

THERMAX LIMITED

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In terms of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements), 2015, the Company shall familiarize the Independent Directors with the Company, their role, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.

I. OBJECTIVES

Through the familiarization programme, the Company intends to achieve the following objectives:

- To apprise the Directors about the business model, corporate strategy, nature of industry, business plans and operations of the Company.
- To familiarize them with the Company's financial performance, annual budgets, internal control processes and statutory compliances.
- To apprise them about their roles and responsibilities in the Company.
- To familiarize them with Company's vision, values, ethics and Corporate Governance practices.

II. FAMILIARIZATION PROGRAMME

The Independent Directors in the Board and Committee meetings have been provided with the following:

- ❖ Updates on business model, nature of industry, operations and financial performance of the Company.
- ❖ Presentations on Annual Budgets, Internal & Statutory Audit, Corporate Social Responsibility, strategies and business performance of the Company, operations of subsidiaries & associates.
- ❖ Updates on significant developments in the Company.
- ❖ Freedom to interact with the Company's senior management at regular intervals.
- ❖ Policies of the Company on human resources, treasury investment, social responsibility, remuneration criteria, vigil mechanism, risk management, related party transactions etc.
- ❖ Update on significant amendments in corporate and other laws and its impact on the Company.
- ❖ Code of Conduct for Independent Directors as prescribed under the Companies Act, 2013.
- ❖ Roles and responsibilities of the Directors as outlined in the Companies Act, 2013.
- ❖ Interaction with senior management during the Board Retreat.

III. REVIEW AND REVISION

The familiarization process will be revised from time to time in order to provide more information to Independent Directors to enable them to contribute significantly to the growth of the Company.

Induction Programme for new Independent Directors

Sr.	Particulars	Coverage	Estimated time
1.	Orientation on organizational structure covering Thermax Limited and subsidiaries.	HR and operational structure of Thermax Group.	1 Hr.
2	Business overview - Thermax Limited & subsidiaries	Products & markets served, application examples of products, finance overview covering latest quarter and year end performance	3 Hrs.
3	Code of Conduct, Insider trading, Board schedule and Board committee orientation		1 Hr.
4	Plant visit	Chinchwad plant	1Hr.
5	Meeting with EC members	Interaction with Sr. Management	1 Hr.
6	One on one interaction with other Directors via telephone/video conference, personal visit as may be practicable	---	About 15 min. for each director

Reading material to be provided:

1. Latest 3 year annual reports
2. Memorandum & Articles of Association
3. Code of conduct
4. Insider Trading code
5. Fireside magazine copies – latest 3 issues
6. Product brochures/ marketing material

The details of familiarization programme given to the Independent Directors during the financial year 2020-21

(Duration in Hrs)

Sr. No	Name	Financials	Products	Customers	Strategy	Governance	Total
1	Dr. Valentin A.H.von Massow	1	1.75	0	15.5	6.5	24.75
2	Dr. Jairam Varadaraj	3.75	1.75	0.25	14.25	10.5	30.5
3	Mr. Nawshir Mirza	3.75	1.75	0.25	8	11.75	25.5
4	Mr. Harsh Mariwala	1	0.25	0	8	6.5	15.75
5	Mr. S.B (Ravi) Pandit	1	0.25	0	7.75	6	15
6	Mrs. Rajani Kesari	3.75	1.75	0.25	8	8.25	22

Thermax Limited
Working of familiarisation programme for Independent Directors for FY 2020-21

Date	Meeting	Board/Committee Meeting Details	Minutes Ref No	Dr. Valentin von Massow	Dr. Jairam Varadaraj	Mr. Nawshir Mirza	Mr. S. B (Ravi) Pandit	Mr. Harsh Mariwala	Mrs. Rajani Kesari
				Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)	Duration (in hrs)
		A) Financials							
04-Jun-20	Special Audit	Review the adequacy of internal financial controls	6	NA	0.25	0.25	NA	NA	0.25
16-Jun-20	Audit	Review summary of contingent liabilities for the financial year ended March 31, 2020	4	NA	0.25	0.25	NA	NA	0.25
		Approval of audited financial statements for the quarter and year ended March 31, 2020	7	NA	1	1	NA	NA	1
		Management discussion and analysis of financial condition and results of operations and Corporate Governance report	9	NA	0.25	0.25	NA	NA	0.25
11-Aug-20	Audit	Review presentation of Internal Audit on building effective internal audit function	5	NA	1	1	0	NA	1
03-Feb-21	Board	Projected Annual Business Plan for F.Y. 2021-22	25	1	1	1	1	1	1
		Sub-Total (A)		1	3.75	3.75	1	1	3.75
		B) Products							
16-Oct-20	IIC	Proposal to Sell Service Business of Boilerworks	4	1.5	NA	NA	NA	NA	NA
01-Jul-20	RMC	Review risks and mitigating measures for volatile material handled by the company	2	NA	1	1	NA	NA	1
04-11-2020	Board	Sale of Service Business of Boilerworks to VODA A/S	12	0.25	0.25	0.25	0.25	0.25	0.25
19-11-2020	RMC	Review management of commodity price risk	4	NA	0.5	0.5	NA	NA	0.5
		Sub-Total (B)		1.75	1.75	1.75	0.25	0.25	1.75
		C) Customers							
04-Jun-20	Special Audit	application of the Expected Credit Loss provision of Ind AS 115	7	NA	0.25	0.25	NA	NA	0.25
		Sub-Total (c)		0	0.25	0.25	0	0	0.25
		D) Strategy							
		Update on change in ownership structure of Boilerworks from Danstoker to Thermax Denmark	27	0.5	0.5	0.5	0.5	0.5	0.5

18-Jun-20	Board	Infusion of Equity into Thermax Denmark to re-establish equity level and ensure their capability to honour Loan agreements	28	0.5	0.5	0.5	0.5	0.5	0.5
		Discussions on pricing, risks and mitigation plan on HRRL bid	29	0.25	0.25	0.25	0.25	0.25	0.25
		Update to the Board on operations of the company during the lockdown period and the on-going reopening of manufacturing facilities and project construction/O&M sites	30	0.25	0.25	0.25	0.25	0.25	0.25
		Status appraisal of the on-going cost reduction exercise- Agile 2.0	31	0.25	0.25	0.25	0.25	0.25	0.25
10-Aug-20	SBDC	Investment in PT Thermax International Indonesia up to USD 2 Million	4	1.5	1.5	NA	NA	NA	NA
11-Aug-20	IIC	Danstoker Turnaround Strategy review	4	0.5	NA	NA	NA	NA	NA
		PT Thermax International Indonesia- strategy and turnaround plan review	5	0.5	NA	NA	NA	NA	NA
		Review Singapore RHQ	6	0.5	NA	NA	NA	NA	NA
12-Aug-20	Board	Closure of Representative Office in Egypt	13	0.25	0.25	0.25	0.25	0.25	0.25
		Setting up of Solar Power Plant at Jhagadia	14	0.25	0.25	0.25	0.25	0.25	0.25
		investment in share capital of Thermax Engineering Singapore PTE Ltd	19	0.5	0.5	0.5	0.5	0.5	0.5
19-Oct-20	SBDC	Review BioCNG Business	4	2	2	NA	NA	NA	NA
31-Oct-20	Board	Letter of undertaking in connection with NTPC tender to be submitted by Thermax Babcock & Wilcox Energy Solutions Pvt. Ltd. (TBWES)	2	0	0	0.75	0.75	0	0.75
02-Nov-20	NRC	Presentation on ESOP	3	0.5	0.5	NA	NA	0.5	NA
		Briefing on VRS at Chinchwad factory	4	0.5	0.5	NA	NA	0.5	NA
04-Nov-20	Board	Remittance of amount for closure of Omnical insolvency claims	14	0.5	0.5	0.5	0.5	0.5	0.5
		Business update including progress on project Agile 2.0 and Safety	17	0.5	0.5	0.5	0.5	0.5	0.5
		Investment in BioCNG plant through equity in TOESL leading to BioCNG business	18	0.5	0.5	0.5	0.5	0.5	0.5
		Appointment of a consultant for strategic initiatives	19	0.5	0.5	0.5	0.5	0.5	0.5
		Discussion on LTIP – Long term Incentive Plan	20	0.5	0.5	0.5	0.5	0.5	0.5
05-Jan-21	SBDC	Project Clean	3	2.5	2.5	NA	NA	NA	NA
02-Feb-21	Audit	Review policy of related party transactions and SOP	6	NA	0.25	0.25	NA	NA	0.25
03-Feb-21	Board	Issuance of Letter of support / Corporate guarantee / stand surety to set up working capital facility in	17	0.5	0.5	0.5	0.5	0.5	0.5
		Update on Digitization and Project Agile 2.0	21	0.25	0.25	0.25	0.25	0.25	0.25

		Additional investment in TOESL (equity and loan)	23	0.25	0.25	0.25	0.25	0.25	0.25
		Update on Thermax NXT	24	0.25	0.25	0.25	0.25	0.25	0.25
		Discussion on LTIP – Long term Incentive Plan	26	0.5	0.5	0.5	0.5	0.5	0.5
		Sub-Total (D)		15.5	14.25	8	7.75	8	8
		E) Governance							
23-Apr-20	Special Audit	Review internal audit observations	2	NA	0	2	NA	NA	0
23-Apr-20	CSR	Review dashboard of CSR initiatives and quarterly update on CSR	3	NA	NA	0.5	0.5	NA	NA
		COVID-19 relief measures undertaken by the Company	4	NA	NA	0.5	0.5	NA	NA
04-Jun-20	Special Audit	Review Summary of Internal Audit reports	3	NA	1	1	NA	NA	1
		Prohibition of Insider Trading Regulation Review Report (PIT Review)	3	NA	1	1	NA	NA	1
		Review the adequacy of internal audit function	5	NA	0.25	0.25	NA	NA	0.25
16-Jun-20	Audit	Compliance and internal control system for prevention of insider trading with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015	10	NA	0.25	0.25	NA	NA	0.25
		Review the independence, performance and effectiveness of the Statutory Auditor's / Cost Auditor's / Secretarial Auditor's and their audit process.	11	NA	0.25	0.25	NA	NA	0.25
		Review of Audit Committee's performance and approval of committee's report to the Board of Directors	14	NA	0.25	0.25	NA	NA	0.25
		Report on special audit / whistle blower policy	16	NA	0.25	0.25	NA	NA	0.25
18-Jun-20	Board	Board Diversity Policy	38	0.25	0.25	0.25	0.25	0.25	0.25
01-Jul-20	RMC	Review of top 10 risks identified	4	NA	0.25	0.25	NA	NA	0.25
12-Aug-20	Board	Revision in the Code of Conduct for Prevention of Insider Trading	10	0.25	0.25	0.25	0.25	0.25	0.25
		Status update on Covid relief measures	11	0.25	0.25	0.25	0.25	0.25	0.25
		Tracker on digitization and agile savings	12	0.25	0.25	0.25	0.25	0.25	0.25
		Actions taken towards creation of "Thermax Finance Services"	16	0.25	0.25	0.25	0.25	0.25	0.25
		Technology update	18	0.5	0.5	0.5	0.5	0.5	0.5
04-Nov-20	Board	New labour law code	11	0.25	0.25	0.25	0.25	0.25	0.25
		Issuance of Comfort Letter/Letter of Surety in respect of subsidiaries of the Company	13	0.5	0.5	0.5	0.5	0.5	0
19-Nov-20	RMC	State of implementation of the ERM process	3	NA	0.5	0.5	NA	NA	0.5

01-Feb-21	SRC	Reports/ observations of proxy advisory service providers on 39th AGM of the Committee.	9	NA	NA	NA	0.25	NA	NA
02-Feb-21	NRC	Presentation on Welfare Trusts	2	0.25	0.25	NA	NA	0.25	NA
		Presentation on Employee Pulse Survey		0.25	0.25	NA	NA	0.25	NA
		Discussion on Culture Survey – 2019		0.25	0.25	NA	NA	0.25	NA
		Performance Evaluation and Succession Planning		0.25	0.25	NA	NA	0.25	NA
		Discussion on Role of HR		0.25	0.25	NA	NA	0.25	NA
		Discussion on Job Evaluation		0.25	0.25	NA	NA	0.25	NA
		Discussion on LTIP – Long term Incentive Plan	3	0.25	0.25	NA	NA	0.25	NA
03-Feb-21	Board	Meetig of Independent Director	2	0.5	0.5	0.5	0.5	0.5	0.5
		Appointment of Trustee of the Thermax Welfare Trusts and Thermax ESOP Trust	12	0.25	0.25	0.25	0.25	0.25	0.25
12-Mar-21	Board	Board Evaluation	2	1.5	1.5	1.5	1.5	1.5	1.5
		Sub-Total (E)		6.5	10.5	11.75	6	6.5	8.25
		Total (A+B+C+D+E)		24.75	30.5	25.5	15	15.75	22
0 = Director absent in the meeting									
NA* = Director is ceased or not a member of committee									