



Vendor Management Policy

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VENDOR MANAGEMENT POLICY

Background

- .1. In its endeavour to provide the best solutions and services to its clients, Vivriti Capital Limited (formerly known Vivriti Capital Private Limited) ('Vivriti') engages with several outside parties/third party vendors. This policy document standardises the guidelines for the purpose of onboarding such parties including any due diligence and review to be performed therein and provides for the roles and responsibilities in respect of such processes.

Scope

- .1. Excluding vendors onboarded by Legal Team under 'Legal Vendor Management Policy', this Policy shall cover all vendors and service providers that Vivriti engages with while conducting its day to day activities.
- .2. In case any Vendor is onboarded pursuant to specific provisions of any applicable act(s)/rule(s)/regulation(s)/guideline(s)/notification(s) (including any statutory modifications or re-enactments, notified from time to time) or any other applicable law, all requirement under such specific applicable provisions will be complied with.
- .3. If the potential vendor is falling under Clause 2.2, then the provisions of this policy shall apply to the extent possible, so that it is not conflicting or having inconsistency with any applicable act(s)/rule(s)/regulation(s)/guideline(s)/notification(s) (including any statutory modifications or re-enactments, notified from time to time) or any other applicable law.

Vendor Identification and Selection Criteria

- .1. Potential vendors shall be identified and selected by respective Team Heads based on, inter alia, the following criteria:
 - .1.1. Product/Service
 - .1.2. Location
 - .1.3. Capacity (including but not limited to Legal Certification)
 - .1.4. Infrastructure
 - .1.5. Market Reputation
 - .1.6. List of major customers
 - .1.7. Any other selection criteria as deemed fit by the respective Team Head
- .2. The potential vendor shall be selected and evaluated by and under the guidance of the respective Team Head based on the provisions of this policy and an evaluation matrix created by the respective Team Head as per sample evaluation matrix provided in **Annexure I**. In case a particular team/department does not have its own vendor selection and evaluation matrix, then selection and evaluation will be based on the provisions of this policy including the

standard evaluation format as per **Annexure II**. No deviation/ modification shall be allowed in the specified format except with the prior written approval of Managing Director.

- .3. The respective Team Head shall identify such number of vendors as may be required in each case, which shall not be lesser than two vendors. However, for exceptional cases identification of a single vendor shall be allowed. For e.g., selecting industry leading service provider, selecting bundled vendors for specific project, selecting one vendor due to paucity of time, renewal of existing vendor's term, monopoly of vendor in particular sector/segment or any other such case as may arise. Such single vendor selection shall be approved by the Managing Director as a deviation to this policy.
- .4. For maintaining adequate proof and documentation on identification process, each team shall maintain following documents/data:
 - .4.1. Proof of identifying vendors i.e., any mail communication for seeking service, brochure, scope of work, PPT or any other proof.
 - .4.2. Quotation(s) received from such identified vendors.
 - .4.3. Evaluation/comparative analysis done, as per **Annexure I/Annexure II**.
 - .4.4. Risk Assessment Report of such vendor as per Clause 4.2
 - .4.5. Any other relevant documentation
- .5. Following documents shall be mandatorily executed by the Vendor or Service Provider, as may be applicable:
 - .5.1. Vendor Management Form/Engagement letters/contracts/agreements/purchase orders/online subscription terms and conditions
 - .5.2. Non-disclosure agreements executed with third party Vendors.
 - .5.3. Declarations by Vendors on:
 - a. anti-corruption and anti-bribery.
 - b. Non-Discrimination
 - c. Confirmation to the Vivriti's Policies and Whistle Blower Mechanism

Due Diligence

- .1. **Related Party**
 - .1.1. Each third party vendor shall be evaluated by the Compliance Department of Vivriti with respect to Related Party and Related Party Transactions under Companies Act, 2013 read with relevant Rules and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Schedules therein, including any statutory modifications or re-enactments thereof, and pursuant to the Company's policy on Materiality of Related Party Transaction(s).
 - .1.2. In case prior approval of Audit Committee/Board/Shareholders is/are required, the Compliance Department will communicate the same to relevant team. Such third party vendor shall be selected and onboarded only after relevant approval is communicated by the Compliance Department.
 - .1.3. In case it is communicated that no prior approval is required by the Compliance Department, the relevant team can proceed with the further process for onboarding such third party vendor.
 - .1.4. Relevant team shall maintain for each third party vendor:

- .1.4.1. Mail to Compliance Department for evaluation of such third party vendor.
- .1.4.2. Mail from Compliance Department stating that prior approval/no prior approval is required.
- .1.4.3. In case prior approval is required, then mail from Compliance Department confirming such approval is in place and relevant team can proceed with onboarding process.

.2. Risk assessment

- .2.1. Each third party vendor should be allotted a criticality rating based on the risk factors such as credit, compliance, legal, financial, business, reputational risks involved. Such factors are subjective and shall be considered by the Team Head on case to case basis;
- .2.2. The criticality rating shall be allotted based on the following:

Rating to be allotted	Criticality	Nature
1	Not critical	If the risk involved impacts less than 2 factors
3	Moderately critical	If the risk involved directly impacts minimum 2 risk factors
4	Highly critical	If the risk involved is such that can hamper the business operations and directly impact all the risk factors

- .2.3. Categories of risk to be assessed by respective Team Head may include:

S No.	Risk Assessment Parameters
1	loss of capital if the vendor fails or becomes insolvent
2	loss if the program, product or service fails to meet expectations
3	costs associated with attracting or training personnel and investing in required infrastructure
4	whether the potential benefit of the arrangement outweighs the potential risks or costs
5	Any other parameters identified by respective Team Head

- .2.4. The most critically rated vendors shall be subject to the most rigorous and stringent annual review.

.3. Outsourcing

- .3.1. Respective team shall refer Outsourcing policy and IT Outsourcing policy of the Company to determine whether the service will come under the purview of outsourcing of Financial or IT services.

.4. Exit Strategy

- .4.1. Before onboarding any vendor, respective team must identify alternate vendors to ensure smooth transition from one vendor to another in case of termination of former contract.
- .4.2. If before onboarding such alternate vendor was not identified, then respective team shall ensure identification of alternate vendor(s) as soon as possible post the onboarding of the vendor, but not later than 3 months from such onboarding.
- .5. **Legal review**
 - .5.1. All engagement letters/contracts/agreements/purchase orders/online subscription terms and conditions are subject to review by the Legal department of Vivriti. All the mandates and the clauses therein shall be negotiated and finalised with the discussion with the Legal department.
 - .5.2. While reviewing engagement letters/contracts/agreements/purchase orders/online subscription terms and conditions (as applicable), the team shall ensure that the following key clauses are included in such documents proposed to be executed/entered into/signed with vendors proposed to be onboarded and/or separately obtained from the vendor:
 - .5.2.1. Termination clause (*Vivriti must have a right to terminate the contract*)
 - .5.2.2. Confidentiality clause/signing of a separate Non-Disclosure Agreement with all the vendors being onboarded.
 - .5.2.3. Indemnity clause (*must cover indemnification for Vivriti*).
 - .5.2.4. Anti-Bribery declaration as part of Vendor Declaration (*format as per Annexure III*) required to be obtained from all vendors being onboarded.
 - .5.2.5. Non-Discrimination declaration as part of Vendor Declaration (*format as per Annexure IV*) required to be obtained from all vendors being onboarded.
 - .5.2.6. Whistle Blower/Vigil Mechanism declaration as part of Vendor Declaration (*format as per Annexure V*) required to be obtained from all vendors being onboarded.

Approval matrix

- .1. In addition to aforesaid reviews, all third party vendors shall be onboard in accordance with the below mentioned approval matrix:

Particulars	Respective Team Head	Managing Director
Commercial aspects	✓	✓
Deliverables and timelines	✓	✓
Engagement letters/ contracts/agreements/ email mandates (for one time vendors) /purchase orders/online subscription terms and conditions/	✓ (in consultation with Legal department of Vivriti)	✓
Any other terms and conditions as may be applicable	✓ (in consultation with Legal department of Vivriti)	✓

Engagement letters/ contracts/agreements/ purchase orders/online subscription terms and conditions (as applicable) signing	<ul style="list-style-type: none"> ✓ Respective Team Head to ensure that the Engagement letters/ contracts/agreements/ purchase orders/online subscription terms and conditions (as applicable) are signed as per the approved DFP. ✓ Accounts Team shall be the checker to ensure that the Engagement letters/ contracts/agreements/purchase orders/online subscription terms and conditions (as applicable) are properly executed, in line with this policy, prior to making any payment to a particular vendor. 	<ul style="list-style-type: none"> ✓ Or any other official duly authorized by the approved DFP
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- .2. All the aspects of any vendor contract shall be first reviewed by the respective teams in consultation with Legal department of Vivriti and thereon shall be escalated to the Managing Director for his final approval.
- .3. While reviewing the same, the respective teams shall, subject to final approval of the Managing Director, also review the payment timeline and processing of the same for each vendor thereon.
- .4. Email mandates, for one-time vendors, should at least include the following agreed terms and conditions:
 - (i) Scope of Work;
 - (ii) Fee quote; and
 - (iii) timeline for engagement; and
 - (iv) other terms and conditions mutually agreed between Vivriti and the respective vendor.
- .5. Subject to successful due diligence under Clause 4 through written confirmation from compliance and legal team for their respective points and based on the recommendations by respective team head, Finance team shall create a Vendor Code (by whatever nomenclature used) and onboard the Vendor. All Invoices shall carry such Vendor Code.
- .6. Finance Team shall create and maintain repository within or outside Common Storage Folder (as mentioned in Clause 7), containing payment related data such as PAN, GST, Udyog Aadhar, Licence/Registration copy, Specimen Signature, Bank account details/cancelled cheque, authorizing letter/ resolution for giving authority etc. or any other document required by Finance Team on case to case basis.

Monitoring

- .1. The respective Team Heads shall be responsible for continuous monitoring of the performance of each of the services and the vendor involved.

- .2. Related party status verification of each vendor shall be carried out on a monthly basis by the respective Team Heads based on the related party list circulated by the Compliance Team from time to time. If there is a match during such related party verification, then process given under Clause 4 shall be followed.
- .3. The relationship with a prospective/ existing vendor should complement Vivriti' s overall mission and vision, its business strategy and risk appetite.
- .4. Any increase in cost shall be monitored and approval for such increase shall be taken as per the approval matrix given above.
- .5. The aspects of monitoring include but not limited to the following:
 - .5.1. Comparing actual results of each service with the projections
 - .5.2. Reviewing performance to determine compliance with expectations and contracts.
 - .5.3. Turnaround times in respect of each milestone
 - .5.4. Risks exposed and
 - .5.5. Any issues faced, issues resolved and issues pending.
 - .5.6. Financial parameters
 - .5.7. Any other parameter as may be decided by the Board or respective Team Head from time to time.
- .6. The monitoring process and the results thereon shall be fundamental in preparing annual reviews for each of such vendors.
- .7. For Vendors onboarded for two or more years evaluation shall be carried out every two years.
- .8. For Vendors onboarded for short term i.e., up to 12 months, evaluation shall not be required as mandated in clause 6.5.
- .9. Escalation and Legal Action:
 - .9.1. If the Vendor fails to provide the designated services as per their terms of appointment/onboarding, the respective team head shall take necessary steps to ensure performance/completion in consultation with Vendor.
 - .9.2. For continuous failure or no action post 6.9.1, respective team head shall inform about the matter to legal team and Managing Director.
 - .9.3. The Legal Team shall take necessary steps to resolve as per the terms of arrangement including but not limited to sending legal notice, pursuing amicable dispute settlement through mediation, conciliation and arbitration. Litigation shall be last resort against any defaulting party at appropriate judicial/quasi-judicial forum.

Central repository of document storage with vendors

- .1. Central Repository for Storage of Documents (common cloud storage) shall be maintained, including but not limited to agreements/engagement letters/contracts/purchase orders/copy of online subscription terms and conditions (as applicable)/non-disclosure agreements executed with third party Vendors/anti-corruption and anti-bribery declaration obtained from vendors.

- .2. Upon execution/signing, file containing physical copy of all documents including but not limited to agreements/engagement letters/contracts/purchase orders/copy of online subscription terms and conditions (as applicable)/non-disclosure agreements executed with third party Vendors/anti-corruption and anti-bribery declaration etc. obtained from vendors are required to be uploaded in the common cloud storage by the respective team.
- .3. Common Cloud Storage shall have team wise folder and each team will be able to access their respective folder only. Further, Finance, Compliance and Legal Department shall have access to whole storage system on view and download basis. For clarity, Finance, Compliance and Legal Department shall not be allowed to make any changes in the existing documents or add/delete documents from the Common Cloud Storage folders.
- .4. If the Company has any online software/ tool for vendor management, it shall preferably have a summary reflecting the following details:
 - .4.1. Name of the respective owner of the folder and owner's department;
 - .4.2. Name of the vendor and nature of service;
 - .4.3. Email id and phone number of the Company's Point of Contact ("POC"), from respective team and the vendor's POC;
 - .4.4. Tabular recording of the date of execution and expiry date of each document contained in the folder.

Reporting

- .1. The status of compliance with Company's policies and terms of arrangement must be provided by the respective team head to the Compliance team annually(i.e. after end of financial year).

Review

- .1. This Policy shall be reviewed by Compliance team and modifications, if any, shall be approved by the Board at such intervals as may be required, but not less than once in three years.

Annexure I

Selection and Evaluation Matrix (*Sample Format*)

Description	Comments by Prospective Service Provider/Vendor
<p>Competency-</p> <p><u>Indicative parameters-</u> No. of years/experience in the relevant industry, experiences of senior partners/managers (kindly specify years), no. employees/partners, evidence of proven quality with other customers, review their training and development procedures, qualification records, essential personnel background and abilities, presence across country and recruitment methods.</p>	<p>Mandatory for auditors and any other firms for any professional services (like consultants, legal counsels, valuers, SEBI intermediaries.)</p>
<p>Capacity-</p> <p><u>Indicative parameters-</u> prospective vendors' ability to meet your current and projected requirements.</p>	
<p>Consistency of Performance-</p> <p><u>Indicative parameters-</u> Ensuring vendor will be able to deliver consistently high levels of quality service throughout the life of the contract. For example, look for a vendor that assigns an account manager as a single point of contact dedicated to quality control and oversight; this indicates the vendor's commitment to high performance.</p>	
<p>Culture:</p> <p><u>Indicative parameters-</u> Business reputation and culture, compliance, complaints and outstanding or potential litigation etc.</p>	
<p>Internal Control:</p> <p><u>Indicative parameters-</u> Security and internal control, audit coverage, reporting and monitoring environment, business continuity management</p>	<p>Mandatory for IT Outsourced Activities and Financial Outsourced Activities as per respective RBI Master Directions</p>
<p>KYCs and authorisation documents of Vendors:</p>	<p>Mandatory for all teams</p>

Indicative parameters- PAN, GST, Udyog Aadhar, MSME, Licence/Registration copy, Specimen Signature, Bank account details/cancelled cheque, authorizing letter/ resolution for giving authority to authorized person, KYC of authorized person etc. or any other document required by Finance Team on case to case basis.	
Any other matter as deemed fit	

Annexure II

Standard Selection and Evaluation Matrix

Description	Comments by Team Head
Risk factors involved and considered	
- Credit (eg. Credit worthiness of the vendor)	
- Compliance (eg. Status of compliance over the past 3 financial years)	
- Legal (eg. Any pending lawsuits or litigation against the vendor or its senior partners)	
- Financial (eg. Reporting mismatch or delay in financial reporting or financial fraud)	
- Business (eg. Unsuccessful mergers, recent change in control or management decisions)	
- Reputation (eg. market value, perspective and goodwill)	
Past experience and competence to implement and support the proposed activity over the contract period	
Financial soundness and ability to service commitments even under adverse conditions	
Business reputation and culture, compliance, complaints and outstanding or potential litigation	
Security and internal control, audit coverage, reporting and monitoring environment, business continuity management	<i>Mandatory for IT Outsourced Activities and Financial Outsourced Activities as per respective RBI Master Directions</i>
Necessary ISO certification depending on the nature of services offered, if any	
Whether empanelled with other banks/NBFCs (name if any)	
Business presence pan India (name of the states, if any)	
Number of years of experience of senior partners (kindly specify years)	<i>Mandatory for auditors and any other firms for any professional services (like consultants, legal counsels, valuers, SEBI intermediaries.)</i>
KYCs and authorisation documents of Vendors:	
<u>Indicative parameters-</u> PAN, GST, Udyog Aadhar, MSME, Licence/Registration copy, Specimen Signature, Bank	<i>Mandatory for all teams</i>

account details/cancelled cheque, authorizing letter/ resolution for giving authority to authorized person, KYC of authorized person etc. or any other document required by Finance Team on case to case basis.	
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Annexure III

[On the letterhead of the Vendor]

To,

Vivriti Capital Limited
(Formerly known as Vivriti Capital Private Limited)
Prestige Zackria Metropolitan No. 200/1-8,
2nd Floor, Block -1, Annasalai,
Chennai 600 002, Tamil Nadu, India.

[Insert date]

Dear Sirs,

Re: Declaration: Anti-Bribery and Anti-Corruption

We refer to the letter/ agreement dated _____ (the “Vendor Agreement”) executed amongst *inter alia* _____¹, a company/LLP/Partnership/body corporates/individual(s)/any other entity with its registered address at _____ and bearing corporate identification number/PAN/ licence number/ any other registration no. _____ (“Vendor”) and Vivriti Capital Limited (*formerly known as Vivriti Capital Private Limited*), a company incorporated under the provisions of the Companies Act, 2013 and a non-banking financial company registered with the Reserve Bank of India, having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block -1, Annasalai, Chennai 600 002, Tamil Nadu, India (“Vivriti”), pursuant to which, Vivriti has appointed the Vendor for the purposes of undertaking _____² (the “Vendor Activities”).

¹ Please incorporate name and details of the Vendor.

² Please detail the activities for which the Vendor has been appointed.

We, the Vendor, hereby agree, confirm, represent and declare that we have not at any time furnished any payments in the nature of a bribe, kick-back, gift, gratuity, commission or other thing of value, as an inducement or reward for:

- (i) being appointed as the Vendor;
- (ii) for doing or forbearing to do any action in relation to the Vendor Activities;
or
- (iii) for showing or forbearing to show favour or disfavour to any person in relation to the Vendor Activities.

We, the Vendor, hereby agree, confirm, undertake and declare that:

- (i) we shall not pay/ furnish any bribe, kick-back, gift, gratuity, commission or other thing of value, as an inducement or reward to any third party or entity including but not limited to any Governmental authority, officer or agency for undertaking and performing their obligations pursuant to the Vendor Activities;
- (ii) we shall ensure that no monies paid to it by Vivriti in relation to the Vendor Activities shall be used by the Vendor or its relevant officers for any purposes pertaining to bribery or corruption;
- (iii) the Vendor shall at all times comply with all applicable legislative and statutory requirements relating to anti-bribery, anti-corruption and anti-money laundering;
- (iv) not engage in any activity, practice or conduct which would constitute an offence under any anti-bribery and/or anti-corruption legislative and statutory requirements which are applicable to the parties or to any services or goods being provided by the Vendor;
- (v) comply with the anti-corruption and anti-bribery policy laid down by Vivriti as provided by Vivriti and updated by Vivriti from time to time.

The Vendor hereby agrees and acknowledges that if the Vendor fails to comply with any of the matters set out in this declaration or is found to be liable under any anti-bribery, anti-corruption or anti-money laundering laws, regulations, rules or policies binding on such vendor during the course of the Vendor Activities or otherwise, the same shall be deemed to be a default under the Vendor Agreement and Vivriti shall have the right to terminate any or all contracts or agreements between the Vendor and Vivriti including, but not limited to, the Vendor Agreement.

The parties hereby agree that any disputes arising hereunder shall be referred to the exclusive jurisdiction of the Courts of Tamil Nadu.

(Authorised Signatory sign, name and designation)

Date:

Place:

Annexure IV

[On the letterhead of the Vendor]

To,

Vivriti Capital Limited
(Formerly known as Vivriti Capital Private Limited)
Prestige Zackria Metropolitan No. 200/1-8,
2nd Floor, Block -1, Annasalai,
Chennai 600 002, Tamil Nadu, India.

[Insert date]

Dear Sirs,

Re: Declaration: Non-Discrimination

We refer to the letter/ agreement dated _____ (the “Vendor Agreement”) executed amongst *inter alia* _____³, a company/LLP/Partnership/body corporates/individual(s)/any other entity with its registered address at _____ and bearing corporate identification number/PAN/ licence number/ any other registration no. _____ (“Vendor”) and Vivriti Capital Limited (*formerly known as Vivriti Capital Private Limited*), a company incorporated under the provisions of the Companies Act, 2013 and a non-banking financial company registered with the Reserve Bank of India, having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block -1, Annasalai, Chennai 600 002, Tamil Nadu, India (“Vivriti”), pursuant to which, Vivriti has appointed the Vendor for the purposes of undertaking _____⁴ (the “Vendor Activities”).

We, the Vendor, hereby agree, confirm, represent, and declare that:

- i. we have not at any time encouraged discrimination, harassment, bullying, victimization, and vilification at our workplace.
- ii. we have avoided terminology, mannerisms or any behaviours that directly or indirectly imply stereotypes and eventually lead to biases and discrimination.
- iii. our employees, vendors, contract workers and all other stakeholders are treated fairly and with respect.
- iv. our workplace culture is inclusive and embraces individual differences.
- v. equal employment opportunities based on ability, performance, and potential is provided.
- vi. awareness in all employees of their rights and responsibilities with regards to fairness, equity, and respect for all aspects of diversity is spread across.

³ Please incorporate name and details of the Vendor.

⁴ Please detail the activities for which the Vendor has been appointed.

- vii. we have flexible and inclusive work practices and policies to support employees, vendors, contract workers and other stakeholders.

The Vendor hereby agrees and acknowledges that if the Vendor fails to comply with any of the matters set out in this declaration or is found to be liable under any non-discrimination laws, regulations, rules or policies binding on such vendor during the course of the Vendor Activities or otherwise, the same shall be deemed to be a default under the Vendor Agreement (*by whatsoever name called*) and Vivriti shall have the right to terminate any or all contracts or agreements between the Vendor and Vivriti including, but not limited to, the Vendor Agreement.

The parties hereby agree that any disputes arising hereunder shall be referred to the exclusive jurisdiction of the Courts of Tamil Nadu.

(Authorised Signatory sign, name and designation)

Date:

Place:

Annexure V

[On the letterhead of the Vendor]

To,

Vivriti Capital Limited
(Formerly known as Vivriti Capital Private Limited)
Prestige Zackria Metropolitan No. 200/1-8,
2nd Floor, Block -1, Annasalai,
Chennai 600 002, Tamil Nadu, India.

[Insert date]

Dear Sirs,

Re: Declaration: Whistle Blower/Vigil Mechanism

We refer to the letter/ agreement dated _____ (the “Vendor Agreement”) executed amongst *inter alia* _____⁵, a company/LLP/Partnership/body corporates/individual(s)/any other entity with its registered address at _____ and bearing corporate identification number/PAN/ licence number/ any other registration no. _____ (“Vendor”) and Vivriti Capital Limited, a company incorporated under the provisions of the Companies Act, 2013 and a non-banking financial company registered with the Reserve Bank of India, having its registered office at Prestige Zackria Metropolitan No. 200/1-8, 2nd Floor, Block -1, Annasalai, Chennai 600 002, Tamil Nadu, India (“Vivriti”), pursuant to which, Vivriti has appointed the Vendor for the purposes of undertaking _____⁶ (the “Vendor Activities”).

I/We, the Vendor, hereby agree, confirm, represent and declare that:

- a. We have read the Whistle Blower Policy available on the website of Vivriti and
- b. Agree to abide by the Whistle Blower Policy of Vivriti.

(Authorised Signatory sign, name and designation)

Date:

Place:

⁵ Please incorporate name and details of the Vendor.

⁶ Please detail the activities for which the Vendor has been appointed.