 2011

Name	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Curtis E. Moll	\$ 56,000	n/a	n/a	n/a	n/a	n/a	\$ 56,000
Theodore K. Zampetis	—	n/a	n/a	n/a	n/a	n/a	—
Cloyd J. Abruzzo	63,500	n/a	n/a	n/a	n/a	n/a	63,500
George G. Goodrich	66,000	n/a	n/a	n/a	n/a	n/a	66,000
David J. Hessler	54,500	n/a	n/a	n/a	n/a	n/a	54,500
Dieter Kaesgen	52,750	n/a	n/a	n/a	n/a	n/a	52,750
Robert J. King, Jr.	52,250	n/a	n/a	n/a	n/a	n/a	52,250
Gary A. Oatey	55,500	n/a	n/a	n/a	n/a	n/a	55,500
John J. Tanis	61,250	n/a	n/a	n/a	n/a	n/a	61,250

## AUDIT COMMITTEE REPORT

The Audit Committee of the Board of Directors is composed of four Directors who are independent, as defined in Rule 5605(a)(2) of the Marketplace Rules of the Nasdaq Stock Market. The Audit Committee operates under a written Audit Committee charter adopted and approved by the Board of Directors. In accordance with its written charter, the Audit Committee assists the Board of Directors in fulfilling its responsibility relating to corporate accounting, reporting practices of the Company, and the quality and integrity of financial reports and other financial information provided by the Company to any governmental body or to the public. Management is responsible for the financial statements and the reporting process, including the system of internal controls. The independent registered public accounting firm is responsible for expressing an opinion on whether the audited financial statements are in conformity with accounting principles generally accepted in the United States of America.

The Audit Committee has reviewed and discussed with the Company's management and Grant Thornton LLP ("Grant Thornton"), the audited financial statements of the Company for the year ended October 31, 2011. The Audit Committee also discussed with the Company's independent registered public accounting firm, Grant Thornton, the matters required to be discussed by Auditing Standards No. 61, as amended (AICPA, Professional Standards, Vol. 1, AU Section 380), as adopted by Public Company Accounting Oversight Board in Rule 3200T.

The Audit Committee has received and reviewed the written disclosures and the letter from Grant Thornton required by applicable requirements of the Public Company Accounting Oversight Board regarding Grant Thornton's communications with the Audit Committee concerning independence and has discussed with Grant Thornton such independent auditors' independence. The Audit Committee has also considered whether Grant Thornton's provision of services to the Company beyond those rendered in connection with their audit and review of the Company's financial statements is compatible with maintaining their independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2011 for filing with the Securities and Exchange Commission.

This report is submitted by the Audit Committee.

George G. Goodrich, Chairman  
Cloyd J. Abruzzo  
Gary A. Oatey  
John J. Tanis

## **SUBMISSION OF STOCKHOLDERS' PROPOSALS AND ADDITIONAL INFORMATION.**

The Company must receive by October 13, 2012 any proposal of a stockholder intended to be presented at the 2013 annual meeting of stockholders of the Company (the "2013 Meeting") and to be included in the Company's proxy, notice of meeting and proxy statement related to the 2013 meeting pursuant to Rule 14a-8 under the Exchange Act. Such proposals must be addressed to Shiloh Industries, Inc., 880 Steel Drive, Valley City, Ohio 44280 and should be submitted to the attention of Thomas Dugan by certified mail, return receipt requested. Proposals of stockholders submitted outside the processes of Rule 14a-8 under the Exchange Act ("Non-Rule 14a-8 Proposals") in connection with the 2013 Meeting must be received by the Company by December 28, 2012 or such proposals will be considered untimely under Rule 14a-4(c) of the Exchange Act. The Company's proxy related to the 2013 Meeting will give discretionary authority to the proxy holders to vote with respect to all Non-Rule 14a-8 Proposals received by the Company after December 28, 2012.

The Company will furnish without charge to each person whose proxy is being solicited, upon written request of any such person, a copy of the Annual Report on Form 10-K of the Company for the fiscal year ended October 31, 2011, as filed with the Securities and Exchange Commission, including the financial statements and schedules thereto. Requests for copies of such Annual Report on Form 10-K should be directed to: Thomas Dugan, Shiloh Industries, Inc., 880 Steel Drive, Valley City, Ohio 44280.

## **SOLICITATION OF PROXIES**

The Company will bear the costs of soliciting proxies from its stockholders. In addition to the use of the mails, proxies may be solicited by the Directors, officers and employees of the Company by personal interview or telephone. Such Directors, officers and employees will not be additionally compensated for such solicitation but may be reimbursed for out-of-pocket expenses incurred in connection with such solicitation. Arrangements will also be made with brokerage houses and other custodians, nominees and fiduciaries for the forwarding of solicitation materials to the beneficial owners of Common Stock held of record by such persons, and the Company will reimburse such brokerage houses, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred in connection with such solicitation.

## **OTHER MATTERS**

The Directors know of no other matters which are likely to be brought before the Annual Meeting. The Company did not receive notice by December 28, 2011 of any other matter intended to be raised by a stockholder at the Annual Meeting. Therefore, the enclosed proxy card grants to the persons named in the proxy card the authority to vote in their best judgment regarding all other matters properly raised at the Annual Meeting.

By Order of the Board of Directors

/s/ David J. Hessler  
DAVID J. HESSLER  
Secretary

February 10, 2012

**IT IS IMPORTANT THAT THE PROXIES BE RETURNED PROMPTLY. EVEN IF YOU EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE PROMPTLY COMPLETE, SIGN, DATE AND MAIL THE ENCLOSED PROXY CARD IN THE ENCLOSED ENVELOPE, WHICH REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.**