



Tirupati
Medicare

BUSINESS PARTNER RELATIONSHIP POLICY

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Tirupati Medicare Limited *Fostering life through innovation*

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I. Introduction

In today's globalized world, a business entity inevitably has numerous third party relationships including agents, consultants, suppliers, distributors, joint-venture partners and other third party representatives. These third parties play a pivotal role in the growth of our company's business i.e. Tirupati Medicare Limited and its subsidiaries ("**TML**" or "**Company**"). However, these third parties also bring with them various risks including IT security risks, health and safety risks, anti - corruption risks, environmental risks, operational risks, regulatory compliance risks, and quality risks. These risks have become even more important because of increasingly complex business regulations worldwide, mounting pressure from regulators, enforcement agencies and civil society, and a dramatic increase in operations carried out in higher risk jurisdictions. To counter such risks, it is important to develop effective tools to control and mitigate risks. Specifically, in the field of anti - corruption, the importance of risk assessment and due diligence obligations over third parties cannot be overstated.

In light of the uptick in regulatory and enforcement activity by governments of various countries, companies are devoting more and more resources to establish policies, infrastructure and processes aimed at fighting corruption within the business functions and throughout the supply chains. Therefore, before entering into relationships with third parties, TML is committed to adopting proactive steps to ensure that potential corruption risks flowing from these relationships are responsibly evaluated and managed.

II. Purpose

This policy applies to the evaluation, selection and monitoring of Business Partners to establish procedures for internal and financial controls to guard against improper and illegal payments when engaging them and to help ensure that TML's business is conducted in compliance with applicable laws and regulations. This policy defines and describes TML's control requirements applied to Business Partners' selection, risk assessment, due diligence, performance evaluation, appropriate remuneration and seeking reciprocal commitments.

III. Definitions

"**Business Partner**" or "**Vendor**" shall mean all individuals or commercial entities that have business dealings with the Company under the terms of a contract, and shall include *inter alia* joint ventures,

material suppliers, service providers, commission agents, consultants, sub-contractors and other third parties.

IV. Identification of a Business Need and Preliminary Assessment

Before engaging a new Vendor or renewing an engagement with an existing Vendor, TML must have a legitimate business need. The relevant department should review the list of empaneled Vendors to determine if an existing Vendor can meet the need. Additionally, while identifying a Vendor, the following preliminary assessment must be carried out:

1. The proposed relationship must contribute to the accomplishment of TML's business objectives;
2. The individual or entity must have an appropriate legal status and be under no restriction to provide goods or services to TML in the applicable market;
3. The proposed relationship must be in compliance with applicable laws and regulations and at arm's length;
4. The prospective Vendor's payment arrangements must be reasonably proportionate with the services being rendered and the capability of the party to perform them, and must be based on Fair Market Value; and
5. The integrity and independence of the individual or entity must be clearly established.

V. Vendor Questionnaire

The relevant department must provide the prospective Vendors with the vendor questionnaire (**Annexure 1**) and ensure that the same is duly filled up in all respects. The questionnaire seeks information about the prospective Vendor and is used to determine the risk rating and the applicable due diligence procedures.

VI. Risk Assessment

A risk assessment must be conducted to assess the potential risks posed by new and existing Business Partners to assess whether the Business Partner is high or low risk. Different third parties pose different kinds of risks to the Company. It is hence important to understand these risks by assessing them, and then categorizing and ranking third parties accordingly (i.e. high risk or low risk).

The determination of the Vendor's Risk Rating (**Annexure 2**) involves evaluating various factors about the vendor such as the type of vendor, the nature of the services being provided, the level of its interaction with government officials, the country in which the services will be provided, and the risk of improper payments. The assigned vendor risk rating will determine the level of due diligence to be conducted. For instance, a supplier located in a high-risk country would need a greater level of audits and investigations than one located in a low-risk country.

The risk assessment shall be undertaken by the relevant department and the results of risk assessment shall be informed to the Ethics Committee for each assessment in case of adverse remarks.

VII. Due Diligence Process

Due diligence provides a better understanding of the qualifications and business reputation of potential Business Partners and helps identify red flags; if any. Due diligence involves investigating the background and reputation of these prospective Business Partners to ensure they are capable of completing the work in question and will do so in a manner that is compliant with the applicable laws and meet the high ethical standards expected by TML. Due diligence must be performed before the Business Partner is retained and must be updated when extending or renewing the contract. The relevant department may carry out the due diligence procedures internally or may choose to outsource the due diligence process to a third party who has expertise in providing such services.

The risk rating of a Business Partner shall determine the level of due diligence procedures required before entering into or renewing a contract with the said Business Partner. In cases where the vendor risk rating is determined as low – risk, the Company may choose to merely carry out the preliminary assessment, as outlined above, instead of full – fledged due diligence procedures. On the other hand, in cases where the vendor risk rating is determined as high risk, the below mentioned criterions must be evaluated:

1. **Ownership and Internal Framework:** A thorough and documented due diligence including a review of the potential Business Partners' ownership, links to government or government officials, health and safety performance, governance and business conduct frameworks and personnel policies must be carried out.
2. **Commercial knowledge and capability:** TML will seek and evaluate information regarding a potential Business Partner's knowledge of the relevant market, its capacity to fulfil the

requirements of TML as per the agreed timelines including knowledge of customers, products and other elements relevant for marketing and distributing TML's products.

3. **Legal capacity and financial soundness:** TML will validate the legal capacity by verifying the civil & criminal record from court of law and financial soundness by obtaining last 3 years audited financial statements of the potential or current Business Partner.
4. **Goodwill/business reputation:** TML's Code of Conduct requires its Business Partners to conduct their activity in a fair and ethically responsible manner and always in compliance with applicable laws and regulations, including anti - corruption laws. TML will obtain knowledge from industry and the reliable sources whether any proposed Business Partner has a negative media news or has faced corruption charges in the past or other related offences.
5. **Sanctions and regulations:** It is necessary to ensure that the Business Partners does not face any sanctions related to export or provision of services from any country. TML must evaluate for any proposed Business Partner if it is blacklisted as per any of the national or international watch - lists or has any pending proceedings against it by an international regulatory authority.

VIII. Appointment - Background report and request for approval

Prior to entering into any agreement with a Vendor, the request must be documented and approved by the Business Head of the relevant department. A report reflecting the background, risk assessment and results of the due diligence procedures of each prospective Vendor must be prepared and submitted together with the request for approval of the Business Head.

Furthermore, in cases involving high – risk vendors or where the monetary limit (expected plus actual) involved will include the vendors in top 20% of all the vendors, additional approval from the Ethics Officer must be obtained.

IX. Mandatory Affirmation to the Compliance Process

1. After completing the due diligence and risk assessment, the relevant department must forward it, together with the Business Partner Compliance Confirmation (**Annexure 3**) and all relevant documents provided by the Business Partner and a copy of the contract with the Business Partner, to the relevant Business Head and Ethics Officer.
2. If a Business Partner is not willing to: (a) complete the Due Diligence Questionnaire or the Business Partner Compliance Confirmation; or (b) accept the incorporation of the anti - bribery

contractual provisions; or (c) provide any ancillary information requested, the relevant department should seek advice from the Ethics Officer.

In addition, if, at any time, any employee has any concerns about whether a Business Partner is compliant with anti - bribery law, he must contact the Ethics Officer directly for the purposes of seeking legal advice.

X. Document the Terms of Relationship

TML must document the terms of relationship by entering into a written agreement which contains appropriate legal and contractual protections (including in relation to compliance with TML's Code of Conduct, audit rights, and the right to immediate termination in the event of a serious violation of the Code of Conduct or applicable law), and communicates the expectations to the Business Partner. All necessary internal approvals including vetting by the legal team should be obtained prior to entering into a contractual relationship.

XI. Recurrent monitoring & evaluation (Right to Audit)

TML shall have the right to conduct periodic compliance audits of its operations with Business Partners, as deemed fit in the sole discretion of the Company. These audits would include, but not be limited to, detailed audits of the Business Partner's books and records, with specific attention to payments and commissions to agents, consultants, contractors, and sub-contractors.

TML or its designees shall be permitted access to and have the right to examine the Vendor's records, information and facilities related to services to be rendered under the agreement (excluding any proprietary technical information) necessary to : (a) audit the completeness and accuracy of the services covered within the scope of the agreement; (b) verify the accuracy and validity of all billings and charges; and (c) verify Vendor's overall compliance with the terms, including performance, security, legal and regulatory compliance terms etc. TML shall have the right to examine and make extracts of information and copy any part thereof at any reasonable time during normal business hours.

XII. Appropriate remuneration

TML shall ensure that the payment terms and conditions are clearly defined in the agreement with the Business Partner. The payment terms and conditions should not be onerous and should be as per the industry best practices. Remuneration shall be in accordance with the fair market value and shall be paid only through electronic wire transfers or bank cheque. Further, remuneration of any kind in discharge of services including any out of pocket expenses in cash is strictly prohibited by TML.

XIII. Reappointment

1. Reappointment of the Vendor shall be based on the relevant department's assessment conducted and a determination that the commercial arrangement is appropriate for TML.
2. Due Diligence shall be renewed in accordance with the Vendor's assigned level of risk.
3. The Vendor must demonstrate proper business conduct and that there are no delays or breaches of any other significant obligations.

XIV. Termination

TML may refuse performance of contractual obligation and terminate any contract with a current Business Partner in the event of the Business Partner's material breach of the contract, including provisions on business ethics. Material breach of the contract shall include a breach that goes to the very root of the contract and is so significant that it would adversely impair the interests of TML. A Material Breach includes inter alia, a violation of the conditions of the contract which affects the performance and results of the contract, violation of Supplier's Code of Conduct, breach of anti-bribery and anti-corruption requirements, misrepresentation by the business Partner about a material fact relevant to the contract etc.

Annexure 1
Vendor Questionnaire

[Date]

[Name of Recipient Representative]

[Recipient address]

Dear [Name of Recipient Representative]

TML is committed to conduct its affairs in compliance with all applicable laws and regulations and in accordance with the highest ethical standards. It expects its Business Partners to do the same. It strives to select vendors that share a common commitment to exhibiting high ethical standards. This Vendor Questionnaire is to be completed by all vendors seeking to engage in business with TML and assists in the vendor selection process.

Please contact me personally if you have any questions or require further information.

Sincerely,

Tirupati Medicare Limited

By [VENDOR SPONSOR]:

Signature

		VENDOR QUESTIONNAIRE						
		Company Name:	Ref. No:					
Please complete this questionnaire, by hand and within 30 days return to (Name of contact person).								
Name and title of person returning the questionnaire								
Date								
PART I – GENERAL INFORMATION								
<p><u>NOTE:</u> This form is to be fully completed by the Vendor. If more space is required, attach the complete answer on a separate sheet. If a response to a question is not provided or is incomplete, please provide an explanation. Where an item is underlined, please provide a copy of the relevant documentation.</p>								
1. IDENTIFICATION								
a. Purpose of request:								
b. Type of vendor:								
c. Category of vendor:								
d. Name of company or individual								
e. Company registration number (TIN/PAN/Service Tax)								
f. If an individual:								
i. Country of residence:								

ii. Name of the business (if any):	
g. Business address (principal place of business and mailing address if different):	
h. Registered address (if different from Business address above):	
i. Telephone:	
j. Fax:	
k. E-mail:	
l. Website (if any):	
m. Payment Information (A/c No, Branch, A/c type, MICR code, RTGS/ NEFT code:	
n. Contact information of Managing Director/ Owner:	
o. Contact information of President/ Head of Business Development:	
p. Contact information of concerned department:	
q. Contact information of person concerned for follow up:	
2. BUSINESS INFORMATION	
a. Describe your principal lines of business, including but not limited to the current clients and services (<u>attach available public reports</u>):	

b. When was your business Organization incorporated / established?		
c. Provide <u>a copy of your commercial registration¹</u> and/ or if a company, certificate of registration.		
3. BUSINESS EVALUATION FACTORS		
PARTICULARS	YES	NO
a. Have you ever been denied any official license or had any license/approval been revoked, suspended or not renewed?		
b. Have you or any of your Organization's Key Individuals ever had a penalty imposed, sanctioned, suspended or debarred by any government agency?		
c. Have you or any of your Organization's Key Individuals ever been charged with a criminal offense, other than driving offenses?		
d. Will you engage a third-party (individual or entity) for consulting services or other services to facilitate business on company's behalf?		
e. Are any key individuals		
(i) Family Members or Close Relatives of current Officials who have influence over a government action or decision related to TML?		
(ii) Past officials who have influence over government action or decision related to TML as a result of such past affiliation.		

¹ Commercial registration could be a partnership deed, certificate of incorporation, etc.

<p>(iii) Involved in any business relationship (including acting as an agent or consultant for or holding common ownership of any business enterprise or partnership) with any current Official (or Family Member or Close Relative) (Family Member or Close Relative) who has influence over a government action or decision related to TML?</p>		
<p>f. Will TML be required to make any payments before services are provided (i.e. advance payments)?</p>		
<p>g. Will any portion of the payments be required to be made in the country other than country of the principal place of business of the Organization?</p>		
<p>h. Do you have all required professional and other licenses necessary for it to conduct business for TML? <i>(If N/A, indicate so in the "NO" column)</i></p> <p>If YES, please provide details below and provide <u>copies of your professional and other licenses</u></p>		
<p>i. Will your billing document (e.g. invoice) to be provided to TML provide full and itemized details of each of the services provided and respective charges?</p> <p>If possible please provide a <u>copy of the pro forma invoice</u> which would support your YES answer.</p>		

PART II – CONFIRMATION

The undersigned, being duly authorized to respond to this questionnaire certifies as follows:

- a. To the best of my knowledge, all information set forth in this questionnaire is correct and complete.
- b. I understand that falsification of information on this questionnaire will result in the immediate disqualification for consideration on this specific contract and all future contracts.

SIGNED BY AUTHORIZED REPRESENTATIVE OF THE VENDOR

Signature	Name	Title	Date

ATTACHMENTS

Tick if attached:

<input type="checkbox"/>	Copy of commercial registration
<input type="checkbox"/>	Copy of pro forma invoice
<input type="checkbox"/>	Copy of Vendor's own Code of Conduct, if any.
<input type="checkbox"/>	Add more if necessary.

Exhibit 1 to Vendor Questionnaire: Glossary

<u>Term</u>	<u>Definition</u>
Family Member or	Father, Mother, Son, Son's Wife, Daughter, Daughter's Husband, Brother, Sister.
Government Entity	Any government, government agency, government department, government instrumentality, government ministry.

Annexure 2

Vendor Risk Assessment

[To be carried out by the relevant department at the time of engaging a Vendor and at the time of renewing a contract]

This form is used to determine the Vendor Risk Rating for a Vendor as per the *Business Partners Relationship Policy*. The individual risk score for each question and the overall Vendor Risk Rating will be computed automatically based on the responses provided.

#	Risk Factor	Response	Risk Score
1	Was the Vendor recommended to TML by a Government Official?		High (if Yes)
2	What is the Transparency International Corruption Perceptions Index ² (TI Index), of the country/countries in which the Vendor will provide services to TML or in which Vendor's primary place of business is located? Note: For Vendors which will provide goods and/ or services across multiple jurisdictions, use the lowest TI Index score. (applicable only if dealing with vendor located outside India)		Depends on the TI index
3	Will TML make any payments to the Vendor before the goods and/ or services are received by TML?		
4	Would TML have low visibility and limited control over any payments before they are made by the Vendor in connection with its work for TML?		High (if BG is not obtained from the Vendor)

² Can be verified at <https://www.transparency.org>

Low visibility factors include but are not limited to:

- a) Prices for services are not established, published or benchmarked (e.g. published pricelist)
- b) TML does not have direct control over the service ordering or execution
- c) Lack of adequate support for billed amounts or billing descriptions that do not provide adequate detail such as "local processing fees", "special charges", "for services rendered", or "export formalities".
- d) The Vendor will make payments to third parties without TML's prior express consent for each such payment, and
- e) The Vendor will use the services of other parties and TML will not have the ability to control the work of such parties.

5	Will the Vendor retain the services of a third party who is a Government Official to facilitate business on company's behalf?	High (if Yes)
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6	<p>Any reportable cases of :</p> <ul style="list-style-type: none"> a. Forced Labour b. Child labour and young labours c. Discrimination d. Freedom of association e. Workplace health and safety f. Conditions of employment and work g. Use of company security forces h. Land management i. Environmental protection and industrial accidents j. Company products 	
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k. Corruption and bribery		
Total		
Vendor Risk Rating		High Risk []
		Low Risk []
Determination of Vendor Risk Rating		
The Vendor Risk Rating is determined by the total score assigned to the Vendor based on the applicable risk factors above. The Vendor Risk Rating scale is as follows:		
Risk Amendment Process	If total ratings of the vendor constitute 5 high risk, then it's a high risk vendor	
If the resulting Vendor Risk Rating above is not reflective of the Business Unit or Function's perceived risk, a written rationale as to why the Risk Rating should be reduced or increased must be fully documented below. In such cases, specific reason(s) detailing the rationale for an amendment to the Risk Rating is to be provided along with all related documentation.		
Low	Risk Rating as Revised by Risk Amendment Process	
Prepared By:		
Position		
Name		Signature/Date
Approved By:		

Annexure 3

Business Partner Compliance Confirmation

We confirm that:

We understand and accept the expectations of TML in relation to maintaining transparency, integrity and the highest ethical standards while dealing on behalf of TML and undertake to carry out the following:

- 1.1 we shall keep all books and records up to date;
- 1.2 We shall notify TML of any material amendments to our anti-bribery policies or procedures;
- 1.3 We shall notify you of any, convictions or prosecutions relating to bribery or corruption involving us, or any of our directors, officers or employees; and, in so far as the same are in the public domain, of any allegations or investigations into the same; so far as we become aware of them; we shall notify you of any allegations, investigations, convictions or prosecutions relating to bribery or corruption involving, our intermediaries and other Business Partners or any of their directors, officers or employees in each case relevant to the performance of services by us on behalf of TML.
- 1.4 We shall notify you if there is any involvement of a government official in the operation of our business.
- 1.5 To the best of our knowledge and belief, we are not aware of any conduct within our business or with our Business Partners with whom we are doing business that may have infringed anti-bribery law and that if we become aware of such conduct we will report the conduct to the Business Head.

Signed.....

Date.....

Annexure 4

Vendor Appointment Request Form

[The Vendor Appointment Request form is to be completed by the relevant department and should be submitted to the Business Head]

1. GENERAL INFORMATION	
Name of Vendor	
2. SCOPE OF SERVICES	
2.1	Describe the services to be provided to or rendered on behalf of TML:
3. BUSINESS NEED, IDENTIFICATION AND SELECTION	
3.1	Please describe below how this Vendor was identified and selected:
4. FAIR MARKET VALUE	
4.1	Describe the basis for determining that the proposed rate/fee is Fair Market Value for the goods or services. For example, list or attach other bids/quotes/price lists obtained, including name, bid amount, and date.
5. VENDOR'S BACKGROUND AND REPUTATION	
5.1	Describe any references, prior dealings, media sources or other information that raise questions about the proposed Vendor, especially any matter that would implicate the ethics or integrity of that Vendor or of any Key Individual. (Perform a web search to establish this).

6. GOVERNMENT ASSOCIATION AND AFFILIATION			
6.1	<p>Which of the following statements apply to the proposed Vendor (check all which apply)?</p> <p>Engagement of the Vendor was suggested by a Government Official, particularly one with discretionary authority or influence over an action that could benefit TML.</p> <p>There is an apparent lack of qualifications or resources on the part of the Vendor to perform the services offered; the only qualification the Vendor brings is access to or influence over Governmental Officials. (IF ANSWER IS "YES", STOP! VENDOR SHOULD</p>		<p>Yes No</p> <p>Yes No</p> <p>Yes No</p>
7. MITIGATION OF IDENTIFIED RISKS			
<p>Explanation and procedures performed in mitigating the risks identified in the aforementioned sections.</p>			
8. APPROVALS			
<p>I have reviewed the Vendor Appointment Request form and its attachments and confirm the results are acceptable for TML to enter into a business arrangement with this Vendor and approve the appointment of this Vendor:</p>			
Position	Print Name	Signature	Date
Business Head			

9. VENDOR SPONSOR CERTIFICATION

As part of commitment to conducting its affairs in compliance with all applicable laws and regulations and in accordance with the highest ethical standards, I have a responsibility to help ensure that this Vendor shares commitment to high ethical standards. In furtherance of this responsibility, I confirm that:

I have submitted all required documents in support of the Vendor's appointment and such documents are complete.

The Vendor is appropriately classified as a Low Risk Vendor/ High Risk Vendor. (Please select appropriate option)

Name	Signature	Date