



FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

SONAM CLOCK LIMITED

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FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

1. Preamble

Purpose and objectives

In view of the provisions of Schedule IV to the Companies Act, 2013 read with the provisions of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, every listed company is required to familiarize its Independent Directors through various programmes about the listed entity and place the details of the same on its website. These programmes shall include the following:

- a) nature of the industry in which the listed entity operates;
- b) business model of the listed entity;
- c) roles, rights, responsibilities of independent directors; and
- d) any other relevant information.

These Familiarization Programmes are aimed to familiarize the independent directors with the Company, their roles / responsibilities in the Company, nature of industry in which the Company operates and business model of the Company by imparting suitable training sessions. These programmes enable the Independent Directors to understand the Company's business in depth and facilitate their active participation in managing the Company.

The Policy provides the basic insights into the Company to enable the Independent Directors to understand the Company's business in depth that would facilitate their active participation in managing the affairs of the Company.

2. Initiatives for Induction on joining the Board of the Company

A New Director will be welcomed to the Board of the Company by sharing the following documents of the Company for his / her references:

- Formal letter of appointment as Director of the Company.
- Memorandum and Articles of Association of the Company.
- Annual Reports of last three consecutive years.
- Criteria of Independence applicable to Independent Directors as per Regulation 16 of the SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013.
- Code of Conduct for Board of Directors and Senior Management.
- Code of Code of Conduct for Prohibition of Insider Trading.
- Note on Directors' roles, functions, duties, responsibilities and liabilities under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.
- Organizational Chart of the Company and the profile of all the Directors and the Senior Managerial Personnel of the Company.
- List of Contact details of the Directors, Senior Managerial Personnel and their personal / executive assistants.
- Board evaluation process and procedures.

3. Familiarization and Continuing Education Process

- ❖ The Company through its Executive Director / Key Managerial Personnel will conduct programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
- ❖ Such programmes /presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- ❖ The programmes/presentations also familiarize the Independent Directors with their roles, rights and responsibilities.
- ❖ When a new Independent Director comes on the Board of the Company, a meeting will be arranged with the Managing Director, Whole-time Director, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

4. Other Initiatives to Update the Directors on a Continuing Basis

- ❖ The Directors will get an opportunity to visit Company's factory, where factory heads apprise them of the operational aspects of the factory to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR etc.
- ❖ At various Board meetings during the year, presentations to be made to the Board on safety, health and environment issue(s), risk management, CSR activities, Company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which the Company operates, business excellence with areas of improvement and other relevant issue.
- ❖ Quarterly presentations on operations to be made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.
- ❖ Quarterly results of the Company are provided to the Directors.

5. Disclosure

The details of such familiarization programme shall be disclosed on the Company's website and weblink thereto shall be given in the Annual Report.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS FOR THE YEAR 2021-22
[IN TERMS OF THE SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015]

A. Background

In compliance with regulation 25(7) of the SEBI (listing obligations & disclosure Requirements) regulations, 2015, the company has a structured programme for Orientation and training of directors at the time of their joining so as to enable them to understand the nature of the industry in which the company operates, business model of the company and roles, rights and responsibilities of independent directors.

The company also seeks to update the directors on a continuing basis on any significant changes so as to place them in a position to take well informed and timely Decisions.

B. Orientation programme upon induction of new Directors

- At the time of their appointment, new Directors are provided with a copy of the Company's Annual Report, the Code of Conduct for Non-Executive Directors, Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices and the schedule of Board and Committee meetings during that financial year.
- Independent Directors are also issued an appointment letter detailing their role, duties and responsibilities, remuneration and performance evaluation process. The terms of the said letter are also uploaded on the Company's website.
- Management organizes sessions with new Directors wherein the Managing Director, the Chief Financial Officer and other senior leaders make presentations to familiarise the new Director with the Company's organization structure, business model, operations, services, markets, finance, human resources, technology, risk management, sustainability, regulatory environment, challenges and strategy.
- The new Director is also encouraged to visit the various plant locations to familiarize Himself with their operational, safety and sustainability aspects.

C. Ongoing familiarization

- All efforts are made to provide insights into the Company and the business environment to enable Directors to be updated on new challenges, risks and opportunities relevant to the Company and to lend perspective to the strategic direction of the Company. This includes periodic interactive sessions organized by the Company for Board members with external domain experts.
- At various Board meetings during the year, presentations are made to the Directors on safety, health and environment issues, CSR and sustainability related matters, accounting policies and changes therein, changes in the regulatory scenario and global trends, Internal Audit, Risk related and investor related issues and outcome of the assessment, as applicable.

- Quarterly presentations are made to the Board providing business and performance updates including information on risks and mitigation measures, market share, financial arrangements, working capital management, fund flows, material litigations, performance of subsidiaries, joint ventures and associates etc.
- One-to-one meetings are held with Directors to apprise them of complex issues to enable them to understand the same in depth.

D. Summary of Familiarisation programme of Directors

Total number of hours spent on familiarisation in F.Y. - 2021-22	Approx. 10 hours (including specific items at Board meetings)
Cumulative hours spent on familiarisation till date (from 30 th December, 2017)	Approx. 60 hours.