TWIN DISC, INCORPORATED

POLICY GOVERNING DIRECTOR NOMINATIONS

The Nominating and Governance Committee (the "Committee") of Twin Disc, Incorporated (the "Corporation") has adopted this Policy Governing Director Nominations in accordance with the proxy disclosure requirements set forth in the rules adopted by the Securities and Exchange Commission ("SEC") and the corporate governance rules adopted by the NASDAQ stock exchange. The Corporation recognizes that its Stockholders desire to have an understanding of the Corporation's director nominations process, and the Committee endeavors to apply this Policy Governing Director Nominations to those ends.

Identifying and Evaluating Director Nominees

1. Responsible Committee

The Committee is responsible for identifying individuals qualified to become members of the Board and its committees, and recommending candidates for the Board's selection as director nominees for election at the next annual or other properly convened meeting of Stockholders.

2. Process for Consideration of Nominees

a. Identification of Candidates. The Committee shall identify candidates for director nominees in consultation with the Chief Executive Officer and Chairman of the Board, through the use of search firms or other advisers or through such other methods as the Committee deems to be helpful to identify candidates. The Committee will also consider director candidates recommended by Stockholders as set forth in Section 3 below.

b. Evaluation Process. Once candidates have been identified, the Committee shall confirm that the candidates meet all of the minimum qualifications for director nominees set forth in Sections 1(b)(i) and 1(b)(ii) in the "Director Qualification and Skills" section below. The Committee may gather information about the candidates through interviews, background checks, or any other means that the Committee deems to be helpful in the evaluation process. The Committee shall then meet as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of the Board. There shall be no difference in the manner by which the Committee evaluates director nominees, whether nominated by the Board or by a nominating Stockholder.

c. Recommendation of Nominees to the Board. Based on the results of the evaluation process, the Committee shall recommend candidates for the Board's selection as director nominees for election to the Board.

d. Recommendation of Nominees to Board Committees. In consultation with the Chairman of the Board and the Chief Executive Officer, the Committee shall also recommend candidates for the Board's selection as nominees for appointment to the committees of the Board.

3. Procedures for Recommendation of Nominees by Stockholders

The Committee will consider director candidates who are recommended by Stockholders of the Corporation. Stockholders, in submitting recommendations to the Committee for director candidates, shall follow the following procedures:

a. The Committee must receive any such Stockholder recommendations for director candidates on or before the last business day in the month of March preceding that year's annual meeting of Stockholders.

b. Any such recommendation for nomination shall be in writing and shall include the following information:

i. Name and address of the Stockholder(s) making the recommendation;

ii. A written statement disclosing such Stockholder(s)' beneficial ownership of the Corporation's securities;

iii. Name and address of the individual recommended for consideration as a director nominee;

iv. A written statement from the Stockholder(s) making the recommendation stating why such recommended candidate would be able to fulfill the duties of a director;

v. A written statement from the Stockholder(s) making the recommendation stating how the recommended candidate meets the independence requirements established by the SEC and the NASDAQ;

vi. A written statement disclosing the recommended candidate's beneficial ownership of the Corporation's securities;

vii. A written statement disclosing relationships between the recommended candidate and the Corporation which may constitute a conflict of interest; and

viii. Any other information relating to the recommended candidate that would be required to be disclosed in solicitations of proxies for election of Directors under the Securities Exchange Act.

c. Nominations must be delivered to the attention of the Committee via the method listed below:

U.S. Mail or Expedited Delivery Service:

Twin Disc, Incorporated
1328 Racine Street
Racine, WI 53403
Attn: Nominating and Governance Committee
c/o Secretary of Twin Disc, Incorporated

Director Qualifications and Skills

The Corporation seeks directors who possess the qualifications and skills described in this section. Moreover, the Corporation evaluates each individual candidate in the context of the overall composition and needs of the Board, with the objective of recommending a group that can best oversee management's conduct of the affairs of the Corporation and represent Stockholder interests using its diversity of experience. The Committee will consider these and other qualifications, skills and attributes when recommending candidates for the Board's selection as nominees for the Board and as candidates for appointment to the Board's committees.

1. Board Qualifications

a. Independence. A majority of the members of the Board shall meet the independence requirements promulgated by the SEC, the National Association of Securities Dealers, any exchange upon which securities of the Corporation are traded or any governmental or regulatory body exercising authority over the Corporation (each a "Regulatory Body" and collectively the "Regulatory Bodies"), as in effect from time to time.

b. Minimum Qualifications. The Corporation requires its directors to possess certain minimum qualifications, including the following:

i. Adequate Experience. A director must have a solid educational and professional background and substantial or significant business or professional experience or an understanding of technology and the technical aspects of the Corporation's business, finance, marketing, financial reporting, manufacturing, international business or other disciplines relevant to the success of a publicly-traded company in the contemporary global business environment.

ii. No Conflicts of Interest. A director must be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Board or of a Board committee. This paragraph shall not preclude an otherwise qualified employee of the Corporation from serving as a director, as long as the majority of directors satisfy the independence requirements of the Regulatory Bodies.

iii. Business Conduct and Ethics. Each director will be expected to review and agree to adhere to the Corporation's Guidelines for Business Conduct and Ethics, as in effect from time to time.

c. Other Qualities and Skills. The Corporation also considers the following qualities and skills, among others, in its selection of directors:

i. Economic, technical, scientific, academic, financial, accounting, legal, marketing, or other expertise applicable to the business of the Corporation;

ii. Leadership or substantial achievement in their particular fields, including experience as a sitting chief executive, financial or operating officer;

iii. Demonstrated ability to exercise sound business judgment;

iv. Integrity and high moral and ethical character;

v. Potential to contribute to the diversity of viewpoints, backgrounds, or experiences of the Board as a whole;

vi. Capacity and desire to represent the balanced, best interests of the Corporation as a whole and not primarily a special interest group or constituency;

vii. Ability to work well with others;

viii. High degree of interest in the business of the Corporation;

ix. Dedication to the success of the Corporation;

x. Commitment to responsibilities of a director; and

xi. International business or professional experience.

2. Committee Qualifications

a. Audit Committee. All members of the Audit Committee shall meet the independence and Audit Committee requirements promulgated by the Regulatory Bodies, as in effect from time to time. All members shall be financially literate

and at least one member of the Audit Committee shall qualify as a "financial expert" as set forth in such committee's charter.

b. Compensation Committee. All members of the Compensation Committee shall meet the independence and compensation committee requirements promulgated by the Regulatory Bodies, as in effect from time to time.

c. Nominating and Governance Committee. All members of the Nominating and Governance Committee shall meet the independence and nominating and governance committee requirements promulgated by the Regulatory Bodies, as in effect from time to time.

d. Other Committees. Members of other committees shall meet such requirements as set forth by the Regulatory Bodies and the Board as the Board deems necessary.

3. Limits on Other Board Memberships and Commitments

a. Other Commitments. The Corporation expects that a director's existing and future commitments will not materially interfere with such director's obligations to the Corporation.

b. Other Board Participation. The Corporation recognizes that directors should limit the number of boards (other than non-profit organizations) on which they serve so that they can give proper attention to each board responsibility. However, the philosophy of the Corporation is not to set an invariant limit on the number of boards on which a director may serve. In the event a director wishes to join the board of another company, it is expected that the director will advise the Committee and the Chairman of the Board of his or her intention and the Committee will update the Board.

4. Incumbents

For candidates who are incumbent directors, the Corporation considers the following factors, among others, when considering such individuals as director nominees: such director's past attendance at meetings and participation in and contributions to the activities of the Board. If such incumbent director has had a significant change in status, such as an employment change, the Corporation shall also take this event into consideration.

5. Amendments

The Committee shall review and assess the adequacy of this Policy Governing Director Nominations periodically, as well as in response to rules promulgated by the Regulatory Bodies. The Corporation will disclose any material changes to these policies as required by the Regulatory Bodies in the Corporation's SEC filings.