



Corporate Governance Guidelines



Table of Contents

1.0 PURPOSE..... 2

2.0 SCOPE..... 2

3.0 CORPORATE GOVERNANCE GUIDELINES 2

3.1. Directors 2

3.1.1 Director Selection and Independence..... Error! Bookmark not defined.

3.1.2 Other Commitments..... Error! Bookmark not defined.

3.1.3 Director Orientation and Continuing Education Error! Bookmark not defined.

3.1.4 Director Compensation Error! Bookmark not defined.

3.1.5 Director Resignation..... 3

3.2. Board Authority and Meetings..... 4

3.2.1. Board Authority..... 4

3.2.2. Retention of Independent Advisors 4

3.2.3. Access to Management 4

3.2.4. Board Meetings and Director Attendance 4

3.3. Board Committees 5

3.4. Role of the Board of Directors..... 5

3.4.1. Board Functions..... 5

3.4.2. Actions Requiring Board Approval 6

3.4.3. Annual Performance Evaluation of the Board 6

3.5. Confidentiality and Communications 6

3.5.1. Confidentiality 8

3.5.2. Corporate Communications..... 8

3.5.3. Stockholder Access to Directors 8

3.6. Amendments 8

4.0 ACRONYMS/DEFINITIONS 8

4.1. Definitions..... 8



1.0 PURPOSE

The Board has adopted these Guidelines to assist in the exercise of 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.

2.0 SCOPE

These Guidelines apply to 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 by the Board.

3.0 CORPORATE GOVERNANCE GUIDELINES

3.1. Directors

3.1.1. *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.

It is the policy of the Board, consistent with the NYSE listing standards, that at all times at least a majority of the Board's members will be independent directors. In determining independence, the Board will consider the definition of "independent" in the listing standards of the NYSE (Rule 303A.01). 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 director's change in status or circumstances 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, leave the Board.

The Board will determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members. In evaluating the suitability of individual director candidates, the Nominating and Corporate Governance Committee and the Board take into account many factors such as experience, general understanding of various business disciplines (e.g., marketing or finance), the Company's business environment, educational and professional background, analytical ability, integrity, independence and willingness to devote adequate time to Board duties. The Board evaluates each individual 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.

3.1.2. *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 shareholder meeting following the director's attainment of age 75 or following 15 years of service to the Board, whichever comes earlier. 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 shareholders.

3.1.3. 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 Public Companies.

Non-Executive Directors 3 Public Company boards (in addition to the Company)
(*not employed full-time*)

Non-Executive Directors 2 Public Company boards (in addition to the Company)
(*employed full-time*)

Executive Officers 1 Public 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 Chairman, 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 Public Company. In addition, directors shall promptly notify the Company's General Counsel upon joining or departing the board of a Public Company to ensure that the Company's records and public disclosures are complete and accurate.

3.1.4. Director Orientation and Continuing Education

The Nominating and Corporate Governance Committee shall develop 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 will monitor each director's participation in continuing education activities and periodically recommend programs or reading materials that may be appropriate for members of the Board or a Committee.

3.1.5. Director Compensation

The Board, through the Nominating and Corporate Governance Committee, will review, with the assistance of management or outside consultants, if desired, appropriate compensation policies for Board and committee members. Decisions regarding changes in the compensation of directors will be made by the full 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.

3.1.6. 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, SEC filing 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 shareholders, (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 New York Stock Exchange, the U.S. Securities and Exchange Commission 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.

3.2. Board Authority and Meetings

3.2.1. Board Authority

The Board is elected by the 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.

3.2.2. Retention of Independent Advisors

The Board and each of its committees will have the authority to retain, at the Company's expense, independent financial, legal, accounting and other advisors.

3.2.3. Access to Management

The Board, and any individual director or group of directors, will have full access to all Company employees. The Board encourages the Chief Executive Officer to invite non-director members of management to address the Board in those instances where a management member's expertise can enhance the Board's understanding of an issue under its consideration.

3.2.4. 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 full Board will hold at least four regularly-scheduled meetings per year, with additional 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. These executive sessions may include such topics as the non-employee independent directors determine. During these executive sessions, the non-employee 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 Chairman of the Board, the Chief Executive Officer and the 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, 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 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.

3.3. Board Committees

The Board currently has the following committees:

- the Audit Committee;
- the Compensation Committee; and
- the Nominating and Corporate Governance Committee.

Each of the members of the Audit Committee, the Compensation 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 Governance Committee and subject to applicable laws and 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 and the Nominating and Corporate Governance Committee will each have written charters. These charters, along with these Corporate Governance Guidelines, will be posted on the Company's website at ir.thermon.com.

The Board from time to time may establish additional committees as it deems appropriate.

3.4. Role of the Board of Directors

3.4.1. Board Functions

The Board performs the following principal functions:

- select and approve a corporate philosophy and mission working in coordination with management;
- select and approve a Code of Business Conduct and Ethics for directors, officers and employees;
- select, appoint and, if necessary, replace the Chief Executive Officer;
- maintain at all times a succession plan for the Chief Executive Officer and other senior executives as appropriate;
- 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, 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.

3.4.2. 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.

3.4.3. Annual Performance Evaluation of the Board

The Nominating and Corporate Governance Committee of the Board shall at least annually oversee a self-evaluation by the Board and each of its committees and report to the Board with respect to whether the Board and its committees are functioning effectively. The full 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.

3.5. Stock Ownership Guidelines

3.5.1. Introduction

The Board initially adopted these Stock Ownership Guidelines on November 1, 2011 to align the interests of its non-executive directors and Named Executive Officers 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 Stock Ownership Guidelines to its Compensation Committee (as to Named Executive Officers) and to its Nominating and Corporate Governance Committee (as to directors), in each case, the "Committee". The Committee shall review executive and director stock ownership annually to ensure that adequate progress is made towards meeting and maintaining the requisite guidelines.

3.5.2. Executive Officers

Stock ownership guidelines for Thermon's named executive officers are determined as a multiple of the executive's base salary. The guideline for Thermon's chief executive officer is set at five (5) times annual base salary. The guideline for other named executive officers is set at two (2) times base salary.

Named executive officers have five (5) years from the later of the date of the policy or becoming an executive subject to the policy to reach the requisite ownership threshold. If an executive does not achieve



or show sustained progress toward achieving the specified goal within five years, the Committee has full discretion to implement corrective measures, including but not limited to those described in the 'FAILURE TO MEET OWNERSHIP REQUIREMENT' section below.

3.5.3. Directors

Stock ownership guidelines for Thermon's non-executive directors are determined as a multiple of the director's annual cash retainer. The guideline for Thermon's non-executive directors is set at four (4) times annual cash retainer.

Directors have five (5) years from the later of the date of the policy or joining the Board to reach the requisite ownership threshold. If a director does not achieve or show sustained progress toward achieving the specified goal within five years, the Committee has full discretion to implement corrective measures, including but not limited to those described in the 'FAILURE TO MEET OWNERSHIP REQUIREMENT' section below.

3.5.4. Counting Shares

The following holdings will be counted when measuring stock ownership:

- (a) Shares owned directly, either in certificated form or through a brokerage account;
- (b) Shares owned indirectly, which for the purposes of this policy include shares held by immediate family members residing in the same household, shares held in trust for the benefit of the executive or director or his or her family, or shares otherwise beneficially owned and reportable on Table 1 of Forms 3, 4 or 5;
- (c) Restricted stock or restricted stock units granted under Thermon's Long-Term Incentive Plan, to the extent vested;
- (d) Performance shares or performance units granted under Thermon's Long-Term Incentive Plan, to the extent vested and earned per the performance conditions contained in the award agreement related to such award;
- (e) Shares obtained through the exercise of stock options, or through open market purchases;
- (f) Shares attributable to a participant's vested account balance in any savings or retirement plans, deferred compensation plans and shares acquired through employee stock purchase plans;
- (g) 'In the money' shares of vested, but unexercised stock options. For the purposes of this policy, 'in the money' shares are those stock options which have an exercise price that is below the closing price of THR common stock on that day.

The following holdings will not be considered when measuring stock ownership:

- (a) Unvested restricted stock units
- (b) Unvested restricted stock awards
- (c) Unvested or unearned performance units
- (d) Unvested stock options

3.5.5. Retention

It is the Company's policy that all proposed trading activity in the Company's common stock shall be submitted to and approved by the Company's CEO or CFO prior to the execution of any such trade. Stock ownership will be calculated immediately prior to any proposed disposition. Each individual subject to these Stock Ownership Guidelines must meet or exceed his or her requisite stock ownership threshold immediately prior to any disposition of shares or share equivalents obtained through an equity grant (other than shares sold, swapped or traded to pay applicable withholding taxes and the exercise price of stock options). This 100% retention requirement will apply during any time-period during which the individual's stock ownership goal has not been achieved, including during the initial five year period to attain compliance.

Once an individual has achieved his or her stock ownership goal, the retention restriction above shall apply only where and to the extent that a proposed disposition would cause the individual's stock ownership to



fall below his or her stock ownership requirement, i.e., dispositions proposed by individuals subject to these guidelines will be approved only to the extent that their remaining counted holdings, immediately following such disposition, will continue to be in compliance with these ownership guidelines.

The Committee shall evaluate and document compliance and progress toward compliance once per year, as of December 31.

3.5.6. *Failure To Meet Ownership Requirement*

Failure by an executive or director to meet or to show sustained progress toward meeting the ownership requirement following the initial five-year period may result in a reduction in future long term incentive grants and/or payment of future cash incentives in the form of stock.

3.5.7. *Exceptions*

These guidelines may be waived at the discretion of the Committee, if compliance, in the Committee's judgment would create unreasonable hardship or prevent an executive or director 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.

3.6. Confidentiality and Communications

3.6.1. *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.

3.6.2. *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.

3.6.3. *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. 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., 100 Thermon Drive, San Marcos, Texas 78666; 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.

3.7. Amendments

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

4.0 ACRONYMS/DEFINITIONS

4.1. Definitions



Term	Definition
Board	The board of directors of the Company
Chairman	Chairman of the Board
Company	Thermon Group Holdings, Inc., together with its direct and indirect subsidiaries
Guidelines	These Corporate Governance Guidelines
Named Executive Officer	Any individual whose compensation is required to be disclosed in the Company's proxy statement for the most recently completed fiscal year pursuant to applicable NYSE and SEC rules
NYSE	New York Stock Exchange
Public Company	A company that offers its common stock for sale to the general public on a stock exchange
SEC	U.S. Securities and Exchange Commission