



Propel, Inc., Third-Party Due Diligence and Risk Management Policy

1.0 PURPOSE/OBJECTIVE: It is the general policy of Propel, Inc., (“Propel” or “Company”) to manage its significant third-party relationships in a manner that is always consistent with the Company’s Code of Conduct/Business Ethics Policy. Incorporated herein by reference (and available upon request), it is an overview of how we do business. Further, we know that successful relationships with third parties must be characterized by a mutual respect for integrity, the rule of law and ethical business practice. As such, we seek a reciprocal contractual commitment to these principles from significant third parties. This Third-Party Due Diligence and Risk Management Policy is designed to include Propel’s business relationship with significant third parties. The Company considers a third-party relationship significant if it involves one or more of the following: a) it is a new relationship or involves the implementation of a new business activity; b) the relationship has a material effect on Propel’s revenues or expenses; c) the third party performs critical business functions for the Company; d) the third party stores, accesses, transmits or performs transactions on sensitive client or client employee information; or e) the third party poses risks that could significantly affect earnings or capital. Simply stated, if a third-party performs work or provides services in support of the Company’s business model, Propel evaluates the third party’s work activities as though the activities were being performed by Propel, itself.

2.0 SCOPE: This Sub-Policy applies to all team members, contractors, vendors and agents (hereinafter referred to as “Authorized Users”) with access privileges to Propel’s network. The policy’s rules also apply to sending E-Mail and viewing intranet/internet web resources.

3.0 POLICY/GENERAL/ RISK ASSESSMENT, DUE DILIGENCE, CONTRACTUAL PROTECTION AND OVERSIGHT: This policy provides a general framework for the implementation of an effective third-party, due diligence and risk management effort. It places into policy format, a heretofore more casual process of conducting a risk assessment of prospective third-parties and the totality of circumstances surrounding their desire to do business with Propel. Next, with an understanding of the big picture as it relates to the potential relationship, the Company must conduct a sufficiently thorough due diligence investigation commensurate with any identified risks. The goal is to reasonably determine whether the third-party will perform desired activities, as though in Propel’s shoes, thus being held to the same standard. If the answer is “yes” then two additional steps must be taken, first, an effort to properly structure the contract and second, to maintain oversight of the relationship as it moves forward.

4.0 RISK ASSESSMENT: Propel considers the following steps in the conduct of its risk assessment: a) Is the proposed relationship consistent with the Company’s overall business strategy? b) What does a cost/benefit analysis reveal for the prospective relationship? Do the benefits of the relationship outweigh the potential legal risks and the costs associated with making provision for any such risks? c) Is it possible to see “outside the box” in order to ask, “what else can go wrong?” What is the company’s exposure? What are the long term financial benefits/consequences of the proposed relationship?

5.0 DUE DILIGENCE: An appropriate level of due diligence means conducting a thorough investigation into the workings and track record of a potential third-party. At Propel, such an investigation is conducted by the Chief Administrative Officer (CAO) and Chief Compliance Officer (CCO) in consultation with any other team members who can contribute their subject matter expertise into the investigation. Any such due diligence must necessarily focus upon the third-party's financial condition and its specific and relative experience with the tasks contemplated. Such analysis may include any/or all the following bulleted items. It is important to note that this list is neither exhaustive nor complete and may be expanded as may be appropriate under the circumstances:

- a. Audited financial statements, annual reports, SEC filings and/or other financial resources indicative of the party's financial stability;
- b. Significance of the proposed contract on the third-party's financial condition;
- c. Experience and ability in implementing and monitoring the proposed activity;
- d. Regulatory compliance standards, policies, procedures (e.g., data-security regulatory compliance), and track record of compliance;
- e. Certifications maintained by the third-party;
- f. Strategies and goals, including service philosophies, quality initiatives, efficiency improvements and employment policies;
- g. Existence of any significant complaints or litigation, or regulatory actions against the third-party;
- h. Ability to perform the proposed functions using current systems or the need to make an additional investment to have the appropriate capability:
- i. Use of other parties or subcontractors by the third-party;
- j. Scope of third-party's internal controls, system and data security, privacy protections and audit coverage;
- k. The third-party's Business Continuity Planning (BCP) and Disaster Recovery Plan(s);
- l. The third-party's knowledge of relevant consumer protection and civil rights laws and regulations to specifically include conflict of interest, employee safety and health, equal employment opportunity (EEO), anti-discrimination policies and track record, anti-harassment policies and track record, drug free workplace policy, network and electronic resources policy, commitment to the protection of confidential and proprietary information, anti-bribery policy, anti-corruption policy and insurance coverage considerations.

6.0 CONTRACTUAL PROTECTION AND OVERSIGHT: Upon selection of a suitable third-party candidate the Company should ensure the specific expectations and obligations of both the third-party and Propel are fairly addressed in a written non-disclosure agreement and separate services contract, prior to entry into a formal relationship.

7.0 OVERSIGHT: Propel will periodically review the third-party's operations and activities to verify that they are consistent with the terms of the executed contract and further, that risks are being controlled. In the case of Propel, the CCO and CAO will work together to ensure third-party's continuing compliance with all applicable federal and state laws, regulations and rules, as well as internal policies and procedures.

8.0 POLICY COMPLIANCE

8.1 Compliance Measurement: Propel’s Chief Compliance Officer (CCO), in consultation with the Information Security Management Committee will verify compliance to this policy through various methods, which may include, but not be limited to one or more of the following: periodic internal and external technology audits, walk-throughs, video monitoring, business tool reports, inspection and log review. Feedback will be provided to the CAO, Information Security Management Committee and appropriate business unit manager(s).

8.2 Exceptions: Any exception to the policy must be approved in advance by Propel’s CAO and the Information Security Management Committee.

8.3 Non-Compliance: A team member found to have violated this policy may be subject to disciplinary action, up to and including termination of employment for even the first offense.

9.0 RELATED STANDARDS, POLICIES AND PROCESSES

Please review the following related policies for details about protecting both Company and client information using this code of conduct/business ethics policy:

- *Propel Information Security Management Policy (ISMP)*
- *Propel Business Continuity Plan (BCP)—Disaster Recovery Plan*

Revision Date	History:	Revision No.	Description of Changes
07-06-2018		01	Establish a compliance policy format to replace the heretofore more casual approach to Third-Party Due Diligence and Risk Management.
02-22-2019		02	Standardize some wording to conform to other policies...no formal approval needed for these housekeeping changes.
06-25-2019		03	Make annual review of policy...conduct Sections 4.0 and 5.0 reviews...evergreen changes n/a...no need for OPSEC. Re 4.0...no outstanding risk issues with our key third-party relationship...review stock news, recall experience from BCP updates, etc...contract in place...SOC II Report cover sheet from October 2018...certifications in place, etc.