Saksoft Limited
VENDOR MANAGEMENT POLICY

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Objective

The objective of this policy is to lay down guidelines to implement appropriate measures to manage a third party vendor in order to eliminate or minimize the impact that various social, environment, safety, security and governance related threats and vulnerabilities Saksoft might have with vendors.

Scope

The scope of this Policy is to cover the following aspects – need, evaluation, on-boarding, monitoring, payment and review – of a third-party vendor working with Saksoft. Vendor may refer to either service provider or supplier.

Policy Statement

Definition

Vendor management procedure refers to the process of management of an individual or another organization working for Saksoft, where, management refers to identification of need, evaluation, on-boarding, monitoring, payment, and review.

Vendor refers to any entity, individual or organization, providing either goods or services to the organization, which necessarily mean working for the organization. Basis the above criteria, vendors may refer to service providers or suppliers. Vendors may be located on-site meaning working from inside the office premises, or off-site, meaning working from outside office premises.

The process of getting work done or taking certain services to enable components of business is called **outsourcing**.

Information Security Policy for supplier relationships

Saksoft shall ensure service delivery rendered by service providers conforms to agreed specifications and expected service levels.

There shall be two 2 categories of service providers:

- **Category 1:** Service Providers providing services from outside Saksoft premises to facilitate smooth operations of Saksoft business.
- **Category 2:** Service Providers providing services by deputing their staff inside Saksoft premises to facilitate smooth operations of Saksoft business.

For **Category 1 service providers**, the contract terms and conditions must specify at least the following:

a. Delivery of services in accordance to defined specification and timelines.
b. Commitment to provide timely service support during Contract / Warranty / AMC period;
c. Scheduled maintenance activities to ensure proper and uninterrupted supply or availability of services;
d. Service providers who are unable to provide defined service levels due to nature of service / technical constraints (such as ISP's, network connectivity, etc), it shall be mandatory upon them to provide a performance report at monthly intervals to evaluate the service provider's service commitments.
e. Where Service Provider staff have access to Saksoft information and information processing facilities, the same shall be governed by legally binding arrangements:
    1) Commitment to comply with Saksoft's policies, processes and procedures pertaining to information security;
    2) Delivery of services as per agreed specifications and timelines. These are generally referred as SLA (Service Level Agreement) that contains measurable targets of service delivery;
    3) Commitment to protection of Assets and IPR's of Saksoft;
    4) Safe and secure custody of records/ documents made available to the service provider. The same shall be returned at the end of the contract period (Mode of data storage -waterproof fire proof incase of any natural disaster and data privacy)
    5) Saksoft's rights to monitor compliance and SLA performance of the service provider.
    6) Escalating any untoward event to Saksoft as soon as possible.

For **Category 2 service providers,** where the Service Provider need to depute their personnel within Saksoft's premises who have access to confidential information / restricted or sensitive

areas of information processing, the contract shall stipulate the service provider to agree to additional information security elements as follows:

i. Provide on service provider's letter-head the person names with recent photograph who are deputed at Saksoft premises as required and on demand;

ii. On demand, the service provider shall produce evidence of sufficient screening done for their named persons (official list of persons deputed at Saksoft's premises).
Mandatory screening information shall contain:

➢ Address Proof (any government issued document shall suffice)

➢ Proof of Education (copy of claimed academics, duly attested by an authority as acceptable in a government organization)

❖ **NOTE:** In case the service provider has got background checking done through professional agencies, the same shall be acceptable.

iii. Day-1 of engagement

a. Reporting to concerned Process Owner with relevant joining documents;

b. Process Owner to provide a de-briefing on information security aspects;

c. Process Owner to intimate a team member to provide relevant access controls (depending on job profile of the third-party staff) and ensure job responsibilities are fully understood, including information security responsibilities.

Procedure

The steps followed in the procedure of vendor management are given below.

- **Identification of need** – The need to outsource a certain process in any department is identified by dept. head. This is based upon factors such as cost, complexity of process, expertise within the organization, manpower within the organization, etc.
- **Evaluation** – After identification, some vendors are searched through internet, references, etc. and a list is prepared. This is called vendor evaluation sheet (please see annexure). The process owner of the process for which vendor is sought, identifies certain parameters basis which different individuals and/or organisations can be evaluated. A minimum of two vendors must be evaluated basis the parameters in the sheet, and an exception to this can be in case of a vendor coming from an employee reference, in which case vendor evaluation can be skipped. However, in both the above cases, a basic reference check is done by calling or emailing the reference and filling the vendor evaluation sheet basis the information, in case it is being maintained or on email, in case it is not. After the evaluation is complete, a vendor is selected. The selection is approved by department head on email.
- **On-boarding** – As part of on-boarding process, an agreement is drawn up by the finance and legal team of Saksoft or by the vendor. Scope of work, mutually agreed between two parties and signed off on email, is mentioned in the contract. Physical copy of the contract is signed by the authority from the vendor side and the finance head of Saksoft. An NDA

should be signed between the two parties, if the vendor people are privy to internal or confidential data (please refer to data management SOP) of Saksoft. Once the contract is signed, the third party is termed as vendor.

- **Monitoring** – The vendor is monitored by the vendor manager of respective departments on a periodic basis – the periodicity is at the discretion of the vendor manager and dept. head. The periodicity is decided based on perceived criticality to business operations.
- **Payment** – For a T&M kind of work from service provider, vendor manager approves the timesheet and invoice after having his considerations resolved with the vendors. For fixed bid projects, vendor manager checks whether scope of work agreed has been delivered or not and if the answer is yes, vendor managers approves the invoice on email. Once approved on email by vendor manager, the hard copy of invoice from the vendor is signed either by vendor manager or dept. head. After this, service desk personnel share the invoice with finance team account executive, who releases the payment
- **Review** – A periodic review is done for a vendor by the vendor manager or dept. head and findings are captured on a vendor review sheet (please see annexure). The periodicity of review is decided by the vendor manager and dept. head.

We expect all our Third Party vendors to strictly adhere to the code of conduct as laid by Saksoft and it client in the delivery of their performance and shall provide declaration on ethics and standards, commitment to contribute to sustainable methods of doing business

Distribution list
All Saksoft employees, Third party vendor resources

Annexure
None