



## **Angel Association New Zealand**

### **Member Code of Conduct**

#### **THE ANGEL ASSOCIATION NEW ZEALAND**

The Angel Association was established in 2008 to bring together the business angel networks and early stage funds.

The Association aims to increase the quantity, quality and success of angel investments in New Zealand and in doing so create a greater pool of capital for innovative start-up companies and contribute to New Zealand's economic well being.

The primary objectives of the Angel Association are to:

- (a) Promote the growth of angel investment in New Zealand, including encouraging and educating new angel investors and angel groups;
- (b) Promote the capability of angel networks to facilitate successful and timely early stage capital raising projects for appropriate business initiatives; and
- (c) Ensure the ongoing success of the industry through developing industry strategy, encouraging collaboration between members and providing education.

#### **APPLICATION**

The standards of behaviour and conduct described are those that are expected of the members of the Angel Association.

It is also our desire that the wider industry will also adhere to these standards, recognizing that the reputation and growth of angel investment as a key source of funds for high-growth, early stage ventures depends on shared expectations.

#### **ASPIRATIONS**

- To facilitate the growth of global businesses
- To source and action a regular flow of high quality deals
- To build sustainable networks of informed, committed investors

## VALUES

- Passionately ambitious for angel ventures
- Collaborative and collegial
- Integrity and honesty

## BEHAVIOURS

- **Kind and respectful**
- **Supportive of diversity**
- Communicate expeditiously and clearly
- Keep promises and commitments
- Maintain confidentiality
- Disclose conflicts of interest
- Professionalism
- Compliance with the law
- Transparency and consistency

These principles serve as the foundation of our dealings with each other, being generally understood as the way those participating in New Zealand angel investment should equip themselves and as a reminder of the standards expected.

Those engaged in business dealings with the New Zealand angel industry, including incubators and professional service providers, are similarly informed that these are standards they are entitled to expect in their interaction with us.

## CONDUCT

### **Identifying Angel Deals**

When assessing deals for a first round of angel investment, industry participants will look for a credible entrepreneur with aspirations to grow an international business having a well defined product, customer and market.

### **The Entrepreneur/Founder and Co-Founder**

Entrepreneurs/founders and co-founders can expect prompt, objective and constructive guidance in their dealings with the industry.

### **Presentation and deal dissemination**

A deal approved for presentation by an angel network or fund will meet requisite standards of presentation, in terms of content and performance, for a pitch to investors.

Where syndication is sought and a deal has been approved for dissemination by one network, other networks and fund managers will use best endeavours to ensure the deal is disseminated as expeditiously as possible.

Once an opportunity has been approved for investment, it may be declined by other networks for lack of alignment with those investors but not for lack of investment readiness.

### **Due Diligence**

Recognising the importance of due diligence and its direct impact on the success of an angel deal, the industry supports the use of due diligence project plans and checklists.

Deal leads and due diligence teams recognise the need to be thorough will be balanced against the need to complete due diligence in a timely manner.

When making investment decisions, angels will evaluate each deal based on their own research and assessment of the commercial opportunity and are expected to use any due diligence report as the basis for any further enquiry and verification and should not rely on it as any more than one opinion.

No investor will place reliance on satisfactory completion of a due diligence process as a sign of the ability or future success of a venture.

Where reliance is placed on a fund or network's completion of due diligence there is no recourse against that fund or network.

### **Settlement and Closing**

When all documentation has been completed to close a deal, time is of the essence. Industry participants will respond to all communication as expeditiously as possible, including using their best endeavours to secure all relevant signatures.

## **INDUSTRY PROMOTION**

### **Media**

Media interest, understanding, promotion and support for angel investment are welcome.

The industry will take care to convey an accurate representation of angel investment and the risks and rewards involved. Any media commentary will respect commercial confidence and those investors who wish to retain a low profile or remain anonymous.

Should any media commentary misconstrue or otherwise misrepresent information, industry commentators will seek to have the situation corrected.

### **Government relations**

All industry participants are encouraged to participate in and assist with policy development initiatives.

### **General**

Industry participants are encouraged and supported to promote angel investment to new investors.