



Strategi
Group

DUE DILIGENCE KIT

FULL DISCLOSURE BEFORE
AND DURING ENGAGEMENT

ADVICE YOU CAN
PROFIT FROM

STRATEGI GROUP ABOUT US

THE PURPOSE

This document has been developed for clients and potential clients of Strategi Limited and Strategi Institute Limited (collectively, Strategi Group) who wish to undertake due diligence on the Group with a view to continuing with an existing relationship, or forming a new relationship, with one or both companies.

Strategi Group is open and transparent in its dealings with current and prospective clients and is happy to provide relevant additional information should it be required during the due diligence process.

OUR VISION

To be New Zealand's leading and most respected provider of business growth solutions, training, best practice, compliance and consulting services to the financial services and related industries.

OUR STRUCTURE

Strategi Group is governed by a three-person board, responsible for driving the strategic direction of the company.

The day-to-day operation of Strategi Group is the responsibility of the Chief Executive Officer, Daniel Relf.

BOARD AND SENIOR MANAGEMENT



David Whyte
Independent Director & Chair



David Greenslade
Executive Director



Joy Marslin
Independent Director



Daniel Relf
Chief Executive Officer

THE QUICK LOOK AT STRATEGI GROUP



20+
Years' Experience



30+
Business Specialists



70+
Licence Applications



100%
Full Disclosure

STRATEGI GROUP

WHY USE STRATEGI

COMPLIANCE SERVICES

Strategi Limited (Strategi) is a leading provider of best practice and compliance services and has a reputation for providing practical, cost efficient and effective solutions.

STRATEGI IS A LOGICAL PARTNER FOR THE FOLLOWING REASONS:

Experience

Strategi has been providing best practice and compliance services since 1999.

Strategi works with a large number of financial service organisations and market participants, therefore it is able to bring its clients the best of what is happening in the industry. Through using Strategi, clients effectively get access to a benchmarking process.

Proven record

Clients know that Strategi's systems work. That is why Strategi's best practice standards are used in court cases/arbitration meetings, and as a benchmark for what standards should be followed. Strategi has developed best practice and compliance systems, templates, and reviews for a multitude of corporates and licensees, both in New Zealand and offshore.

Tailored solutions

Strategi can provide 'off-the-shelf' cost-effective solutions, and has the capability to tailor all its products and solutions for individual clients' situations. Strategi has undertaken this tailored approach for some of the largest financial organisations in New Zealand.

ISO standards

Strategi has adopted NZS/AS 3806:2006 NZ Standards-Compliance Programmes methodology. The adoption of these standards gives clients

comfort that the compliance review process undertaken by Strategi meets what any professional organisation would expect.

Financial markets licence support

Strategi has been involved with over 70 firms applying for a financial markets licence. This assistance involves providing:

- applicants with an application template partially customised to their business;
- a range of supporting documents to accompany their licence application;
- checking applications and providing guidance and additional information through the actual licence assessment process;
- a suite of templates and new processes to meet licence obligations;
- an ongoing compliance and governance process to meet licence obligations, and training and support around operating a licensed business.

AML/CFT Solutions

Strategi is one of the leading AML auditors in New Zealand and has undertaken hundreds of audits for clients supervised by the DIA, RBNZ and FMA since the legislation came into effect in 2013.

Checks and balances

All Strategi processes are subject to extensive checks and balances. There is a robust compliance sign-off process and all documents are regularly updated as legislation changes, or when the regulator signals to Strategi that potential changes are imminent. All manuals and templates are strictly version controlled.

Strategi's systems and processes have been built to ISO standards and where applicable, documents are subject to legal sign off.

EDUCATION AND TRAINING SERVICES

Strategi Institute provides education to those in the financial services and related industries. Strategi Institute partners with clients to help them develop their professional expertise, increase their revenues and grow their business.

We provide a full range of courses to meet all continuing professional development (CPD) requirements, and take students through the New Zealand Certificate in Financial Services (Level 5) qualification.

In addition we can work with our partner networks and corporates to develop new topics relevant to a specific organisation.

STRATEGI INSTITUTE IS A LOGICAL PARTNER FOR THE FOLLOWING REASONS:

Highest NZQA rating

Strategi Institute, (Education Organisation Number 7963), was again awarded the highest rating possible by NZQA in its last external evaluation review. It continues to be the only Category One training provider serving the financial services industry. This provides peace of mind to clients that advisers are using a high quality training organisation.

Delegated Assessment Organisation (DAO) status

Strategi Institute is a DAO for Skills Organisation. In addition, it is able to manage adviser CPD programmes and provide CPD hours.

Largest specialist training supplier in the financial services industry

Strategi Institute is the largest specialist supplier of training for the NZ financial services industry. There are larger education providers but none that have the specific focus on the financial services industry.

Specialist trainers

Strategi Institute's training team is made up of subject matter experts, all with years of experience in the financial service industry. All trainers have previous training experience and hold a formal qualification in teaching or adult education. In addition, all trainers and assessors undertake annual CPD to ensure they keep their knowledge and skills up-to-date.

Radar platform

This is a robust online learning platform that delivers CPD training, and online assessments. This platform can be used to deliver much of the required adviser and staff training each year and has added functionality for compliance management and reporting on staff training. Radar has over 300 CPD training modules with more continually being added.

CONTACT INFORMATION



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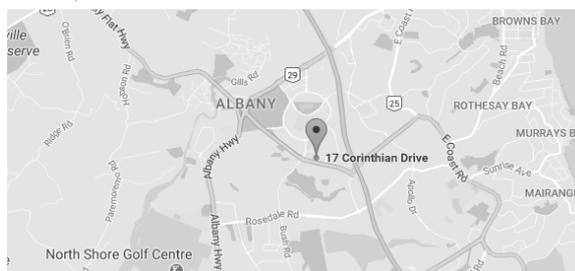
Location of office

Strategi Group's office is located at:

Unit 4 Building E, 17 Corinthian Drive,
Corinthian Office Park, Albany,
Auckland 0632.

Strategi Group delivers its services to clients throughout New Zealand, but also undertakes work outside New Zealand when required by clients.

Office map location



COMPANY INFORMATION

Legal information

Strategi Limited, Company Number 834892, incorporated in 1996.

Strategi Institute Limited, Company Number 2502528, incorporated in 2010.

Strategi Group operates under the requirements of the Companies Act 1993.

Strategi Institute is subject to direct regulatory oversight by the New Zealand Qualifications Authority, and Skills Organisation (the industry training organisation for the financial services industry).

Neither Strategi, Strategi Institute and/or any of its principals/employees have been subject to any regulatory, criminal or civil disciplinary issues.

Ownership

Both companies are privately owned

Employees

Strategi Group employs 30+ staff in full-time, part-time or contract roles. Full-time staff are located at the Strategi offices while contract staff are located around New Zealand.

All employees must adhere to the highest standards of ethical behaviour. All trainers and assessors must also sign up to Strategi Institute's Code of Practice for Trainers and Assessors (copy available on request).

Typical clients

Traditionally, the typical clients have been small- to medium-sized financial advisory businesses, adviser networks, QFEs, product suppliers, banks, licence applicants and those who hold a FMCA licence. In addition, Strategi Group may be engaged by lawyers and accountants of advice business owners to undertake specialist tasks such as business valuation, process remediation etc. References can be provided if requested.

Today, Strategi Group has expanded to provide AML/CFT advice and audits, compliance, CPD and specialist consultancy to small- to medium-sized legal firms, accounting firms, high value lenders, finance companies, and real estate firms of all sizes.

Size of client base

The size of the client base varies from one year to the next, depending on the regulatory environment at the time. A conservative estimate would be approximately 3,500 active clients subscribe to one or more services from Strategi Group.

Business continuity

Strategi Group's business continuity plan (BCP) is designed to ensure minimal disruption to clients. Strategi's BCP enables all staff to work remotely. All computer systems and data are backed up regularly and securely, and can be accessed remotely in the event of disruption.

PI Cover

Strategi Group has \$5m of PI cover specifically for its training, best practice and compliance processes. This gives clients peace of mind in the unlikely event that Strategi Group is negligent.

Affiliations

Strategi Group maintains close affiliations with other specialist companies in Australia, South Africa and the United States, providing access to support and additional resources. These relationships enable Strategi Group to keep up to date with the latest international trends in the

financial services industry and to bring the best to our clients.

In addition Strategi Group has close working relationships with a number of New Zealand-based organisations, including the Financial Services Council, and the CFA Society. Strategi Group outsources a number of services, such as legal and accounting services in relation to its business operations. Further information is available on request.

Associate Member of Financial Services Council



CONFLICTS OF INTEREST

Strategi Group has to deal with actual or perceived conflicts of interest almost daily. This is due to the small size of the New Zealand financial services industry and the wide range of services provided by Strategi Group.

Strategi Group has adopted a conflict of interest policy that involves:

- Disclosing upfront to any new or existing client a potential conflict of interest, and where necessary declining to act if the conflict cannot adequately be addressed.
- Receiving no inducements from any clients or potential clients.
- Having no single client who would contribute greater than 2% of total annual turnover.
- Having legal and staff separation between Strategi and Strategi Institute, and enforcing this where it is necessary for some clients.
- Having an Interests Register that is provided to clients where interests need to be disclosed.
- Having strict rules and training around intellectual property ownership and client confidentiality.
- Ensuring that we are always acting in the best interests of our clients but concurrently ensuring that none of those interests are detrimental to the wider industry.

Contractual arrangements with clients

All work Strategi undertakes with clients will be confirmed by way of a letter of engagement and associated terms and conditions. Such arrangements will include service level delivery arrangements, with the ability to monitor performance and any penalties for non-performance.

All Strategi Institute level 5 NZQA training will require completion of a registration form, signed by the candidate, and agreeing to the terms and conditions of study. Training arrangements with employers may be subject to an additional contract specifying conditions in relation to delivery of training and candidate achievement reporting.

Complaints

Our clients are the focus of our products and services. We believe client concerns and complaints are an important way of understanding, and learning, what we need to do to keep improving and getting better at what we do.

Strategi Group's complaints procedures are designed to be clear, effective, confidential, and resolution focused.

For more information on how to register a complaint please email Daniel Relf at daniel.relf@strategi.co.nz

Client information

All client information is kept securely and treated as confidential, irrespective of whether there is a formal confidentiality/non-disclosure agreement in place. This continues to be the case beyond termination of any agreement with clients.

Any client is entitled to view their information held by Strategi Group, and the record of the work undertaken in relation to that client. Such records are also available for the purposes of any regulatory compliance, to the relevant party, on request of either the client or the lawful relevant regulatory authority.

Invoicing arrangements

Specific invoicing arrangements will be outlined within the letter of engagement. However, as a general policy, Strategi will send out invoices at the end of each month with payment due no later than the 20th of the month.

All candidate study with Strategi Institute must be paid for before training is delivered unless there is an overarching agreement with the employer.



Strategi
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Strategi Group Limited believes the information in this publication is correct, and it has reasonable grounds for any opinion or recommendation found within this publication on the date of this publication. However, no liability is accepted for any loss or damage incurred by any person as a result of any error in any information, opinion or recommendation in this publication.

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