

Yunus Social Business Fund Bengaluru Private Ltd.
Outsourcing Policy.
Version I

(approved by the Board of Directors on 04th April 2024)

Outsourcing Policy

1. Introduction

Yunus Social Business Fund Bengaluru Private Limited (YSBFB/ Company) was incorporated in the year 2016 and is a part of global YSB Network founded by Noble Peace Laureate Prof. Muhammad Yunus. Subsequently, YSBFB Bengaluru was granted registration by RBI on 9th February 2017 and is categorized as an NBFC-NSI-ICC-BL (Non - Systemically Important Investment & Credit Company-Base layer). The Company does not accept any public deposit.

A social business is one with a social mission at its core, and 100% dedicated to solving human problems. A social business either creates income for the poor or provides them with essential products and services like healthcare, safe water or clean energy. They operate exactly like normal companies except for a few small differences: i) the primary aim of Social Business is to solve a social problem; ii) unlike a charity, a social business generates profit and reinvests these profits back into generating impact; iii) a social business aims to be financially self-sustaining.

Purpose: YSBFB's purpose is to harness the power of business to end poverty and the climate crisis.

Vision: YSBFB's vision is to have a "World of Three Zeroes" i.e.

- Zero Poverty,
- Zero Unemployment
- Zero Net Carbon Emissions.

Mission: To provide patient and flexible capital along with growth support to social businesses in the missing middle.

This policy outlines the framework for outsourcing certain functions of the Company. The policy aims to balance cost-effectiveness with maintaining high-quality services, risk management, and compliance with applicable regulations.

2. Scope of Outsourcing

The following functions may be considered for outsourcing, subject to due diligence process and regulatory approvals as necessary:

- Administrative Services: Back-office tasks, accounting, reporting, data entry, document management.
- Legal Services: Legal research, contract drafting and review, compliance with regulatory requirements.
- Credit Risk Assessment: Background checks, financial analysis, credit scoring, due diligence of social businesses.

3. Outsourcing Principles

- **Selection of Service Providers:** Vendor selection process will be followed, considering factors like experience, expertise, track record, financial stability, data security, and compliance with regulations.
- **Contractual Agreements:** Clear and detailed contracts will be signed with service providers, outlining specific services, responsibilities, performance standards, termination clauses, data security measures, and confidentiality obligations.
- **Risk Management:** Regular monitoring and evaluation of service providers will be conducted to assess performance, identify and mitigate risks, and ensure compliance with regulations.
- **Data Security:** Data security measures will be implemented to protect sensitive investor and borrower information. Service providers must comply with applicable data privacy laws and regulations. A Non-Disclosure Agreement shall be executed between the Company and the Vendors.
- **Regulatory Compliance:** The Company will remain ultimately responsible for all outsourced functions and will ensure compliance with RBI regulations and other applicable laws.

4. Review and Update

The Managing Director of the Company shall be responsible for the administration, interpretation, application and review of this policy. The Managing Director of the Company also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Board.