

Third-Party Risk and Performance Management Policy

(Classification and Handling -Safeguarding Sensitive and Confidential Information)

Version: 1.2

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Document Revision History:

Version	Date	Author	Changes Made	Reviewed By	Approved By
1	22/05/2022	Gyan Singh	Initial creation of Vendor Management Policies and Procedures.	Mr.P Sahoo	Mr.Amit Sobti
1.1	24/05/2023	Gyan Singh	Added section on Vendor Risk Management and compliance checks.	Mr.P Sahoo	Mr.Amit Sobti
1.2	24/05/2024	Gyan Singh	Revised contract review and termination processes.	Mr.P Sahoo	Mr.Amit Sobti

1. Purpose

The purpose of this **Vendor Management Policy** is to establish a standardized framework for managing vendor relationships within [Your Company Name]. This policy ensures that vendors are selected, monitored, and managed to meet performance, compliance, and risk management requirements while aligning with the company's goals.

2. Scope

This policy applies to:

- All vendors that provide goods, services, or external resources to the company.
- All departments involved in vendor selection, management, and oversight.
- All employees and third parties who are involved in the vendor management process.

3. Definitions

- **Vendor:** A third-party organization or individual that provides goods, services, or solutions to the company.
- **Vendor Risk:** The potential risks posed by a vendor in terms of data security, regulatory compliance, financial stability, and operational impact.

- **Service Level Agreement (SLA):** A contract between the company and the vendor that defines the level of service expected, including performance metrics and penalties for non-compliance.
- **Vendor Lifecycle:** The full range of stages in the vendor relationship, from selection and onboarding to ongoing management and termination.

4. Vendor Selection

The process of selecting a vendor will follow these steps:

1. **Needs Assessment:** Identify the specific business needs and requirements for the goods or services to be provided by the vendor.
2. **Market Research:** Conduct market research to identify potential vendors who can meet the needs identified in the assessment.
3. **Vendor Evaluation Criteria:** Evaluate vendors based on the following criteria:
 - Financial stability and reputation
 - Compliance with legal and regulatory requirements
 - Security practices and data protection policies
 - Service level agreements (SLAs) and performance metrics
 - Cost-effectiveness and value
4. **Due Diligence:** Perform due diligence checks, including reviewing the vendor's financial records, security protocols, business continuity plans, and past performance reviews.
5. **Selection Process:** Select the vendor that meets the criteria and offers the best overall solution.

5. Vendor Onboarding

Once a vendor is selected, the onboarding process includes:

- **Contract Negotiation:** Ensure that all terms and conditions, including pricing, deliverables, SLAs, and confidentiality agreements, are clearly defined in the contract.
- **Compliance and Risk Assessment:** Verify that the vendor complies with applicable regulations (e.g., GDPR, CCPA, industry standards) and that risk assessments are performed.
- **Vendor Orientation:** Provide an orientation session to introduce the vendor to key contacts, processes, and tools used within the company.

- **System Integration:** Ensure that systems, processes, and communication channels are in place for smooth interaction between the company and the vendor.

6. Vendor Performance Management

Ongoing vendor management involves:

1. **Monitoring and Reporting:** Regularly monitor the vendor's performance against the agreed-upon SLAs and KPIs. Key areas to monitor include delivery times, quality of service, and adherence to security protocols.
2. **Performance Reviews:** Conduct formal performance reviews on a quarterly or annual basis to assess the vendor's ability to meet agreed-upon expectations and identify areas for improvement.
3. **Issue Resolution:** Implement a formal process for resolving issues or disputes with vendors, including escalation procedures, corrective actions, and penalties for non-compliance.
4. **Vendor Audits:** Periodically audit vendors to ensure compliance with contractual obligations, regulatory requirements, and security standards.

7. Vendor Risk Management

Identify and mitigate risks posed by vendors through:

- **Risk Assessment:** Conduct a risk assessment during the vendor selection process and periodically thereafter to ensure that vendors maintain the required security, privacy, and operational standards.
- **Incident Response:** Establish a process for addressing vendor-related incidents, including security breaches or failures in service delivery.
- **Contingency Planning:** Develop contingency plans for critical vendors to ensure continuity of service in the event of vendor failure, termination, or disaster recovery.

8. Vendor Termination and Offboarding

When ending a vendor relationship, the following steps should be taken:

1. **Contract Review:** Review the contract to ensure that all termination clauses, including notice periods and outstanding payments, are respected.
2. **Return of Assets:** Ensure that any company-owned assets, data, or intellectual property are returned or securely destroyed.

3. **Data Security:** Confirm that all company data has been securely deleted or transferred as required by data protection regulations.
4. **Post-Termination Review:** Perform a review of the vendor relationship to identify any lessons learned or areas of improvement for future vendor engagements.

9. Roles and Responsibilities

- **Vendor Management Team:** Responsible for overseeing the vendor lifecycle, conducting evaluations, managing performance, and ensuring compliance with policies.
- **Procurement Department:** Assists with the vendor selection process, contract negotiations, and pricing reviews.
- **IT and Security Teams:** Responsible for ensuring that vendors comply with security standards and conducting security audits.
- **Legal Team:** Reviews contracts and ensures that vendor relationships are compliant with legal and regulatory requirements.
- **Employees:** Responsible for adhering to the vendor management policies and reporting any vendor-related issues.

10. Monitoring and Review

The effectiveness of the Vendor Management Policy will be reviewed annually or in response to major incidents. Regular updates will be made to address emerging risks, regulatory changes, and performance improvements.