



## **Evolve Group Limited Outsourcing Policy**

It is a standard condition of a Financial Advice Provider licence, that Evolve Group Limited is responsible for ensuring any third parties engaged to provide services meet the standards required to comply with my licence obligations.

Evolve Group Limited uses outsourcing as a means of reducing cost, accessing specialist expertise and allowing a greater focus on areas that supplement my financial advice services but are not a core-function of my business. This includes using third party services to complete operational functions that would normally be undertaken by Evolve Group Limited staff members.

Outsourcing is only used when it can benefit both Evolve Group Limited and my customers, but these services must be managed to ensure that service levels are maintained and that risks remain within acceptable limits.

I only use third party providers when the necessary contractual protections are in place and I am satisfied that the provider is able to deliver to the standard required to meet my market service obligations.



## **Our Process**

Evolve Group Limited only enters into outsourcing arrangements when they do not negatively impact my ability to meet regulatory or contractual obligations or the terms of my licence. Third party agreements are reviewed and then monitored to ensure that the same standard of care is being provided as if Evolve Group Limited were performing the service.

Outsourcing has the potential to impact both operations and reputation so before any contract is entered into, I consider:

- The importance of the service being provided by the third party
- The potential impact if they are unable to provide their services
- The potential impact of a security breach
- The costs and related cost controls

The risks of entering into the contract are evaluated including:

- Strategic Risk - Potential of the third party to act in a manner that is not consistent with Evolve Group Limited goals and objectives
- Operational Risk - Potential that the third party experiences a failure in their business operations that prevents them from meeting contractual or performance obligations.
- Regulatory Risk - Potential that a service provider failure could cause Evolve Group Limited to face penalties related to privacy, security or regulatory obligations.
- Legal Risk - Potential for Evolve Group Limited to non-comply with the law based on the failure of the service provider.
- Termination Risk - Potential of Evolve Group Limited being negatively impacted if the contract for services is terminated.

Due diligence is completed on all third parties that are engaged by Evolve Group Limited and a review of their services is completed using the Evolve Group Limited Outsourcing Checklist (Appendix A).



## **How compliance is monitored**

On-demand documentation of contracted services and procedures must be available at all times. Performance is measured in line with the contractual agreements and monitored through observation of day-to-day processes and evidence that any outsourced services are helping Evolve Group Limited meet our obligations.

Non-compliance may be detected when reviewing contractual arrangements or as part of internal or external audits of business practices.

## **Related Documents**

Outsourcing Checklist

Incident Register

The Adviser Platform (TAP) Data Privacy & Protection Overview

## **Related Policies**

Record Keeping Policy – A copy of the policy is available on request

Privacy Policy – A copy of the policy is available on request

Material Issues and Reporting Policy – A copy of the policy is available on request

## **Version Control**

This policy is reviewed on an annual basis and was last reviewed on February 23<sup>rd</sup> 2021.



**Appendix A**

**Evolve Group Limited Outsourcing Checklist – Third Party Provider**

<b>Requirement</b>	<b>Yes/No</b>	<b>Comments (How managed?)</b>
Does the service offer a significant benefit to the business?		
Do their services align with the goals and objectives of the business?		
Does the provider have a proven track record in providing their services to an acceptable standard?		
Have references been received from other parties that use their services?		
Are contractual agreements in place that allow the performance to be monitored and reviewed on a regular basis?		
Does the third party have security measures in place to protect client information and minimise the potential for any breach?		
Does the third-party provider subject staff to required or recommended background checks?		
Does the provider have physical security measures in place to minimise the potential of a breach?		
Is the provider bound by NZ laws and regulations?		
Does the provider have business continuity arrangements in place?		
Does our business maintain control and oversight of our processes to ensure we are able to comply with our financial advice service licensee obligations?		