

THERMAX LIMITED

BOARD COMMITTEES COMPOSITION AND TERMS OF REFERENCE

MANDATORY COMMITTEES:

A. Audit Committee

Name of Member	Category	Designation
Mr. Nawshir Mirza	Independent Director	Chairman
Dr. Jairam Varadraj	Independent Director	Member
Mr. Pheroze Pudumjee	Non-Executive Director	Member
Dr. Valentin von Massow	Independent Director	Member

The terms of the charter broadly include:

- Overseeing the processes that ensure the integrity of financial statements.
- Overseeing the processes for compliance with laws and regulations to ensure their effectiveness.
- Approving transactions with related Parties.
- Enquiring into reasons for any default by the company in honoring its obligations to its creditors and members.
- Overseeing the quality of internal accounting controls and other controls.
- Overseeing the quality of the financial reporting process, including the selection of accounting policies.
- Ensuring the independence of the external auditor.
- Recommend to the board the appointment and the remuneration of an auditor.
- To scrutinise inter-corporate loans and investments.
- Monitor the end use of funds raised through public offers.
- Conduct the valuation of any undertaking or asset of the company.
- Oversee the internal audit function and shall approve the appointment of the Chief Internal Auditor.
- To bring to the notice of the board any lacunae in the code of conduct.
- To review with the CEO and the CFO of the company the underlying process followed by them in their annual certification to the Board.
- To approve the appointment of the CFO.
- To recommend to the board the appointment and remuneration of the secretarial and cost auditors.

B. Nomination & Remuneration Committee

Name of Member	Category	Designation
Dr. Jairam Varadraj	Independent Director	Chairman
Ms. Anu Aga	Non-Executive Director	Member
Dr. Valentin von Massow	Independent Director	Member
Mrs. Meher Pudumjee	Non-Executive Director	Member

The broad terms of reference of the committee:

- 1) Evaluate the performance including extension of contract, of Executive Directors (EDs). The NRC would set the performance measures of EDs and evaluate their performance annually.
- 2) Recommend the remuneration for the EDs based on evaluation.
- 3) Evaluate the performance including extension of their employment, of senior management (one level below the EDs).
- 4) Recommend the remuneration of the senior management based on the evaluation.
- 5) Evaluate the need for EDs and recommend their appointment.
- 6) Identify all critical positions in the company among the EDs and senior management and review progress of succession plans.
- 7) To recommend to the Board the Policy relating to the remuneration of Directors and Key Management Personnel.
- 8) Lay down criteria for selecting new Non-Executive Directors (NEDs) based on the requirements of the organisation.
- 9) Carry out evaluation of the performance of the NEDs and defining the system for linking remuneration of NEDs to evaluation.
- 10) Review succession plan for those NED positions that are likely to be vacant during the year.
- 11) To recommend to the Board the appointment and removal of Directors.
- 12) Review and approve annual compensation of the organization, including

benchmarking with other Companies.

- 13) Ensure periodic meeting of the senior management with the Directors.
- 14) Commission and review employee engagement surveys.
- 15) Review and approve the code of conduct for the company.
- 16) Review and approve the disclosures of the Committee in the Annual Report
- 17) To devise a Policy relating to Human Resources, including Diversity.
- 18) Review and modify these terms of reference on a need basis.
- 19) Any other matter as may be assigned by the Board of Directors.

C. Stakeholders Relationship Committee

Name of Member	Category	Designation
Mr. Pheroz Pudumjee	Non-Executive Director	Chairman
Mr. M. S. Unnikrishnan	Executive Director	Member
Mrs. Meher Pudumjee	Non-Executive Director	Member

The committee reviews the performance of Karvy Computershare Private Limited, the company's Registrar and Transfer Agent (RTA) and also recommends measures for overall improvement for better investor services. The committee specifically looks into complaints of shareholders and investors pertaining to transfer/ transmission of shares, non-receipt of share certificates, non-receipt of dividend, etc.

D. Corporate Social Responsibility (CSR) Committee

Name of Member	Category	Designation
Mrs. Anu Aga	Non-Executive Director	Chairman
Mr. Nawshir Mirza	Independent Director	Member
Mrs. Meher Pudumjee	Executive Director	Member
Dr. Raghunath Mashelkar	Independent Director	Member

The terms of reference of this committee, assigned by the Board encompasses:

1. To formulate and recommend to the Board a CSR Policy which shall indicate the activities to be undertaken by the company as specified under Schedule

VII;

2. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. To monitor the CSR Policy of the company from time to time;
4. Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India.

NON-MANDATORY COMMITTEES:

E. Borrowing and Investments Committee

Name of Member	Category	Designation
Mrs. Meher Pudumjee	Non-Executive Director	Chairman
Mr. Pheroz Pudumjee	Non-Executive Director	Member
Mr. M.S Unnikrishnan	Executive Director	Member

The terms of reference of the Committee are as follows:

1. Review the Treasury operations of Thermax Ltd.
2. Lay down funds deployment policy and ensure that investments are made accordingly.
3. Issue standard DJU's and parent company guarantees for joint venture subsidiaries, which have already been accepted and approved by the Board of Directors of Thermax Ltd.
4. Consider and approve availing of short term borrowing/credit facilities (term less than 3 years) up to Rs. 100 Crore / year, by the Company and its Subsidiary Companies.
5. Issue Letters of Comfort / Corporate Guarantees up to Rs. 100 crore / year, on behalf of Subsidiary Companies.

F. Strategic Business Development Committee

The primary objective of this committee of the Board is to review and guide the strategic initiatives of the company.

Name Of Member	Category	Designation
Dr. Valentin von Massow	Independent Director	Chairman
Dr. Jairam Varadraj	Independent Director	Member
Mrs. Meher Pudumjee	Non-Executive	Member

	Director	
Mr. Pheroz Pudumjee	Non-Executive Director	Member
Mr. M. S. Unnikrishnan	Executive Director	Member

The terms of reference of the Committee are as follows:

1. To review and recommend corporate strategy, incl. corporate Brand and M&A.
2. Review and direct SBU, subsidiary and JV level strategies as well as selective SBU plans and business initiatives.
3. Initiate and impart guidance on best practices across the board, e.g. manufacturing, new markets, branding, etc.
4. Ensure review of the key strategic performance indicators and milestones established by the Company.

G. International Investment Committee

Name of Member	Category	Designation
Mr. Pheroz Pudumjee	Non-Executive Director	Chairman
Dr. Valentin von Massow	Independent Director	Member
Mr. M. S. Unnikrishnan	Executive Director	Member

The terms of reference of the Committee are as follows:

1. Monitor and review the performance with respect to the purpose and intent of its business objectives.
2. Review Human Resources development and requirements.
3. Review of business operations & strategy implementation of new ventures / businesses.
4. Approval of appointment of Board Members.
5. Formulation of strategy with respect to overseas initiatives (including setting up of a company/ offices and for acquisition/ takeover/ amalgamation).
6. Review of annual performance.
7. Annual review of the strategic business plan.

H. Risk Management Committee

Name of Member	Category	Designation
Mr. Nawshir Mirza	Independent Director	Chairman
Dr. Jairam Varadraj	Independent Director	Member
Mr. Pheroz Pudumjee	Non-Executive Director	Member