



Thermon Group Holdings, Inc. Corporate Governance Guidelines

(Adopted by the board of directors of Thermon Group Holdings, Inc.
on April 8, 2011, as amended on January 23, 2020)



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1.0 PURPOSE

The board of directors (the "*Board*") of Thermon Group Holdings, Inc. (the "*Company*") has adopted these corporate governance guidelines (these "*Guidelines*") to assist in the Board in exercising its responsibilities. These Guidelines reflect the Board's commitment to monitor the effectiveness of policy and decision making, both at the Board and management levels. These Guidelines also assure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management.

2.0 SCOPE

These Guidelines apply to the members of the Board, the Company and its officers and employees. These Guidelines are in addition to and are not intended to change or interpret any federal or state law or regulation, or the certificate of incorporation or bylaws of the Company. These Guidelines are subject to modification from time to time as the Board deems necessary or advisable.

3.0 DIRECTORS

3.1. Director Selection and Independence

Nominees for director will be selected on the basis of their experience, background, judgment, integrity, ability to make independent analytical inquiries, understanding of the Company's business environment and willingness to devote adequate time to Board duties. The Board is responsible for nominating candidates for election to the Board and for filling vacancies on the Board that may occur between annual meetings of stockholders. The nominating and corporate governance committee of the Board (the "*Nominating and Corporate Governance Committee*") is responsible for identifying, screening and recommending director candidates to the Board, taking into consideration the needs of the Board and the qualifications of the candidates. The Board, based on the recommendation of the Nominating and Corporate Governance Committee, will review each director's continuation on the Board on an annual basis. The Company's stockholders may recommend nominees for consideration by the Nominating and Corporate Governance Committee.

The Company has not established specific minimum education, experience or skill requirements for potential Board or committee members. In general, the Nominating and Corporate Governance Committee and the Board will consider, among other qualifications and characteristics, a candidate's work and other experience, character, educational and professional background, ability to exercise sound judgment, integrity, ability to make independent analytical inquiries, problem-solving skills, diversity, age, demonstrated leadership, work ethic, other skills (including financial literacy), understanding of the Company's business environment, willingness and capacity to devote adequate time to Board duties, independence and potential conflicts of interest. The Company expects that qualified candidates will have senior leadership experience in a complex and global organization and will be able to represent the balanced best interests of the Company and its stockholders as a whole and not just certain special interest groups or constituencies. Each individual is evaluated in the context of the Board as a whole with the objective of retaining a group with diverse and relevant experience that can best perpetuate the Company's success and represent stockholder interests through sound judgment. When current Board members are considered for nomination for re-election, the



Nominating and Corporate Governance Committee also takes into consideration their prior Board contributions, performance, meeting attendance and participation in continuing education activities.

It is the policy of the Board, consistent with the listing standards of The New York Stock Exchange (the "NYSE"), that at all times at least a majority of the Board's members will be independent directors. The Board will determine on an annual basis whether each director qualifies as an "independent director" pursuant to the NYSE listing standards. Each independent director is expected to promptly disclose to the Board any existing or proposed relationships or transactions that could impact his or her independence. Each director shall promptly notify the Board in the event of any change or anticipated change in his or her affiliations, activities or professional or personal circumstances that (i) may create a conflict or potential conflict of interest, (ii) may trigger any Company reporting obligation, (iii) may result in the director engaging in significant political activity (such as participating in a visible leadership position in a political campaign, running for office or accepting an elected or appointed political office), (iv) has the potential to cause embarrassment, negative publicity or reputational harm to the Company or the director, and/or (v) could result in a possible inconsistency with the Company's policies or values. Because it is not possible to anticipate or explicitly provide for all circumstances that might signal potential conflicts of interest or bear on the materiality of a director's relationship with the Company, the Board, when making its "independence" determinations, will broadly consider all relevant facts and circumstances. No director will qualify as "independent" unless the Board affirmatively determines that the director has no material relationship with the Company (either directly or as a partner, stockholder or officer of an organization that has a relationship with the Company).

A significant change in a director's status or circumstances, including a change in their principal employment, may result in his or her independence being impaired, his or her interests being in conflict with those of the Company or his or her ability to serve as a director being adversely affected. In any such case, the director shall offer his or her resignation to the chair of the Nominating and Corporate Governance Committee for consideration. The Board should have the opportunity, through the Nominating and Corporate Governance Committee, to review the continued appropriateness of Board membership under any such circumstances. The Board will not require in every instance that directors who retire or change from the position they held when they joined the Board, to leave the Board.

3.2. Mandatory Retirement

Non-executive directors will submit an offer of resignation to the Nominating and Corporate Governance Committee to become effective immediately prior to the annual stockholder meeting following the non-executive director's attainment of age 75 or following 15 years of service to the Board, whichever comes earlier. Service to the Company as a non-executive director prior to the Company's initial public offering on May 5, 2011 shall not count toward the applicable term limit. The Board will generally not nominate such directors for re-election; however, on the recommendation of the Nominating and Corporate Governance Committee, the Board may reject such offers of resignation on a case-by-case basis if it deems an exception to this policy to be in the best interests of the Company and its stockholders.

3.3. Other Commitments

The Company values the experience directors bring from service on other boards and other activities in which they participate. However, each director is expected to ensure that existing and future commitments, including employment responsibilities and service on the boards of other entities, do not materially interfere with his or



her responsibilities as a director of the Company. The Company has placed the following limitations on the service of its directors on the boards of other publicly traded companies.

<u>Position</u>	<u>Limitation</u>
Non-Executive Directors (<i>Not employed full-time</i>)	3 publicly traded company boards (in addition to the Company)
Non-Executive Directors (<i>Employed full-time</i>)	2 publicly traded company boards (in addition to the Company)
Executive Officers	1 publicly traded company board (in addition to the Company)

In addition, to: (i) avoid conflicts of interest, (ii) ensure that outside service does not distract from duties and obligations to the Company, and (iii) ensure that the Company's records are complete and accurate, each director of the Company must obtain approval from the chair of the Nominating and Corporate Governance Committee (or the chair of the Board, in the case of a request by the chair of the Nominating and Corporate Governance Committee) *prior* to accepting a position on the board of a publicly traded company. In addition, directors shall promptly notify the Company's general counsel upon joining or departing the board of a publicly traded company to ensure that the Company's records and public disclosures are complete and accurate.

3.4. Director Orientation and Continuing Education

The Nominating and Corporate Governance Committee is responsible for developing and overseeing an orientation program for all new directors, which orientation program will provide information with respect to, among other things: (i) the legal obligations of directors, (ii) the history, organizational structure and business of the Company, and (iii) the markets in which the Company competes. The Nominating and Corporate Governance Committee is also responsible for developing and overseeing a continuing education program for all directors, which continuing education program will provide for, among other things, participation in continuing education activities and recommend programs or reading materials that may be appropriate for members of the Board or any of its committees. The Company will reimburse directors for reasonable expenses in accordance with Company policy. In addition, portions of certain Board and/or committee meetings will be devoted to educational topics at which senior management and outside subject matter experts present information regarding matters such as the Company's industry, business operations, strategies, objectives, risks, opportunities, competitors and important legal and regulatory issues.

3.5. Director Compensation

The Board, through the Nominating and Corporate Governance Committee, will annually review, with the assistance of management or outside consultants, if desired, appropriate compensation policies for Board and committee members and compare such compensation policies with those of other comparable companies. Decisions regarding changes in the compensation of directors will be made by the Board, acting upon the recommendation of the Nominating and Corporate Governance Committee. It is the general policy of the



Board that Board compensation should be a mix of cash and equity-based compensation. Directors who are also members of management will receive no additional compensation for their service as directors.

3.6. Director Resignation

In an “uncontested election” (as defined below), any director nominee who receives a greater number of votes “withheld” from his or her election than votes “for” his or her election (without counting abstentions or broker non-votes as either “withheld” or “for” votes) will promptly submit a written offer of resignation to the Nominating and Corporate Governance Committee. For purposes of this section, “*uncontested election*” means an election in which the number of director nominees does not exceed the number of directors to be elected at the meeting.

The Nominating and Corporate Governance Committee will review and evaluate the offer of resignation and recommend to the Board that it be accepted or rejected. Within ninety (90) days following certification of the applicable election results, the Board will make and disclose publicly (by press release, filing with the United States Securities and Exchange Commission (the “SEC”) or any other public means of disclosure deemed appropriate) its decision to accept or reject the offer of resignation, and, if applicable, its reasons for rejecting the offer of resignation. The Nominating and Corporate Governance Committee and the Board will consider any and all facts and circumstances that they deem appropriate in making such recommendation or decision, including (a) the best interests of the Company and its stockholders, (b) any stated reasons why votes were withheld from the director, (c) whether and to what extent the underlying cause of the withheld votes can be cured, (d) the length of service and qualifications of the director, (e) the director’s past and expected future contributions to the Company, (f) the overall composition of the Board and (g) any potential adverse consequences of accepting the offer of resignation (e.g., breach of contractual provisions or failure to comply with applicable laws, rules, regulations, standards and the like, including those of the NYSE, the SEC and applicable state law). If a majority of the members of the Nominating and Corporate Governance Committee are required to offer their resignations under this section following the same election, the Board will make its decision to accept or reject each offer of resignation without Nominating and Corporate Governance Committee recommendation.

Any director who submits an offer of resignation pursuant to this section will remain active and engaged in the activities of the Board and the Committees on which he or she serves while the offer of resignation is under consideration; provided, however, that the director may not participate in any discussions, recommendations or decisions of the Nominating and Corporate Governance Committee or the Board in respect of the offer of resignation.

4.0 BOARD AUTHORITY AND MEETINGS

4.1. Board Authority and Responsibility

The Board is elected by the Company’s stockholders to oversee the Company’s management and ensure that the long-term interests of the stockholders are served. The Board is the ultimate decision-making authority within the Company, except with respect to those matters, including the election of directors, that are reserved for the Company’s stockholders. Directors are expected to discharge their duties in good faith and in a manner the director reasonably believes is in the best interests of the Company.



4.2. Retention of Independent Advisors

The Board and each of its committees will have access to, and the authority to retain, at the Company's expense, independent financial, legal, accounting and other advisors. As with all decisions, the Board and its committees will use their informed business judgment in retaining and providing oversight of outside advisors.

4.3. Access to Management

The Board, and any individual director or group of directors, will have full access to all Company employees to ensure that directors can ask all questions and glean all information necessary to fulfill their duties; provided, that the directors shall use their judgment to ensure that any such contact is not unduly disruptive to the business of the Company. The Board encourages the chief executive officer of the Company (the "*Chief Executive Officer*") to invite non-director members of management to address the Board in those instances where: (i) a management member's expertise can enhance the Board's understanding of an issue under its consideration and (ii) a management member has future potential such that management believes the Board should have greater exposure to the individual.

4.4. Board Meetings and Director Attendance

All meetings of and other actions by the Board shall be held and taken pursuant to the bylaws of the Company, including provisions governing notice of meetings and waiver thereof, the number of directors required to take action at meetings or by written consent, and other related matters. The Board will hold at least four regularly-scheduled meetings per year, with additional regular or special meetings held as necessary. Board members are expected to attend Board meetings and the meetings of committees on which they serve. Each regular meeting of the Board shall include an executive session at which no employee directors or other employees are present. If the non-executive directors include one or more directors who is not independent under the NYSE listing standards, the independent directors will themselves meet in executive session at least once per year. These executive sessions may include such topics as the non-executive independent directors determine. During these executive sessions, the non-executive independent directors shall have access to members of management and other guests as they may determine. Each Board member is also strongly encouraged to attend the Company's annual meeting of stockholders.

The chair of the Board, the Chief Executive Officer and the corporate secretary of the Company, in consultation with the other members of the Board, shall prepare the agenda for each meeting and arrange for it to be distributed in advance of the particular meeting to the directors along with appropriate written information and background materials so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the materials. Each director may propose the inclusion of items on the agenda and request the presence of or a report by any member of the Company's management. At any meeting, any director may raise subjects that are not on the agenda for that meeting.

Information that is relevant to the Board's or a committee's consideration of matters to be discussed at a meeting will, whenever possible, be distributed to directors sufficiently in advance of the meeting date to permit directors to review such materials and prepare for a discussion of such matters. Sensitive subject matters may be discussed at meetings of the Board or a committee without written materials being distributed to directors. Board and committee members should review meeting materials provided to them prior to Board



and committee meetings and, when possible, communicate in advance of such meetings any questions or concerns that they wish to discuss at such meetings.

5.0 BOARD COMMITTEES

The Board currently has four standing committees – an audit committee, a compensation committee, a finance committee and a nominating and corporate governance committee. The Board may from time to time add new committees or disband existing committees as it deems advisable, subject to applicable laws and the NYSE listing standards. Committee duties are described briefly as follows:

- **AUDIT COMMITTEE.** The audit committee of the Board (the “*Audit Committee*”) oversees the Company’s accounting and audit processes. The committee is directly responsible for the appointment, compensation, retention, and oversight of the Company’s independent auditors.
- **COMPENSATION COMMITTEE.** The compensation committee of the Board (the “*Compensation Committee*”): (i) discharges the Board’s responsibilities relating to compensation of the Company’s executive officers and (ii) reviews and recommends to the Board compensation plans, policies and programs intended to attract, retain and appropriately reward employees.
- **FINANCE COMMITTEE.** The finance committee of the Board (the “*Finance Committee*”): (i) makes recommendations to the Board regarding dividend, financing and financial policies; (ii) reviews the financial exposure of the Company, together with risk mitigation strategies; (iii) monitors the Company’s investor relations program and (iv) assists the Board in fulfilling its oversight responsibilities with respect to the review of major transactions.
- **NOMINATING AND CORPORATE GOVERNANCE COMMITTEE.** The Nominating and Corporate Governance Committee is responsible for identifying, evaluating and recommending to the Board individuals qualified to be directors of the Company. It is also responsible for developing and recommending to the Board policies and practices with respect to corporate governance.

Each of the members of the Audit Committee, the Compensation Committee, the Finance Committee and the Nominating and Corporate Governance Committee will be an “independent” director, within the meaning of the rules of the NYSE, and will otherwise satisfy all applicable requirements with respect to membership on such committees. The Board is responsible for appointing committee members and committee chairs, pursuant to recommendations made by the Nominating and Corporate Governance Committee and subject to applicable laws and the NYSE listing standards. The Board considers the rotation of committee members and committee chairs from time to time and makes adjustments as it deems necessary or advisable.

The Audit Committee, the Compensation Committee, the Finance Committee and the Nominating and Corporate Governance Committee each have written charters, which are approved by the Board and set forth the composition, duties and responsibilities of each committee. These charters, along with these Corporate Governance Guidelines, will be posted on the Company’s website.



6.0 ROLE OF THE BOARD OF DIRECTORS

6.1. Board Functions

The Board performs the following principal functions:

- develop and approve a corporate philosophy and mission working in coordination with management;
- develop and approve a code of business conduct and ethics for directors, officers and employees;
- select, appoint and, if necessary, replace the Chief Executive Officer;
- through the Compensation Committee, maintain at all times a succession plan for the Chief Executive Officer and other senior executives of the Company as appropriate, as well as develop plans for interim or emergency succession for the Chief Executive Officer and other senior executive officers of the Company in the event of retirement or unexpected occurrence;
- through the Compensation Committee, establish the evaluation process and determine the criteria by which the Chief Executive Officer is evaluated and conduct an annual review of the performance of the Chief Executive Officer;
- review and approve management's strategic and business plans, including developing a depth of knowledge of the business, understanding and questioning the assumptions upon which such plans are based, and reaching an independent judgment as to the probability that the plans can be realized; monitor corporate performance against the strategic and business plans, including overseeing the operating results on a regular basis to evaluate whether the business is being properly managed, and review such performance in relation to the performance of peer companies and the Company's industry as a whole;
- ensure ethical behavior and compliance with laws and regulations, the code of business conduct and ethics of the Company, auditing and accounting principles, and the Company's own governing documents; assess its own effectiveness in fulfilling these and other Board responsibilities; perform such other functions as are prescribed by law, or assigned to such Board in the Company's governing documents; and
- oversee the procedures in place to assure the integrity of the Company's financial statements.

6.2. Actions Requiring Board Approval

Specifically, the Board must approve all major actions proposed to be taken by management of the Company. This includes:

- authorization of dividends;
- issuances of Company securities;
- repurchases of Company securities;
- Company borrowing programs;



- extraordinary corporate transactions (such as mergers, acquisitions or dispositions); and
- approval of capital programs (including capital budget plans), and major corporate reorganizations.

6.3. Annual Performance Evaluation of the Board

The Nominating and Corporate Governance Committee, at least annually, oversees and administers a self-evaluation by the Board and each of its committees and reports to the Board with respect to whether the Board and its committees are functioning effectively. The Board should discuss each evaluation report to determine what, if any, actions should be taken to improve the effectiveness of the Board or any committee thereof or directors.

7.0 STOCK OWNERSHIP GUIDELINES

7.1. Introduction

The Board initially adopted these stock ownership guidelines contained in this Section 7 (these "*Stock Ownership Guidelines*") on November 1, 2011 to align the interests of the non-executive directors and officers of the Company with the interests of its stockholders and further promote the Company's commitment to sound corporate governance. The Board has delegated the administration of the ownership guidelines set forth in these Stock Ownership Guidelines (the "*Ownership Guidelines*") to its Compensation Committee (as to officers) and to its Nominating and Corporate Governance Committee (as to non-executive directors), in each case, the "*Committee.*" Each Committee shall annually review executive and director stock ownership, as applicable, to evaluate progress towards meeting and maintaining the requisite guidelines.

7.2. Scope

These Stock Ownership Guidelines apply to the Company's non-executive directors and executive officers designated below (collectively, the "*Covered Persons*").

7.3. Available Shares

"*Available Shares*" are, with respect to a Covered Person, the shares of common stock (the "*Shares*") held by such Covered Person after: (i) the withholding for any exercise price or a net exercise of options and the payment of any applicable taxes; (ii) the vesting of restricted stock or restricted stock units and the withholding for any applicable taxes, fees or commissions in relation to such vesting; and (iii) the vesting of any performance awards, if settled in Shares, and the withholding for any applicable taxes, fees or commissions in relation to such settlement. Available Shares shall also include: time-based restricted share units; time-based restricted shares; Shares held in a pension or other deferred compensation plan; and Shares owned indirectly, which for the purposes of these Stock Ownership Guidelines include Shares held by immediate family members residing in the same household, Shares held in trust for the benefit of the Covered Person or his or her family, or Shares otherwise beneficially owned and reportable on Table 1 of Forms 3, 4 or 5. Notwithstanding the foregoing, Available Shares shall not include any performance awards or unexercised share appreciation rights or options.



7.4. Ownership Guidelines

Each Covered Person is subject to the following Ownership Guidelines:

<u>Position</u>	<u>Available Shares to be Retained</u>
Non-Executive Directors	4 Times Then-Current Annual Cash Retainer
CEO	5 Times Then-Current Annual Base Salary
Senior Vice President	2 Times Then-Current Annual Base Salary
Other Executive Officer	1 Times Then-Current Annual Base Salary

Each Covered Person shall have until the fifth (5th) anniversary of the later of: (a) the date of adoption of these Stock Ownership Guidelines, (b) the date the individual becomes a Covered Person to meet the Ownership Guidelines or (c) the date a Covered Person is promoted to a position with an increased Ownership Guideline. If a Covered Person does not achieve or show sustained progress towards achieving the specified Ownership Guideline within this five-year period, the applicable Committee has full discretion to implement corrective measures, including but not limited to those described in the “Failure to Meet Ownership Guidelines” section below.

7.5. Retention

It is the individual responsibility of each Covered Person to ensure that all of his or her transactions involving Shares follow these Stock Ownership Guidelines. A Covered Person is required to retain all Available Shares received pursuant to equity grants from the Company until the value of the Covered Person’s Available Shares meets the applicable Ownership Guideline (the “*Retention Requirement*”). If on December 31 of a calendar year, a Covered Person is in compliance with the Retention Requirement based upon the closing price of the Company’s Shares on The New York Stock Exchange as of such date (the “*Closing Price*”), the Retention Requirement shall subsequently be translated into a fixed share amount whereby such number of shares times the Closing Price on such date equates to the applicable Ownership Guideline value. As long as the such Covered Person continues to hold the number of Available Shares that equate to such fixed share amount, he/she will be deemed in compliance with the Ownership Guideline (i.e., once met, always met); provided however, that upon if such Covered Person is promoted to a position with an increased Ownership Guideline, he/she would be subject to the applicable increased Ownership Guideline.

Covered Persons shall be required to make confirmations of their compliance with these Stock Ownership Guidelines prior to any sale of Shares.

Each applicable Committee shall annually evaluate and document compliance and progress toward compliance by the Covered Persons as of December 31.

7.6. Failure to Meet Ownership Guidelines



Failure by a Covered Person to meet or to show sustained progress toward meeting the Ownership Guidelines following the initial five-year period may result in the Committee taking any action that it deems appropriate under the circumstances until the applicable Ownership Guideline is achieved, including providing for a reduction in future long-term incentive grants and/or payment of future cash incentives in the form of Shares.

7.7. Exceptions

These Stock Ownership Guidelines may be waived at the discretion of the applicable Committee, if compliance, in the Committee's judgment would create unreasonable hardship or prevent a Covered Person from complying with a court order, as in the case of a divorce settlement, or in other similar circumstances. It is expected that these exceptions would be rare.

8.0 CONFIDENTIALITY AND COMMUNICATIONS

8.1. Confidentiality

In order to facilitate open discussions, the Board believes maintaining confidentiality of information and deliberations is imperative. Each director has a fiduciary obligation to maintain the confidentiality of information received in connection with his or her service as a director or committee member.

8.2. Corporate Communications

The Board believes that the Company's executive officers have the primary responsibility to communicate with investors, the press, employees and other constituencies that are involved with the Company, and to set policies for those communications. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but should only do so with the knowledge of management and, absent unusual circumstances as contemplated by the committee charters, only at the request of management.

8.3. Stockholder Access to Directors

It is the policy of the Board that stockholders shall have reasonable access to directors at annual meetings of stockholders and an opportunity to communicate directly with directors on appropriate matters. The Board will generally respond, or cause the Company to respond, in writing to bona fide communications from stockholders addressed to one or more members of the Board. Stockholders and other interested parties are invited to communicate with the Board or any of its committees or directors by writing to: Thermon Group Holdings, Inc., 7171 Southwest Parkway, Building 300, Suite 200, Austin, Texas 78735; Attention: General Counsel. The Company will forward stockholder correspondence, as appropriate.

The Company will not forward communications that are spam, junk mail or mass mailings, resumes and other forms of job inquiries, surveys and business solicitations or advertisements. Further, the Company will not forward any abusive, threatening or otherwise inappropriate materials.

9.0 AMENDMENTS

These Guidelines will be periodically reviewed by the Board and may be amended from time to time.