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# **CORPORATE GOVERNANCE AND POLICIES MANUAL**

**LAST REVIEWED AND UPDATED 1 JULY 2020**

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## **INTRODUCTION**

In fulfilling its obligation and responsibilities to its various stakeholders, the Board of Directors (Board) of Zip Co Limited (ASX: Z1P, Zip or the Company) advocates the adoption of and adherence to a framework of rules, relationships systems and processes within and by which authority is exercised and controlled within the corporation. This manual outlines the Company's principal corporate governance procedures. The Board supports a system of corporate governance to ensure that the management of the Company is conducted in a manner which is directed at achieving the Company's objectives in a proper and ethical manner.

Except to the extent indicated in this document and in the Company's subsequent Annual Reports, the Company has resolved that for so long as it is admitted to the official list of the ASX it shall abide by the ASX Recommendations where applicable. The Board may from time to time determine to depart from the ASX Recommendations in certain particulars having regard to the circumstances of the Company, including its size, stage of development and other material factors.

These policies have been adopted on the basis that, in the circumstances of the Company, they reflect what is considered to reflect reasonable aspiration. Their object is to focus attention upon the issues they address and create awareness of those issues and the pitfalls that one could otherwise fall into inadvertently. This is to develop a culture conducive to good practices. Adhering to the following policies is a condition of each contract of employment.

The Board encourages all key Zip management personnel, other Zip employees, contractors and other stakeholders to monitor compliance with this Corporate Governance manual, especially in relation to observable departures from the intent of the policies. Suggestions for improvements or amendments to this Corporate Governance manual can be made at any time by providing a written note to the Chairman.

## **ASX's EIGHT CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (4<sup>TH</sup> EDITION)**

### **1 PRINCIPLE 1 / LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT**

*A listed entity should clearly delineate the respective roles and responsibilities of Board and management and regularly review performance.*

#### **Recommendations**

- 1.1 A listed entity should have and disclose a board charter setting out:
  - (a) the respective roles and responsibilities of its board and management; and
  - (b) those matters expressly reserved to the board and those delegated to management.
- 1.2 A listed entity should:
  - (a) undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and
  - (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.
- 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.
- 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.
- 1.5 A listed entity should:
  - (a) have and disclose a diversity policy;
  - (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and
  - (c) disclose in relation to each reporting period:
    - (i) the measurable objectives set for that period to achieve gender diversity;
    - (ii) the entity's progress towards achieving those objectives; and
    - (iii) either:
      - (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
      - (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.
- 1.6 If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.
- 1.7 A listed entity should:
  - (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and
  - (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.
- 1.8 A listed entity should:
  - (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and
  - (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.

## **2 PRINCIPLE 2 / STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

*The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.*

### **Recommendations**

- 2.1 The board of a listed entity should:
- (a) have a nomination committee which:
    - (i) has at least three members, a majority of whom are independent directors; and
    - (ii) is chaired by an independent director, and disclose;
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
- 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.
- 2.3 A listed entity should disclose:
- (a) the names of the directors considered by the board to be independent directors;
  - (b) if a director has an interest, position or relationship of the type described in the Recommendation but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
  - (c) the length of service of each director.
- 2.4 A majority of the board of a listed entity should be independent directors.
- 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.
- 2.6 A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

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### **3 PRINCIPLE 3 / INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

*A listed entity should instil and continually reinforce a culture<sup>40</sup> across the organisation of acting lawfully, ethically and responsibly.*

#### **Recommendations**

- 3.1 A listed entity should articulate and disclose its values.
- 3.2 A listed entity should:
  - (a) have and disclose a Code of Conduct for its directors, senior executives and employees; and
  - (b) ensure that the board or a committee of the board is informed of any material breaches of that code.
- 3.3 A listed entity should:
  - (a) have and disclose a Whistleblower Policy; and
  - (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.
- 3.4 A listed entity should:
  - (a) have and disclose an Anti-Bribery and Corruption Policy; and
  - (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.

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#### **4 PRINCIPLE 4 / SAFEGUARD INTEGRITY IN CORPORATE REPORTS**

*A listed entity should have appropriate processes to verify the integrity of its corporate reports.*

##### **Recommendations**

- 4.1 The board of a listed entity should:
- (a) have an audit committee which:
    - (i) has at least three members, all of whom are nonexecutive directors and a majority of whom are independent directors; and
    - (ii) is chaired by an independent director, who is not the chair of the board, and disclose:
      - (iii) the charter of the committee;
      - (iv) the relevant qualifications and experience of the members of the committee; and
      - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
  - (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.
- 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
- 4.3 A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.

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## **5 PRINCIPLE 5 / MAKE TIMELY AND BALANCED DISCLOSURE**

*A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.*

### **Recommendations**

- 5.1 A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.
- 5.2 A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.
- 5.3 A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

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## **6 PRINCIPLE 6 / RESPECT THE RIGHTS OF SECURITY HOLDERS**

*A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively.*

### **Recommendations**

- 6.1 A listed entity should provide information about itself and its governance to investors via its website.
- 6.2 A listed entity should have an investor relations program that facilitates effective two-way communication with investors.
- 6.3 A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.
- 6.4 A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.
- 6.5 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

## **7 PRINCIPLE 7 / RECOGNISE AND MANAGE RISK**

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

### **Recommendations**

7.1 The Board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

7.2 The Board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

7.3 A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

7.4 A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.

## **8 PRINCIPLE 8 / REMUNERATE FAIRLY AND RESPONSIBLY**

*A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.*

### **Recommendations**

8.1 The Board of a listed entity should:

- (a) have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, and disclose:
    - (iii) the charter of the committee;
    - (iv) the members of the committee; and
    - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

8.3 A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

## LIST OF ADOPTED CHARTERS AND POLICIES

The Company has adopted the following Charters, Policies and Rules which have been placed on its website through this manual:

1	BOARD CHARTER.....	11
2	AUDIT COMMITTEE CHARTER .....	16
3	REMUNERATION, PEOPLE AND CULTURE COMMITTEE CHARTER.....	19
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These charters, policies and rules are to be reviewed periodically for audit compliance and to identify any changes required.

The Company Secretary is to maintain (and submit to the Board for adoption) compliance checklists to assist to instil the culture contemplated by and compliance with this.

## **1 BOARD CHARTER**

### **1.1 Role and Responsibilities**

The board of directors (Board) of Zip Co Limited (Company) has adopted this charter (Charter) to outline the manner in which its powers and responsibilities will be exercised and discharged, having regard to principles of good corporate governance and applicable laws.

This Charter and the charters adopted by the Board have been prepared and adopted on the basis that strong corporate governance can add to the performance of the Company, create shareholder value and engender the confidence of the investment market. To accomplish this, the Board:

- (a) considers and approves the strategy of the Company and its subsidiaries (Group);
- (b) adopts an annual budget and monitors financial performance including approving the annual and half year financial statements and reports;
- (c) oversees the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (d) oversees the Company's commitment to the health and safety of employees and contractors;
- (e) oversees the Company's Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) Program (AML/CTF Program), including approval of the AML/CTF Program every 2 years, undertaking annual AML/CTF training and monitoring through quarterly reporting from the AML/CTF Compliance Officer;
- (f) approves major investments and monitors the return on those investments;
- (g) monitors the adequacy, appropriateness and operation of internal controls including reviewing and approving the Company's compliance systems and corporate governance principles;
- (h) oversees the Company's process for and provides continuous disclosure of information to the investment community, and makes available information shareholders can reasonably require to make informed assessments of the Group's prospects;
- (i) establishes and reviews the Company's risk management framework;
- (j) reviews and monitors significant business risks and oversees how they are managed;
- (k) monitors the conduct of the relationship with key regulators to meet the Group's obligations;
- (l) determines delegations to committees, subsidiary boards and management and approves transactions in excess of delegated levels;
- (m) reviews the performance of the chief executive officer of the Group including overseeing the remuneration, development and succession planning for the chief executive officer (CEO) and management, while overseeing the operation of appropriate human resource management systems including remuneration;
- (n) assesses its own performance and that of individual Directors;
- (o) selects and appoints new directors and the Chair of the Board;
- (p) appointing and replacing the CEO; and
- (q) considers, approves and endorses major policies of the organisation.

These responsibilities are designed to provide strategic guidance for the Company and effective oversight management.

The Company's constitution (Constitution) ultimately governs matters relating to the Board and its functions. This Charter explains and interprets the Constitution. The Constitution prevails to the extent of any inconsistency between this Charter and the Constitution.

### **1.2 Delegations of Authority**

The Board delegates to the CEO the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters, subject to those powers reserved to the Board in accordance with this Charter and any specific delegations of authority approved by the Board. The CEO has authority to sub-delegate to the senior management team.

The key responsibilities of the senior executive team are to:

- (a) manage the day to day business of the Group in accordance with the Group's strategic objectives while operating within the values, code of conduct, budget and risk appetite set by the Board;
- (b) assign responsibilities clearly to the employees of the Group, and supervise and report on their performance to the Board;
- (c) recommend to the Board significant operational changes, and major capital expenditure, acquisitions or divestments, which are beyond delegated thresholds;
- (d) provide the Board with accurate, timely and clear information on the Group operations to enable the Board to perform its responsibilities; and
- (e) support a culture within the Group that promotes ethical and responsible behaviour.

### **1.3 Relationship with Management**

The Board has delegated specific authorities to the chief executive officer of the Company. Subject to these delegated matters, the CEO is authorised to exercise all the powers in relation to the Company, except with respect to the following:

- (a) approval of major elements of strategy including any significant change in the direction of that strategy;
- (b) approvals above delegated levels of credit limits, country risk exposures, equity risk limits, market risk limits, loans and encumbrances, equity investments and underwriting risk;
- (c) capital expenditure in excess of delegated levels or expenditure outside the ordinary course of business;
- (d) certain remuneration matters including material changes to remuneration policies;
- (e) adoption of the Company's annual budget;
- (f) approval of the interim and final accounts and related reports of the Company;
- (g) specific matters in relation to Continuous Disclosure as defined in the Continuous Disclosure Policy; and
- (h) other matters as the Board may determine from time to time.

### **1.4 Composition and size**

The Company will seek to have the Board of Directors comprised of persons with a blend of skills, experience, and attributes appropriate for the Company and its business to deal with current and emerging issues. The Chair of the Board will be appointed by the Directors and the Directors will determine the size of the Board, subject to the Company's Constitution, however at any time there can be no less than three Directors.

The Board may consist of non-executive, executive, independent and non-independent directors and the Company will seek to achieve an appropriate balance between independent and non-independent representation on the Board. In determining whether Directors are independent, the Board applies the criteria as set out in the ASX recommendations which are outlined in Schedule 1. The independence of directors will be regularly reviewed.

All non-executive Directors must undertake an induction program upon joining the Board. This will include meeting with members of the existing Board, Company Secretary and management and other relevant employees as necessary to familiarise themselves with the Company and Board requirements, practices, and procedures.

Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election.

### **1.5 The Role and Responsibilities of the Chair**

The chair is appointed by the Board in accordance with the Constitution (**Chair**). Where practicable, the Chair should be a non-executive director who satisfies the criteria for independence set out in Schedule 1.

The Chair is responsible for:

- (a) leading the Board and oversee the processes for the Board's performance of its role in accordance with this Charter;

- (b) chairing Board meetings and shareholder meetings;
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) liaising with the CEO in relation to the Board's information requirements to assist the Board with effective decision making;
- (e) setting the agenda together with the CEO and the Company Secretary, ensuring that appropriate time and attention is devoted to matters within the responsibilities of the Board;
- (f) facilitating effective contribution by all directors and monitoring Board performance;
- (g) overseeing that membership of the Board is skilled and appropriate for the Company's needs;
- (h) promoting constructive relations between Board members and between the Board and management; and
- (i) establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

### **1.6 Process for evaluating Board performance**

The performance of the Board as a group, its Committees and of individual directors is to be assessed each year. In particular, all Directors seeking re-election at an annual general meeting may be subject to a formal performance appraisal to determine whether the Board (with their absents themselves) recommend their re-election to shareholders.

An informal process of Board review is outlined in the Nomination Committee Charter however an independent third party consultant may be used to facilitate the assessment of the Board, its Committees and individual directors.

### **1.7 Access to independent advice**

Each Director shall have the ability to consult independent experts where that director considers it necessary to carry out their duties and responsibilities. Any costs incurred as a result of the Director consulting an independent expert will be borne by the Company, subject to the estimated costs being approved by the Chair in advance as being reasonable (or in the case of the Chair, being approved by another director).

The advice is to be made immediately available to all Board members other than to a Director against whom privilege is claimed.

### **1.8 Board meetings**

All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act. Directors are committed to collective decision making but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

All Directors are generally expected to prepare adequately, attend and participate at each Board meeting. The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable. The non-executive directors may also meet on their own as they determine without executive directors or management present.

The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required.

The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chair and circulated to Directors after each meeting and subsequently formally approved at the next Board meeting.

Further details regarding Board meetings are set out in the Company's Constitution.

### **1.9 The Role and Responsibilities of the Company Secretary**

The Company Secretary is appointed by and accountable to the Board of Directors through the Chair. The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required and is responsible for matters relating to the proper functioning of the Board.

The Company Secretary is responsible for but not limited to:

- (a) advising the Board and its committees on corporate governance matters, the application of the Company's Constitution and the ASX Listing Rules;

- (b) facilitating the implementation of Board policies and procedures;
- (c) monitoring compliance with Board policies and procedures;
- (d) coordinating the flow of information of the Board, between the Board and its Committees and between Senior Executives and Non-Executive Directors;
- (e) helping to organise and facilitate the induction and professional development of Directors; and
- (f) communicating with regulatory bodies and Australian Securities Exchange (ASX), and all statutory and other filings.

All Directors have access to the advice and services provided by the Company Secretary.

### **1.10 Committees**

The Board may delegate any of its powers to a committee or committees and may also delegate specific functions to ad hoc committees. Directors are entitled to attend committee meetings and receive committee papers.

Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The Chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

Each of these committees shall have their own charters and are responsible for ensuring the Company practices good corporate governance in the area of its focus such as audit, risk, remuneration and nomination. The Board will, at least once each year, periodically the membership and charter of each committee.

### **1.11 Conflicts of Interests**

The Board will agree, and Board members will abide by the following:

- (a) declaring their interests as required under the Corporations Act 2001 (Cth), ASX Listing Rules and general law requirements;
- (b) unless the directors (without a relevant personal interest) agree otherwise, where any director has a material personal interest in a matter, the director will not be permitted to vote or take part in any discussion concerning the matter or at a director's meeting where that matter is being considered;
- (c) directors must not:
  - (i) allow personal interests to conflict with the interests of the Company; or
  - (ii) disclose confidential information, unless the disclosure has been authorised by the Company or is required by law
- (d) all directors will abide by the terms of the Securities Trading Policy; and
- (e) in addition to these requirements, nominee directors representing the major shareholder must act in accord with the relationship protocols for addressing conflicts.

### **1.12 Review of Charter**

The Board is responsible for reviewing this Charter and the division of functions and responsibilities in the Company to determine its appropriateness to the needs of the Company from time to time. The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board. The Date of last review: 1 July 2020

## **SCHEDULE 1 - GUIDELINES OF THE BOARD OF DIRECTORS - INDEPENDENCE OF DIRECTORS**

Section 1.4 of the Charter refers to the 'independence' of Directors. Without limiting the Board's discretion, the Board has adopted the following guidelines to assist in considering the independence of Directors:

In general, directors will be considered to be 'independent' if they are not members of management (i.e., a non executive director) and they:

- (a) are not material shareholders of the Company, or officers of, or otherwise associated directly or indirectly with, material shareholders of the Company;
- (b) have not within the last three years been employed in an executive capacity by the Company or any of its subsidiaries;
- (c) were not appointed as a director of the Company within three years of ceasing to be employed in an executive capacity by the Company, unless appointed by the Chairman;
- (d) have not within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- (e) are not a material supplier to or customer of the Company or other group member or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (f) have no material contractual relationship with the Company or another group member, other than as a Director of the Company; and
- (g) are free from any interest, business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

### **Materiality thresholds**

The Board will consider thresholds of materiality for the purposes of determining 'independence' on a case by case basis, having regard to both quantitative and qualitative principles. Without limiting the Board's discretion in this regard, the Board has adopted the following guidelines:

- (a) The Board will determine the appropriate base to apply (e.g. revenue, equity or expenses), in the context of each situation.
- (b) In general, the Board will consider a holding of 5% or more of the Company's shares to be material.
- (c) In general, the Board will consider an affiliation with a business which accounts for less than 5% of the relevant base to be immaterial for the purposes of determining independence. However, where this threshold is exceeded, the materiality of the particular circumstance with respect to the independence of the particular Director should be reviewed by the Board.
- (d) Overriding the quantitative assessment is the qualitative assessment. Specifically, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

## 2 AUDIT COMMITTEE CHARTER

The Audit Committee (**Committee**) is a committee of the board of directors (**Board**) of Zip Co Limited (**Company**).

### 2.1 Composition

The Committee should be of sufficient size, independence and technical expertise to discharge its mandate effectively. The members of the Committee shall be appointed by the Board and where practicable, the Committee will consist of:

- Only non-executive directors;
- A majority of independent directors;
- A Chair who is an independent director, who is not the chair of the board; and
- At least 3 members.

A listed entity which is included in the S&P All Ordinaries Index at the beginning of its financial year is required under listing rule 12.7 to have an audit committee for the entire duration of that financial year. If it is included in the S&P/ASX 300 Index at the beginning of its financial year, it must also comply with the structure and disclosure requirements for the whole of that financial year, unless it had been included in that index for the first time less than 3 months before the beginning of that financial year. An entity that is included in the S&P/ASX 300 Index for the first time less than 3 months before the first day of its financial year but did not comply with the structure and disclosure requirements at that date must take steps so that it complies with those requirements within 3 months of the beginning of the financial year.

The Committee members shall have the ability to read and understand financial statements, have familiarity with financial management and understand the key business and financial risks within the industries in which the Company operates. Preferably, at least one member should have relevant qualifications and experience through past employment in finance or accounting or other comparable roles.

The Committee will appoint a Secretary to the Committee.

### 2.2 Role

The role of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- safeguarding the integrity of the Company's financial reporting
- the adequacy of the Company's systems of financial risk management and internal control framework
- the external audit functions

### 2.3 Operations

The Committee is to meet at least twice annually and otherwise as required. A quorum of the Committee will comprise any two members.

All Directors who are not members of the Committee are entitled to attend Committee meetings and the Committee may invite any key executive or other individual to attend Committee meetings, as they consider appropriate. Notwithstanding this, the Committee should meet with the external auditor at least once per annum without management present.

Minutes of all meetings of the Committee are to be prepared by the Secretary, approved by the Chair of the Committee in draft and circulated to all members. The minutes of all meetings are to be kept and made available to the Board ahead of the next Board meeting following the Committee meeting. If required, the Chair of the Committee will provide a report on the Committee meeting at the next Board meeting.

### 2.4 Authorities

The Board authorises the Committee to:

- perform activities within the scope of its charter
- have unrestricted access to members of management, employees, and internal and external auditors and related information

- seek advice from external consultants or specialists where the committee considers that necessary or appropriate, and
- ensure the attendance of Company officers and external parties at meetings as appropriate.

## **2.5 Responsibilities**

The Committee shall undertake the responsibilities below as well as organise, review and report as required on any special reviews or investigations deemed necessary by the Board:

### **Financial Reporting**

- Review the annual, half-year and concise (if any) financial reports and other financial information distributed externally, including new accounting policies to ensure compliance with International Accounting Standards and generally accepted accounting principles;
- Ensure that the financial statements comply with accounting standards, reflect the understanding of the Committee members of, and otherwise provide a true and fair view of, the financial position and performance of the Company and are not misleading.
- Require management to inform the Committee as to:
  - the compliance with current Australian Accounting Standards and other regulatory requirements;
  - changes in accounting policies during the period; and
  - the appropriateness of the accounting judgements or choices exercised in preparing the entity's financial statements.
- Require external auditors to inform the Committee of their views in relation to the above.

Review management's representations in respect of the accounts and recommendations to the Board in connection with adoption of the accounts.

### **Internal Audit**

- Determine if an internal audit function is required and how the function should be structured and what role it performs. Where there is an internal audit function, review and recommend the appointment or removal of the head of internal audit, the scope and adequacy of the internal audit work plan and the independence, objectivity and performance of the internal audit function.

### **External Auditor**

- Recommend the selection of the external auditors for approval by the Board of Directors, including rotation of audit engagement partner where applicable.
- Agree with the external auditor the overall scope and fees of the external audit, including identified risk areas and any additional procedures considered necessary.
- Review and, if appropriate, approve requests and fees for any non-auditing services to be performed by the external auditors, and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter.
- Consider whether non-audit services provided by the External Auditor are consistent with maintaining the External Auditor's independence.
- Monitor and periodically evaluate the effectiveness, adequacy and independence of the external auditor. Any need for change would result in seeking proposals from suitably experienced firms.
- Obtain an annual declaration of independence from the external auditor.
- All External Auditors will be required to comply with the rotation requirements outlined in the Corporations Act (No more than five (5) straight years or five (5) years in seven (7) with a two (2) year break).

### **Financial Risk Management**

- Review and assess the effectiveness of the Company's financial risk management process, including the adequacy of the overall control environment and controls in selected areas

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representing significant risk.

- Review and assess the Company's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, legal violations, and non-compliance with the corporate code of conduct. In that regard, review the related findings and recommendations of the external auditors, together with management's responses and make recommendations in relation to any incident involving fraud or other break down of the entity's internal controls.
- Discuss with management and the external auditor the Company's accounting policies and methods for the purpose of forming a view as to the appropriateness (as opposed to acceptability) and objectivity of these policies and methods.
- Review with legal counsel any regulatory matters that may have a material impact on the financial statements.

## **2.6 Review of Policy**

The Committee will, on a periodic basis, undertake an evaluation of its performance and effectiveness, review its membership and this Charter and make recommendations to the Board. Any amendments to the Charter or membership are to be approved by the Board.

External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

### **3 REMUNERATION, PEOPLE AND CULTURE COMMITTEE CHARTER**

The People, Culture and Remuneration Committee (Committee) is a committee of the Zip Co Limited Board (Board). This Charter sets out the composition, operation, role and responsibilities of the Committee.

It is the expectation of the Committee that the Company adheres to best practice in managing people, culture and remuneration. The Committee maintains that the capability and commitment of the Company's employees and directors is essential to the successful delivery of our business strategy to our stakeholders. The Committee will oversee the people, culture and remuneration strategies of the Company to continue to build and sustain a talented, diverse and engaged workforce.

#### **3.1 Composition**

The Committee will include at least three members, with a majority of the members to be independent directors, as determined by the Board. The Chair of the Committee shall be an independent director and will be appointed by resolution of the Board. The membership of the Committee shall be reviewed annually by the Board, or at any other time at the discretion of the Board. The Chair of the Board shall not Chair the Committee. A quorum is two members or any greater number as determined by the Board. The Committee shall appoint a secretary of the Committee.

A listed entity which is included in the S&P/ASX 300 Index at the beginning of its financial year is required under listing rule 12.8 to have a remuneration committee comprised solely of non-executive directors for the entire duration of that financial year.

#### **3.2 Operations**

The Committee is to meet at least annually and more frequently as required. The Committee reports to the Board. Minutes of all meetings of the Committee are to be kept and provided to the Board for noting.

#### **3.3 Role**

The role of the Committee is to assist and advise the Board on remuneration matters by reviewing and making appropriate recommendations to the Board in relation to:

- remuneration packages of senior executives (including directors);
- senior executives and employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed;
- recruitment, retention and termination policies and procedures for senior executives; and
- superannuation arrangements for directors, senior executives and other employees

When reviewing remuneration packages of senior executives, directors or other employees, the Committee shall include a comparative review of the packages by gender or other inappropriate bias where appropriate.

The Committee is authorised to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorised by the Board to obtain outside legal or other independent professional advice or information and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee if it considers this necessary or appropriate.

The Committee is cognisant that remuneration is a key driver of culture within the Company as well as being a key focus for investors. When making recommendations on the level and composition of remuneration to the Board, the Committee will balance:

- the Company's desire to attract and retain high quality directors and to attract, retain and motivate senior executives;
- the need to ensure that the incentives for executive directors and other senior executives encourage them to pursue the growth and success of the Company, and promote ethical behaviour and manage the risk of misconduct in line with the Company's Code of Conduct;
- the need to ensure that the incentives for non-executive directors do not conflict with their obligation to bring an independent judgement to matters before the Board;
- the implications to the Company's reputation and standing in the public domain and among its shareholders and stakeholders if it is seen to pay excessive remuneration to directors and senior executives; and
- its commercial interest in controlling expenses.

### **3.4 Responsibilities**

The responsibilities of the Committee are to:

- establish and monitor appropriate remuneration levels and policies including incentive policies for directors and senior executives;
- assess the market to ensure that senior executives are being rewarded commensurate with their responsibilities;
- keep itself apprised of the latest developments, policies and trends in remuneration matters and seek external input as appropriate to ensure that remuneration practices reflect best practice;
- review recommendations from the Managing Director (or equivalent) relating to proposed merit increases;
- propose the terms and conditions of employment for the Managing Director (or equivalent);
- undertake a review of the Managing Director's (or equivalent) performance, at least annually, including setting the Managing Director's (or equivalent) goals for the coming year and reviewing progress in achieving those goals;
- review recommendations from the Managing Director (or equivalent) on each senior executive's performance evaluations;
- review the Company's recruitment, retention and termination policies and procedures for senior management;
- review the Company's incentive schemes for employees;
- review people and culture trends and metrics and other relevant people and culture matters as may be identified from time to time;
- review the Company's superannuation arrangements; and
- set the criteria for negotiating any enterprise bargain agreement.

### **3.5 Review of Policy**

The Committee will, on a periodic basis, undertake an evaluation of its performance and effectiveness, review its membership and this Charter and make recommendations to the Board. Any amendments to the Charter or membership are to be approved by the Board.

External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## **4 NOMINATION COMMITTEE CHARTER**

The Nomination Committee (Committee) is a committee of the Zip Co Limited Board (Board). This Charter sets out the composition, operation, role and responsibilities of the Committee.

### **4.1 Composition**

The Committee will include at least three directors, a majority of which are independent non-executive directors (where possible), as determined by the Board. The Chair of the Committee shall be an independent director and will be appointed by resolution of the Board. The membership of the Committee will be reviewed annually by the Board, or at any other time at the discretion of the Board. The Chair of the Board shall not Chair the Committee. A quorum is two members or any greater number as determined by the Board. The Committee shall appoint a secretary to the Committee.

### **4.2 Operations**

The Committee is to meet at least annually and more frequently as required. The Committee reports to the Board. Minutes of all meetings of the Committee are to be kept and provided to the Board for noting.

### **4.3 Role**

The Committee is committed to being an efficient and effective mechanism to bring the transparency, focus and independent judgement needed on decisions regarding the composition of the Board.

The role of the Committee is to provide assistance to the Board in identifying and recommending candidates to determine the appropriateness of director nominees for election to the Board to ensure the Board collectively maintains a desirable mix of expertise, skills, experience, diversity and perspectives appropriate for the Company's operations and size, and to review Board performance on a regular basis.

A formal process of Board review which may be used by the Board requires each Director to complete a questionnaire relating to the role, composition, procedures, practices and behaviour of the Board and its members. Senior executives having most direct contact with the Board may also be invited to complete similar questionnaires. Responses to the questionnaires are confidential and provided direct to the Chair. The Board as a whole then hold a facilitated discussion during which each Board member has the opportunity to raise any matter, suggestion for improvement or criticism with the Board as a whole.

The Committee is authorised by the Board to seek the advice and services of external consultants or specialists and to secure the attendance of outsiders with relevant experience and expertise at meetings of the Committee if it considers this necessary or appropriate.

The Committee requires each non-executive director to inform the Committee before accepting any new appointment as a director of another listed entity, any other material directorship or any other position with a significant time commitment attached.

### **4.4 Responsibilities**

The responsibilities of the Committee are:

- to implement processes to assess the necessary and desirable competencies of Board members including, experience, expertise, skills, diversity and performance of the Board and its Committees;
- to provide new directors with an induction to the Company;
- to provide access to continuing professional development programs for all directors relevant to their position in the Company;
- Ensure appropriate succession planning is in place for directors in order to maintain an appropriate mix of skills, experience, expertise and diversity on the Board;
- Ensure a plan is in place to manage the succession of the Managing Director and other senior executives;
- Reviewing and recommending to the Board upon the proposed re-election of directors retiring by rotation at the Company's annual general meeting;
- To develop and implement a process for evaluating the performance of the Board, its Committees and its Directors;
- annually evaluate the performance and effectiveness of the Board to facilitate the Directors fulfilling their responsibilities in a manner that best serves the interests of stakeholders;
- Regularly review the time required for non-executive directors to adequately perform their duties and assess whether directors are meeting that requirement;

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- before recommending an incumbent, replacement or additional director, review their qualifications, including capability, availability to serve, conflicts of interest, and other relevant factors and record that review and recommendation in the minutes;
  - assist in identifying, interviewing and recruiting candidates for the Board including reviewing whether professional intermediaries should be used to identify candidates; and
  - annually review and set measurable objectives for achieving gender diversity in the composition of the Board, senior management and the workforce generally and report to the Board on gender diversity at all levels of the Company;

The Committee will, on an annual basis, undertake an evaluation of its performance and effectiveness, review its membership and this Charter and make recommendations to the Board. Any amendments to the Charter or membership are to be approved by the Board.

#### **4.5 Review of Policy**

The Committee will, on a periodic basis, undertake an evaluation of its performance and effectiveness, review its membership and this Charter and make recommendations to the Board. Any amendments to the Charter or membership are to be approved by the Board.

External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 5 RISK COMMITTEE CHARTER

The Risk Committee (**Committee**) is a committee of the board of directors (**Board**) of Zip Co Limited (**Company**) established to ensure that the Company has a sound system of risk management. This Committee is primarily responsible for operational and other non-financial risks. (The Audit Committee is responsible for financial and information technology risks).

### 5.1 Composition

The Committee should be of sufficient size and independence and its members between them should have the necessary technical expertise to discharge its mandate effectively. The members of the Committee shall be appointed by the Board and where practicable, the Committee will consist of:

- A majority of independent directors;
- A Chair who is an independent director, who is not the chair of the board; and
- At least 3 members.

The Committee will appoint a Secretary to the Committee.

The Committee may invite attendance from any staff of the company and seek external advice to assist in its duties.

### 5.2 Role

The role of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- monitoring and reviewing the system of risk management which the Company has established. The system should identify, assess, monitor and manage operational and compliance risks.
- determining the Company's 'risk profile' and for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control.

Although it is not possible to provide absolute assurance that all corporate risks will be fully avoided or even mitigated, the Committee should aim to minimise any adverse impact on the Company that may result from the occurrence of an identifiable corporate risk.

### 5.3 Operations

The Committee is to meet at least annually and otherwise as required. A quorum of the Committee will comprise any two members.

All Directors who are not members of the Committee are entitled to attend Committee meetings and the Committee may invite any key executive or other individual to attend Committee meetings, as they consider appropriate.

If a member or attendee has a conflict of interest in a matter this must be indicated at the commencement of the meeting. However, the Committee will have the discretion to allow the person to participate in the relevant item or not, according to the Company's policy on conflicts of interest.

Minutes of all meetings of the Committee are to be prepared by the Secretary, approved by the Chair of the Committee in draft and circulated to all members. The minutes of all meetings are to be kept and made available to the Board ahead of the next Board meeting following the Committee meeting. If required, the Chair of the Committee will provide a report on the Committee meeting at the next Board meeting.

### 5.4 Authorities

The Board authorises the Committee to:

- perform activities within the scope of its charter
- have unrestricted access to members of management, employees, and internal and external auditors (with or without management present) and related information
- seek advice from external consultants or specialists where the committee considers that necessary or appropriate, and

- ensure the attendance of Company officers and external parties at meetings as appropriate.

## **5.5 Responsibilities**

In fulfilling its purpose outlined in section 8.2, the Committee should ensure that:

- a) risks are identified and monitored through a systematic review of the organization and its operations within the framework of the Company's Risk Management Policy;
- b) a risk register is maintained which describes the risks, the likelihood of occurrence, mitigating strategies and consequential risk. These must be updated regularly and reviewed by the Committee every six months;
- c) adequate policies and procedures have been designed and implemented to manage risks identified. And that reports are received from internal audit on its reviews of the adequacy of those processes for managing risk.
- d) proper remedial action is undertaken to redress areas of weakness identified by the system of risk management and/or the Committee. Including recommendations to the Board in relation to changes that should be made to the Company's risk management framework or the risk appetite set by the Board.
- e) there is an effective system of reporting and investigating any material incidences, breaches or excessive risks involving fraud or a breakdown of the risk controls and that the lessons learned from such incidents are reviewed.
- f) monitor management's performance against the entity's risk management framework, including whether it is operating within the risk appetite set by the Board.
- g) it receives reports from management on new and emerging sources of risk and the risk controls and mitigation measures that management has put in place to deal with those risks.
- h) there is a system whereby the Chief Executive Officer and the Board are immediately notified of any information which might have a material effect on the price or value of the Company's securities, and that such information is released to the ASX in accordance with the requirements of the Company's disclosure policy and the ASX Listing Rules;
- i) the Charter is made publicly available on the website; and
- j) the annual report explains any departures by the Company from the Charter.

## **5.6 Specific risks to be managed by the Committee**

Some of the specific operational and compliance risks which are the responsibility of the Committee are:

- a) promoting and supporting an organisational culture that is committed to risk management through open communication and effective risk management leadership;
- b) implementing a structured risk management training program to educate management and staff in the awareness of corporate risks and best practices in the management of corporate risks; reviewing the Company's main corporate governance practices as required under the ASX Listing Rules for completeness and accuracy;
- c) ensuring appropriate policies, procedures, controls and monitoring and reporting mechanisms have been adopted by the Company to prevent breaches of and ensure compliance with all relevant legislation and regulations, including but not limited to OH&S, Industrial Relations, Environmental and Trade Practices;
- d) ensuring there is adequate employee education and support to facilitate safety, security and good health in the workplace and monitoring of workplace safety;
- e) ensuring that the Company operates in accordance with the terms of all licences and permits issued to it by any government body or any other authority;
- f) ensuring that the management of the Company pays due attention to ethical considerations in implementing the Company's policies and practices;
- g) adopting procedures and policies for the improvement and preservation of the reputation of the Company; and
- h) ensuring that the Company has put appropriate insurance in place with regard to the insurable risks associated with the business of the Company.

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## **5.7 Review of Policy**

The Committee will, on a periodic basis, undertake an evaluation of its performance and effectiveness, review its membership and this Charter and make recommendations to the Board. Any amendments to the Charter or membership are to be approved by the Board.

External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## **6 CODE OF CONDUCT**

### **6.1 Purpose**

The purpose of this Code of Conduct ('Code') is to outline the standards of behaviour expected of the Company's directors, senior executives and employees.

### **6.2 Responsibilities**

The Board is responsible for formally adopting the Code of Conduct and its periodic review. The Board has responsibility to disclose the Code of Conduct for its directors, senior executives and employees on the Company's website.

The CEO and managers at all levels of the Company are responsible for ensuring that all employees receive appropriate training on their obligations under this Code.

All Employees are responsible for complying with this Code both in detail and in spirit.

Each Company employee should apply the principles of the Code to relationships with each other, with their employer and with all those with whom they deal with in their work for the Company. The Code is a guide for the way we as a Company operate.

When representing the Company, all directors, senior executives and employees must comply with the following standards.

- a) Act in accordance with the Company's values and in the best interests of the Company
  - Customers First
    - Walk in their customer's shoes
    - Seek customer feedback before making decisions
    - Constantly seek to improve the customer experience
    - Tailor actions and communications to the audience
  - Own It
    - Own their wins and mistakes
    - Think like an owner
    - Embrace and practice 'Zipback' (giving and receiving radically candid in the moment feedback)
    - Are self aware and open to feedback
  - Stronger Together
    - Think team > self
    - Think global and other teams, not just own team
    - Care about diversity, belonging and inclusion and actively seek different points of view
    - Deliberately communicate and share knowledge across teams
  - Change the Game
    - Think about how we can continuously grow and improve
    - Dare to be curious and think big
    - Care about excellence and raising the bar
    - Focus on results and impact, not tasks
- b) Treat each other with respect and dignity
  - Maintain a safe and fair work environment;

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- Treat fellow staff members with respect and not engage in bullying, harassment or discrimination. Everyone is entitled to be treated with respect as a person, regardless of role or individual differences;
  - Value people and their personal commitment to delivering value to shareholders;
  - Encourage co-operation, learning and growth in all who work with us; and
  - Strive to understand and respond to the needs of the Company's stakeholders.
- c) Respect the law and act accordingly
- Comply with all laws and regulations that apply to the Company's and its operations;
  - Respect customs and business practices of the communities in which the Company operates, but do not compromise the principles embodied in this Code;
  - Notify the CEO (or equivalent) or another Board member immediately of any breach of the law; and
  - In interpreting the law, adopt a course which preserves integrity.
- d) Be fair and honest in your dealings
- Act honestly and with high standards of personal integrity;
  - Be fair and honest even when you believe others will not know of your actions;
  - Honesty means not using coercive or misleading practices or falsifying or wrongfully withholding information;
  - Deal with customers and suppliers fairly;
  - Do not place yourself in situations in which private interests could conflict directly or indirectly with obligations to the Company;
  - Disclose and deal appropriately with any conflicts between your personal interests and your duties as a director, senior executive or employee of Zip;
  - Do not accept benefits such as gifts or entertainment when the situation could be seen as creating an obligation;
  - Do not take advantage of your position or the opportunities arising therefrom for personal gain; and
  - Do not act in ways which may cause others to question loyalty to the Company.
- e) Use the Company's property responsibly and in the best interest of the Company and its reputation
- Do not take advantage of the property or information of Zip or its customers for personal gain or to cause detriment to Zip or its customers;
  - Take care to ensure the integrity and security of all of the Company's confidential information;
  - Do not use Company funds to provide unreasonable benefits such as gifts or entertainment for yourself or others;
  - Use the Company's property for the Company's business purposes.
- f) Be responsible for your actions and accountable for their consequence
- Take personal responsibility for all issues over which you have control and the manner in which these are achieved;
  - Act ethically and responsibly.
- g) Be responsible to the community and to the individual
- Use your best endeavours to ensure a safe work place and maintain proper occupational health and safety practices;
  - Recognise and respect your responsibilities to the communities in which the Company operates; and

- Recognise the rights of individuals and to the best of your ability comply with the applicable legal rules regarding privacy, privilege, and private and confidential information. Do not tolerate harassment, discrimination or bullying in the workplace.

It is the responsibility of all of Zip's people, including managers and other leaders, to ensure ethical conduct is recognised and valued throughout the Company.

### **6.3 Non-compliance with this Code of Conduct**

#### a) Reporting non-compliance with this Code

- Any Employee who knows or suspects on reasonable grounds a breach of this Code either has occurred, is occurring or might occur should report that information to:
  - (i) an officer or senior manager of the Company;
  - (ii) a senior member of Human Resources;
  - (iii) Chair of the Audit and Risk Committee; or
  - (iv) Whistleblower Investigations Officer in accordance with Zip's Whistleblower Policy, which is available in the corporate governance section of the Company's website;
- Such reports will be treated confidentially to the extent possible consistent with Zip's obligation to deal with the matter openly and according to applicable laws;
- No Employee will be subject to retaliation or victimisation for reporting a possible violation of this Code and may be protected under Zip's Whistleblower Policy; and
- Any material breaches of this Code will be reported to the Audit and Risk Committee.

#### b) Consequences for non-compliance with this Code

- Adherence to this Code and Zip's policies is a condition of employment or engagement at the Company; and
- Breaches of the Code may be subject to disciplinary action including termination of employment or engagement, if appropriate.

### **6.4 Review**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

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## **7 CODE OF CONDUCT FOR DIRECTORS AND EXECUTIVES**

All Directors and Executives will act in accordance with the following.

- Actively promote the highest standards of ethics and integrity in carrying out their duties for the Company;
- Disclose any actual or perceived conflicts of interest of a direct or indirect nature of which they become aware and which they believe could compromise in any way the reputation or performance of the Company;
- Respect confidentiality of all information of a confidential nature which is acquired in the course of the Company's business and not disclose or make improper use of such confidential information to any person unless specific authorisation is given for disclosure or disclosure is legally mandated;
- Deal with the Company's customers, suppliers, competitors and each other with the highest level of honesty, fairness and integrity and to observe the rule and spirit of the legal and regulatory environment in which the Company operates;
- Protect the assets of the Company to ensure availability for legitimate business purposes and ensure all corporate opportunities are enjoyed by the Company and that no property, information or position belonging to the Company or opportunity arising from these are used for personal gain or to compete with the Company; and
- Report any known or suspected breach of this Code of Conduct to the Chair, who will treat reports made in good faith of such violations with respect and in confidence.

This Code of Conduct is in addition to the Corporate Code of Conduct which has been adopted by the Board of the Company.

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 8 SECURITIES TRADING POLICY

### 8.1 Introduction

This securities trading policy ("**Policy**") outlines the types of conduct in dealing securities that are prohibited under the *Corporations Act 2001 (Cth)* ("**Act**") and to establish a best practice for Zip Co Limited ("**Zip**") with respect to the Dealing in Securities that protects the Company and its personnel against the misuse or the appearance of misuse of unpublished or confidential information which could materially affect the value of the Company's securities ("**Zip securities**") (otherwise known as *inside information* under the Act).

Zip securities includes shares in Zip, options over those shares and any other financial products of Zip whether traded on ASX or unlisted.

ASX Listing Rule 12.9 requires each entity admitted to the Australian Securities Exchange ("**ASX**") to have a trading policy that regulates trading by its key management personnel during certain prohibited periods and to give a copy of that trading policy to ASX for release to the market. This Policy has been prepared to satisfy ASX Listing Rule 12.9.

The Company's Board of Directors has adopted this Policy (as amended from time to time) which, unless otherwise stated, applies to:

- (a) all employees of Zip and its related companies ("**Group**");
  - (b) all directors, officers, senior management and other senior executive, employee and consultant who has authority and responsibility for planning, directing and controlling the activities of the Company (otherwise referred to as a key management personnel ("**KMP**");
  - (c) staff who work closely with KMP and any other employees, consultants or personnel of the Group considered necessary or appropriate by the Board, as notified from time to time;
  - (d) immediate family members of KMP; and
  - (e) companies, trusts and entities over which KMP or their immediate family members have control, or otherwise are closely connected to,
- (collectively referred to as "**Zip Personnel**").

In order to ensure that Zip Personnel do not inadvertently breach the insider trading provisions of the Act, Zip Personnel are not permitted to deal in Zip securities during certain periods determined by this Policy. These periods are called "**Prohibited Periods**" and are determined by the provisions of this Policy. Times that are outside of a Prohibited Period are called "**Trading Periods**".

During **all periods** (including Trading Periods), a security dealing written clearance request must be submitted to and approved by the Chairman, CEO or their delegates prior to any dealing in Zip securities ("**Approving Officer**").

As a guiding principle, Zip Personnel are discouraged from actively trading in Zip securities. Whilst Zip encourages share ownership by Zip Personnel and accepts that sales of securities by Zip Personnel may be required under certain circumstances, the Approving Officer will use their discretion in considering an application to trade in Zip securities to ensure that the spirit of this Policy is being adhered to by all Zip Personnel.

If this Policy applies to you (as a Zip Personnel), and you do not understand the summary of the law relating to insider trading set out below or this Policy, or if you are confused as to whether the law applies to you, please contact the Approving Officer or the Company Secretary. You may wish to seek your own professional legal advice before dealing in Zip securities.

### 8.2 Prohibited Conduct Under Insider Trading Provisions

#### Zip Co Limited – Corporations Act

- (a) As a matter of law (which includes the Act), all Zip Personnel must not **deal** (meaning any change whatsoever including, but not limited to, any sale, purchase, exercise of options (even if due to expire), discharge of any right or obligation, or transfer) in Zip securities where:
  - They possess information which is not generally available;
  - That information may have a material effect on the price or value of Zip securities; and

- They know or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of Zip securities, as such information constitutes inside information.
- (b) Dealing in securities includes:
- applying for, acquiring or disposing of, securities;
  - entering into an agreement to apply for, acquire or dispose of, securities; and
  - granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.
- (c) Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.
- (d) Notwithstanding any other provision of this Policy, if a person holds inside information, that person must not buy or sell Company Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of that person gained knowledge of the information.

### **Other Entities including ASX Companies**

The laws regarding inside information and prohibitions against insider trading extend to dealings in securities of **any** companies about which a person possesses material price sensitive information which is not generally available including for example, companies in a joint venture with Zip.

### **8.3 Policy for Dealing in Securities**

Subject to the overriding restriction that no Zip Personnel shall deal in any securities when they are in possession of inside information, and subject to the right of the Board to impose any “ad hoc” prohibition on trading otherwise permitted under this Policy, trading is not permitted during the following Prohibited Periods:

- (a) The period from 31 December each year, until the commencement of trade of securities on the ASX on the second ASX trading day following the announcement of the Company’s half-year results to the ASX;
- (b) The period from 30 June each year, until the commencement of trade of securities on the ASX on the second ASX trading day following the announcement of the Company’s full-year results to the ASX;
- (c) The period from 31 March each year, until the commencement of trade of securities on the ASX on the second trading day on the ASX following the announcement of the Company’s quarterly results for the period 1 January to 31 March;
- (d) The period from 30 September each year, until the commencement of trade of securities on the ASX on the second trading day on the ASX following the announcement of the Company’s quarterly results for the period 1 July to 30 September; and
- (e) Any other time as determined by the Board of the Company in its sole discretion.

All other times during the financial year are “**Trading Periods**” for the purposes of this Policy. **However**, as noted previously, even during Trading Periods, a security dealing written request must be submitted to and approved by the Approving Officer.

Convertible securities may only be exercised (or converted) in accordance with the terms and conditions of those securities and in accordance with the requirements governing their issue, and, further, in accordance with this Policy. In addition, any dealing of Zip securities acquired upon exercise or conversion of any convertible security must only occur in accordance with this Policy.

Where convertible securities are held by any Zip Personnel and the expiry date of those convertible securities is imminent, special permission for exercise/conversion is required to be obtained from the Approving Officer if the application of this Policy would otherwise prevent exercise/conversion of those convertible securities.

The Approving Officer will determine such request in their absolute discretion.

#### **8.4 Other Prohibited Transactions**

Zip Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Zip Personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holding (including holdings of securities which are unvested or subject to a holding lock or other escrow) in the Company without first seeking and obtaining prior written clearance from the Approving Officer.

Zip Personnel must not enter into agreements with lenders with rights over their interests in Zip securities (such as margin loans or other secured financing arrangements) without first seeking and obtaining prior written clearance from the Approving Officer.

Zip Personnel must not put in place a non-discretionary trading plan in respect of their Zip securities without first seeking and obtaining written clearance from the Approving Officer. Zip Personnel must not cancel any such trading plan during a Prohibited Period unless exceptional circumstances exist and the procedure for written clearance has been satisfied.

#### **8.5 Introduction**

Zip Personnel are not permitted to trade in the Company's securities during a Prohibited Period. In exceptional circumstance (as determined by the Approving Officer), Zip Personnel may be permitted to trade during a Prohibited Period.

All Zip Personnel wishing to deal in Zip securities within a Prohibited Period must request written approval. The Chairman or the CEO will determine such request in their absolute discretion.

#### **8.6 Exclusions**

The following dealings are excluded from this Policy:

- (a) Dealings in the Company's securities which do not result in a change to the beneficial interest of the securities;
- (b) Acceptance of a takeover offer;
- (c) Trading under an offer made to all or most shareholders.

If any Zip Personnel possesses inside information that is not generally available, such person is prohibited from procuring any other person to deal in those securities and from directly or indirectly communicating the information to another person who the Zip person believes is likely to deal in, or procure another person to deal in, those securities. To do so runs the risk of the commission of a serious criminal offence.

#### **8.7 Breach of this Policy**

A breach of this Policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

#### **8.8 Administration**

This Policy will be administered by the Company Secretary with input from the Approving Officer. The Company Secretary and the Approving Officer will be available to answer any questions you may have in relation to it. However, neither Zip nor the Company Secretary is to be held responsible for any answers or any act or omission by you in reliance on those answers. It is your responsibility to comply with the law so if you are in any doubt you should obtain your own legal advice.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 9 RISK MANAGEMENT POLICY

### 9.1 Introduction and Purpose

Zip Co Limited (**Company**) considers risk management fundamental to maintaining efficient and effective operations and generating and protecting Shareholder value. A sound framework of risk oversight, risk management and internal control is fundamental to supporting a high standard of governance. This enables management to undertake prudent risk-taking activities. It underpins reliable financial reporting, compliance with relevant laws and regulations, and effective and efficient operations.

Managing material business risks is the responsibility of everyone in the Company, however specific accountability is reflected in the Company's structure and organisational chart and these accountabilities are clearly defined in this document.

### 9.2 Policy Objectives and Outcomes

The Board of Directors of the Company (**Board**) determines the Company's tolerance for risk and is committed to a risk management system that facilitates a culture of innovation. The Company's risk management system is designed to assist the Company to achieve its strategic and operational objectives. It aligns with the vision, strategy, processes, technology and governance of the Company and provides for:

- (a) appropriate levels of risk taking;
- (b) an effective system for the management of risk across the Company;
- (c) protection against incidents causing personal injury and property damage;
- (d) development of risk management and control plans to reduce or minimise unforeseen or unexpected costs;
- (e) an ability to identify, prioritise and respond to risk in a manner that maximises opportunities;
- (f) reliable financial reporting and compliance with laws, regulations and standards; sound insurance management practice;
- (g) protection of assets from planned and unplanned events.

Understanding and managing risk provides greater certainty and confidence for shareholders, employees, customers and suppliers, and for the community in which we operate.

Risk management assists to maximise the value from our business and to assist in encouraging enterprise and innovation.

Risk management is a critical business activity. Risk understanding and our tolerance for risk are key considerations in the decision making process.

The risk management function is supported by both the Audit and Risk committees of the Board (**Audit Committee and Risk Committee**).

### 9.3 Risk Management Framework

The risk management framework is the set of processes and activities that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the Company in its the day to day practices.

The risk framework is designed to enable the Company to understand and communicate its risk profile, ensure that risks remain at acceptable levels, assess how risks are likely to evolve as a result of new activities or changes in the operating environment, and assist in the quick recovery from a risk event.

#### 9.3.1 Risk Accountability

Given its responsibility for representing the interests of shareholders, the Board is responsible for approving and reviewing the Company's risk management strategy and policy and determining the Company's tolerance for risk.

Management are responsible for ensuring that systems, processes and controls are in place to minimise identified risk to an acceptable level.

All employees must report new risks or changes to existing risks to their managers or supervisors as soon as they become aware of the risk.

The risk accountability standards are:

- (a) Risk management processes are applied throughout all aspects of the Company's business.
- (b) Managers demonstrate a commitment to risk management by ensuring risk management is part of the Company's business activities, functions and processes.
- (c) Risk management roles and responsibilities are documented, understood and applied.
- (d) Systems are in place to ensure that risk reporting criteria are established and implemented.
- (e) Risks are considered in decision-making throughout the business.
- (f) Systems are in place to ensure reporting of risks to the appropriate level of management.

For specific material business risks, accountability is assigned to appropriate individuals who will report on the status and management of these risks.

These accountabilities are as follows:

- (a) Audit Committee – responsible for the oversight of all financial risks including compliance with financial reporting standards and relevant legislation. The Committee is also responsible for reporting to the Board on these accountabilities.
- (b) Risk Committee – responsible for the oversight of material business risks and the implementation of a sound system of risk management. The Committee is also responsible for reporting to the Board on these accountabilities.
- (c) Chief Executive Officer – responsible for all business risks in conjunction with his direct reports and for reporting to the Board.
- (d) General Manager (Operations) – responsible for operations and human resources risks.
- (e) Director Business Development – marketing and customer relationships risks.
- (f) CFO – responsible for the risk management process, financial, technology and compliance risks. The CFO is also responsible for reporting financial risks to the Audit Committee.

### **9.3.2 Risk Assessment**

The aim of this process is to identify, analyse and evaluate risks and develop a risk register with a list of material business risks based on those events that might enhance, prevent, degrade or delay the achievement of the corporate objectives. It is equally important to identify the risks associated with not pursuing an opportunity.

Material business risks should be identified at the most senior level within the Company and be documented in the context of the Company's strategy and objectives.

Both the sources of risks and their potential consequences should be identified. Material business risks should be validated with the Board to ensure their perspective on business vulnerabilities is taken into account.

The risk assessment standards are:

- (a) Systems are in place to ensure that all risk issues with the potential to impact the achievement of the corporate objectives are identified, analysed and evaluated.
- (b) Risks are recorded and maintained in the Company's risk register.
- (c) Risk registers include sufficient detail to describe the basis of risk ratings.
- (d) Risks are reviewed and updated as necessary or at least annually.

### **9.3.3 Risk Control**

The risk control standards are:

- (a) Controls address the key causes and impacts of the risk.
- (b) Controls are designed and implemented consistent with the achievement of the corporate objectives and performance targets.
- (c) Managers review control design and control effectiveness at least annually to ensure that those controls continue to be applicable, relevant and effective in achieving the corporate objectives.

The main techniques for controlling the risks are:

- (a) Transfer of the risk, through the use of contracts such as insurance.
- (b) Reduce the risk, by adopting alternative approaches to achieving the same objective.
- (c) Accept the risk, and develop contingency plans to minimise the impact should the risk eventuate. For the risks accepted to be managed, it is necessary to identify an individual responsible for establishing a monitoring process that captures the likelihood of the risk occurring and the treatment strategies to be applied should the risk eventuate. Consideration should be given to continuous disclosure requirements under the ASX Listing Rules.

#### **9.3.4 Risk Management and Monitoring**

Formalising and implementing risk management within the Company is not a one-off event. The effective management of risk is a process of continuous improvement, requiring regular review and evaluation mechanisms. Ongoing reporting and discussion of the management of material business risks at the board level is a crucial step in the process. Management must report new risks or changes to existing risks to the Chief Executive Officer as soon as practicable after becoming aware of the risk.

The intended outcomes of the risk management program include:

- (a) the establishment of a robust risk management framework and internal control system that enhances the Company's ability to meet its strategic objectives;
- (b) improved operating performance and reliable internal and external reporting;
- (c) increased awareness and management of risk; and
- (d) compliance with policies and procedures and applicable laws and regulations.

#### **9.4 Review of Policy**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 10 SHAREHOLDER COMMUNICATION POLICY

### 10.1 Purpose

Zip Co Limited (**Zip** or the **Company**) recognises that shareholders and other stakeholders are entitled to be informed in a timely and readily accessible manner of all major developments affecting Zip.

The purpose of this Shareholder Communications Policy (the **Policy**) is to promote effective communication with shareholders and other stakeholders and to encourage and facilitate participation at Zip's general meetings and dealing promptly with the enquiries of shareholders and other stakeholders.

### 10.2 Market communication

(a) Communication of information

The Company will publish on its website relevant announcements made to the market by the Company and any related information (which may include slides and presentations used in analyst, investor, shareholder or media briefings) after they have been given to the ASX and following confirmation of release to the market by the ASX.

Market Sensitive Information will be published on the Company website as soon as reasonably practicable after its release to the ASX following receipt of confirmation from the ASX.

Information may also be provided from time to time to the media on behalf of the Company but not before disclosure to the ASX, even on an embargo basis.

(b) Analysts and institutional investors

The Company may conduct briefings for analysts and institutional investors from time to time to discuss matters concerning the Company. The Company may also present or exhibit at industry conferences which provides opportunity for the shareholders to gather information about the Company. Only the Chairman, CEO or other senior representatives of the Company approved by the CEO are authorised to speak with analysts and institutional investors.

Before each reporting period, the CEO will formulate guidelines for briefings for that period. The Company's policy at these briefings includes:

- the Company will not comment on market sensitive issues not already disclosed to the market; and
- any questions raised in relation to market sensitive issues not already disclosed to the market will not be answered or will be taken on notice.

If a question is taken on notice and the answer would involve the release of market sensitive information, the information must be released through ASX before responding.

A representative of the Company in attendance may make notes of meetings and briefings with investors or analysts. Alternatively, an event may be webcast or teleconferenced or a recording added to the Company's website.

If the Company gives a new and substantive investor or analyst presentation it will release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.

(c) Inadvertent disclosure or mistaken non-disclosure

Inadvertent disclosure of market sensitive information or a director or employee becoming aware of information which should be disclosed requires immediately contracting the Chairman, the CEO or in their absence, the Company Secretary so the appropriate action can be taken, including if required, the information being announced on ASX and then published on the Company website.

(d) Media relations and public statements

The CEO who is the spokesperson of the Company, he or she is responsible for media relations and communications. Any inquiry in relation to financials, market share or any matter considered may have a material effect on the price of Company's securities must be referred to the CEO.

No information is to be given to the media on matters which are of general public interest or which may materially affect the price of the Company's securities without the approval of the CEO.

The guidelines outlined above are subject to any directions given by the Board, either generally or in a particular instance.

### **10.3 Shareholder communication**

#### **(a) Investor relations program**

The Company will implement a range of investor relations strategies to facilitate effective two-way communication with investors, shareholders and analysts.

The Company also recognises the importance of engagement with a broad range of stakeholders beyond financial market participants, such as proxy advisers, governance advisers, government and industry groups.

Where significant comments or concerns are raised by investors or their representatives, they will be conveyed to the Company's board and relevant senior executives.

#### **(b) Periodic reports to shareholders**

The Company produces half yearly and yearly financial reports and an annual report in accordance with the Corporations Act, the ASX Listing Rules and applicable accounting standards. It seeks to give balanced and understandable information about the Company and its proposals in its reports to shareholders.

The Board periodically reports to shareholders of all major developments affecting the Company's state of affairs as follows:

- the Annual Financial Report is distributed to all shareholders (who specifically request to receive the document), including relevant information about the operations of the Company during the year, changes in the state of affairs and details of future developments. The full Annual Financial Report is also available on the Company website; and
- the Half-Yearly Financial Report contains summarised financial information and a review of the operations of the Company during that period. The audited Half-Yearly Financial Report is lodged with ASIC and the ASX and sent to any shareholder who requests it as well as being published on the Company website.

#### **(c) General meetings**

General meetings provide an important opportunity for Zip to communicate with shareholders and allow for informed shareholder participation. The Board encourages full participation of shareholders at General Meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as single resolutions and any proposed major changes in the Company, which may impact on share ownership rights, are submitted to shareholder vote.

The Company aims to ensure that the form, content and delivery of notices of general meetings will comply with the Company's constitution, the Corporations Act and ASX Listing Rules.

At the meeting shareholders can express their views to the Board and management and to vote on the Board's proposals. All shareholders are encouraged to attend or, if unable to attend, to ask questions ahead of the meeting and vote on the motions proposed by appointing a proxy or using any other means included in the notice of meeting. The Company conducts its general meetings in accordance with the Company's constitution, the Corporations Act and the ASX Listing Rules. Zip's external auditor will attend General Meetings and be available to answer questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company will ensure that all substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands. Where practicable, the Company will consider the use of technological solutions for encouraging shareholder participation at

meetings (which may include, for example, live webcasting of meetings, holding meetings across multiple venues linked by live telecommunications and hybrid meetings).

(d) The Company's website

The Company website contains information about Zip and its governance framework. It has been designed to enable information to be freely accessible and readily available for a reasonable period. All documents that are released publicly are made available on the Company website and e-mailed to shareholders and investors who have provided their relevant details to the Company.

The investor information section of the website provides information to all shareholders and stakeholders, as recommended by the ASX Principles this section includes:

- (a) corporate governance including:
  - i. the names, photographs and brief biographical information for each of its directors and senior executives;
  - ii. its constitution, its board charter and the charters of each of its board committees;
  - iii. a statement of the Company's values; and
  - iv. the corporate governance policies and other corporate governance materials referred to in these recommendations.
- (b) communications;
- (c) corporate information;
- (d) the Company's share registry contact details;
- (e) copies of its annual directors' reports, financial statements and other corporate reports;
- (f) copies of its announcements to ASX;
- (g) copies of notices of meetings of security holders and any accompanying documents;
- (h) copies of any documents tabled or otherwise made available at meetings of security holders and, if it keeps them, a recording or transcript of the meetings; and
- (i) copies of any materials distributed at investor or analyst presentations and, if it keeps them, a recording or transcript of the presentations.

The website also provides information for shareholders to direct inquiries to the Company.

Other helpful investor information will also be made available on the Company website including:

- an overview of the Company's current business;
- a description of how the Company is structured;
- a summary of the Company's history
- a key events calendar showing the expected dates in the forthcoming year for:
  - results presentations and other significant events for investors and analysts;
  - the AGM;
  - books closing dates for determining entitlements to dividends or distributions; and
  - ex-dividend and payment dates for dividends or distributions;
- once they are known, the time, venue and other relevant details for results presentations and the AGM;
- if the Company has different classes of securities on issue, a brief description of those different classes and the rights attaching to them;
- historical information about the market prices of the Company's securities;

- a description of the Company's dividend or distribution policy;
- information about the Company's dividend or distribution history;
- copies of media releases the Company makes;
- contact details for enquiries from security holders, analysts or the media;
- contact details for its securities registry; and
- links to download key security holder forms, such as transfer and transmission forms, dividend or distribution reinvestment plan forms etc.

(e) Use of electronic communication and other technology

Shareholders may communicate electronically with the Company's share registry as provided for on the website.

The Company will communicate by post with its shareholders who have not elected to receive communication electronically.

The Company may consider the use of other technologies to communicate with shareholders.

(f) Shareholder privacy

Zip recognises that privacy is important and will not disclose registered shareholder details unless required by law. Shareholder details will only be used in accordance with applicable privacy laws.

#### **10.4 Review of Policy**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 11 CONTINUOUS DISCLOSURE POLICY

### 11.1 Company's commitment to disclosure

The Company is committed to the objective of promoting investor confidence in the integrity of the Company and its securities by:

- (a) ensuring that the market, stakeholders and the public generally are provided with timely disclosure of information concerning the Company which may have a material effect on the price or value of the Company's securities;
- (b) the promotion of investor confidence by ensuring that trade in its securities takes place in an efficient, competitive and informed market;
- (c) complying with the periodic and continuous disclosure requirements contained in the Listing Rules and the Corporations Act;
- (d) making all disclosures in a manner that is accurate, complete and not misleading;
- (e) market announcements being accurate, balanced and expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Company is committed to responsible corporate governance and promoting investor confidence by observing its continuous disclosure obligations under the ASX Listing Rules (Listing Rules) and the Corporations Act 2001 (Cth).

### 11.2 Purpose

The purpose of the Continuous Disclosure Policy is to outline the corporate governance measures adopted by the Company to further its commitment to disclosure. Ensuring that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and Listing Rules and as much as possible seeks to achieve and exceed best practice. This Policy seeks to incorporate:

- disclosure obligations in the ASX Listing Rules;
- Principle 5 (Make timely and balanced disclosure) and Principle 6 (Respect the rights of shareholders) of ASX Corporate Governance Council's Corporate Governance Principles and Recommendations; and
- the principles in ASX's Guidance Note 8 and the 10 principles set out in ASIC's Regulatory Guide 62: *Better disclosure for investors*.

### 11.3 Continuous disclosure obligations

The Company is a public company listed on the ASX. It is subject to mandatory continuous disclosure obligations under the Corporations Act and the Listing Rules (which are given legislative force under section 674 of the Corporations Act), in addition to the periodic and specific disclosure requirements.

**The Rule:** The primary continuous disclosure obligation is contained in Listing Rule 3.1, which states that:

*"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information."*

#### 'Aware' of information

The Company is taken to be aware of information if any of its directors, Company Secretary or senior managers has, or ought reasonably to have, come into possession of that information in the course of the performance of their duties as an officer of the Company.

#### Immediate notification of information which may have a material effect on price or value

Section 677 of the Corporations Act states that, a reasonable person is taken to expect information will be taken to have a material effect on the price or value of the Company's securities (that is the information is **Market Sensitive Information**) if that information would, or would be likely to influence investors in deciding whether to subscribe for, buy, hold or sell the Company's securities.

A determination of whether or not information is market sensitive will be a matter of judgment in each particular case.

Each director and employee should immediately notify the Chair, the Chief Executive Officer (CEO) or, in their absence, the Company Secretary, of the Company, if they become aware of any information concerning the Company which may be market sensitive.

In assessing whether or not information is market sensitive, consideration is given to the Company's circumstances prevailing at the relevant time, including its business activities, size and place in the market. Any external information that is publicly available at the time and any previous disclosures made by the Company to the market, and the impact of the new information on the previously disclosed information, must also be considered.

ASX has provided examples of the type of information that may need disclosure in the notes to Listing Rule 3.1 and in Guidance Note 8.<sup>1</sup>

If any material information disclosed to the market becomes incorrect, the Company must release an announcement correcting or updating the information if the change in the information is such that a reasonable person would expect it to have a material effect on the price or value of the Company's securities, or if ASX requires in order to correct or prevent a false market.

### **Exceptions to disclosure of information**

Listing Rule 3.1A contains the only exception to Listing Rule 3.1:

*"Listing Rule 3.1 does not apply to particular information while each of the following is satisfied:*

*3.1A.1 One or more of the following 5 situations applies:*

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for internal management purposes of the entity;*  
*or*
- The information is a trade secret.*

*3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*

*3.1A.3A reasonable person would not expect the information to be disclosed."*

The Listing Rules provide that disclosure of Market Sensitive Information is not required if all of the above three tests are satisfied.

As soon as any of three tests are no longer satisfied in relation to particular Market Sensitive Information, the Company must immediately disclose that information.

The availability of the exception regarding any Market Sensitive Information that has not been disclosed to ASX must be continually assessed by the Company.

### **11.4 Roles and Responsibilities**

(a) Role and responsibilities of the CEO

The CEO (or equivalent) is primarily responsible for ensuring that the Company complies with its continuous disclosure obligations and the overall implementation and administration of this Policy.

In particular, the CEO is responsible for:

- i. considering the information in question and determining whether it is market

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<sup>1</sup> Guidance Note 8 notes that, in determining whether information was market sensitive, ASX will look at the effect that information had on the market price when it was announced to the market. For these purposes ASX will generally apply the guidelines on materiality under the Australian Accounting and International Financial Reporting Standards. This means that if the market price has moved 10% or more, ASX will generally regard this as market sensitive information, and if has moved 5% or less, ASX will generally regard this as confirmation that the information was not market sensitive. However these are guidelines only and may not apply in all circumstances.

sensitive information which must be disclosed by the Company to ASX;

- ii. determining whether the market sensitive information falls within the exception referred to in section 11.3 above;
- iii. if of the view that the market sensitive information falls within the exception to the continuous disclosure obligation, creating and retaining a file note setting out reasons why the market sensitive information falls within the exception and therefore does not need to be released to ASX.
- iv. assessing whether the market sensitive information to be disclosed should be reviewed and approved by the Board before it is released and, where appropriate, referring the proposed announcement to the Board;
- v. when market sensitive information needs to be released, overseeing the preparation of release of such information and (as necessary) consulting with appropriate members of the Board, management and external advisers;
- vi. deciding whether a trading halt is required;
- vii. authorising the final form of announcements to the market (except any announcements that the Board is required to, elects to or is asked to approve as referred to in section 11.4(e) below); and
- viii. ensuring all officers and employees of the Company are aware of and educated on this Policy and the Company's continuous disclosure obligations.

(b) Role and responsibilities of the Company Secretary

The Board has appointed the Company Secretary as the responsible person for communication with ASX in relation to listing rule matters, with the Australian Securities and Investments Commission (**ASIC**) in relation to continuous disclosures matters and also for the general administration of this Policy.

In particular, the Company Secretary is responsible for:

- i. seeking final approval from the CEO or, in his or her absence, the Chair, and, if required the Board for all documents to be released to the ASX;
- ii. seeking to ensure that ASX is immediately notified of any information which needs to be disclosed;
- iii. ensuring the Board receive copies of all material market announcements promptly after they have been made;
- iv. reviewing board papers and other information referred to the Company Secretary for events that the Company Secretary considers may give rise to disclosure obligations; and
- v. maintaining a record of reasons for any decision to not make an announcement on ASX and maintaining a register of announcements made to ASX and lodged with ASIC.

(c) Obligations of officers and employees

All officers, employees and contractors of the Company must read and comply with this Policy at all times.

Officers and employees of the Company have the following obligations:

- i. any questions or inquiries regarding any aspect of this Policy, should be directed to the Company Secretary;
- ii. as soon as they become aware of any information that is not generally available and which may be considered market sensitive, they must immediately notify the CEO, the Chair or, in their absence, the Company Secretary;
- iii. if in doubt as to whether the information may be "market sensitive" or may influence an investor's decision to buy or sell the Company's securities, the information must be referred to the CEO or, in his or her absence, the Company Secretary for determination;
- iv. if they inadvertently leak information to the media or public or become aware that information has been leaked, they must make no comment in relation to the information and must notify the CEO or, in his or her absence, the Company Secretary immediately;

- v. they must not make any comments in respect to market speculation and rumours. If approached by the media or an external party for information, they must not make any comment and must notify the CEO or, in his or her absence, the Company Secretary immediately; and
- vi. senior managers are responsible for reporting any material matter arising in their areas of responsibility that could potentially require disclosure to the CEO or, in his or her absence, the Company Secretary.

(d) Information to be provided

If a director, officer or employee of the Company is required to provide details of a matter or event to the Chair or CEO, in his or her absence, the Company Secretary, they must provide the following information:

- i. a general description of the event or matter;
- ii. details of the parties involved;
- iii. the relevant date of the event or transaction;
- iv. the status of the event or matter;
- v. the estimated value of the transaction;
- vi. the estimated effect it may have on the Zip's operation or financial status; and
- vii. the names of any employees, external advisors or other parties involved in the event or matter.

(e) Review by the Board

The Company acknowledges not every ASX announcement of information needs to be referred to the Board. Although, the Policy requires that all matters affecting fundamental areas of the business or structure of the Company should be approved by the Board. Example matters include major corporate actions such as a takeover proposal, structural change or capital raisings. The Board also has authority to elect to approve specific announcements.

The CEO may at his or her discretion deem it appropriate to refer disclosure matters to the Board for review.

This Policy will be periodically reviewed to check that it is operating effectively and whether any changes are required to the Policy. The disclosure and significant amendments made to this Policy will be communicated to officers and relevant employees.

### 11.5 Disclosure matters generally

(a) Inform ASX first

Listing Rule 15.7 further requires that the Company must not release information publicly that is for release to the market to anyone until it has given the information to ASX, and has received an formal confirmation from ASX that the information has been released to the market by ASX. Information must not be given to the media or otherwise distributed to shareholders before it is given to the ASX, even on an embargo basis.

(b) False market

Listing Rule 3.1B provides that if ASX considers that there is, or is likely to be, a false market in the Company's securities, and requests information from the Company to correct or prevent the false market, the Company must give ASX the information needed to correct or prevent the false market.

(c) Trading halts

If necessary, the Company may consider requesting a trading halt from ASX to prevent trading in shares on an uninformed basis and to manage disclosure issues.

(d) Breaches

Failure to comply with the disclosure obligations in this policy may lead to a breach of the Corporations Act or ASX Listing Rules and to personal penalties for directors and officers. Breaches of this policy may lead to disciplinary action being taken.

(e) Confidentiality

Confidential information is information that is confidential as a matter of fact.

All employees and officers of the Company owe a duty of confidentiality to the Company and must ensure that the confidentiality of any information concerning the Company within their possession is protected, by:

- i. refraining from discussing or divulging the information to any person except in accordance with this Policy; and
- ii. ensuring that any material within their possession relating to that information is properly and securely stored and is not disclosed to an unauthorised person.

It is important all employees and officers safeguard the confidentiality of corporate information to avoid premature disclosure.

(f) Guidelines of information to be disclosed if material

The following provides a guide as to the type of information that is likely to require disclosure. This is not an exhaustive list. The determination of whether certain information is material price sensitive information which is subject to continuous disclosure necessarily involves the use of judgment. There will inevitably be situations where the issue is less than clear.

Matters which generally require disclosure include:

- a change in the Company's financial forecasts or expectations. As a guide, a variation in excess of 10% may be considered material. If the Company has not made a forecast, a similar variation from the previous corresponding period may be considered material;
- a recommendation or declaration of a dividend or distribution, or a decision one will not be declared;
- changes in the Board of Directors, Senior Executives or Auditors;
- a change in the Company's accounting policy;
- an agreement between the Company (or a related party or subsidiary) and a Director (or a related party of the Director);
- events regarding the Company shares, securities, financing or any default on any securities (e.g. under or over subscriptions to an issue of securities, share repurchase program);
- giving or receiving a notice of intention to make a takeover offer;
- a transaction for which the consideration payable or receivable is a significant proportion of the written down value of the Company's consolidated assets (an amount of 5% or more would normally be significant but a smaller amount may qualify in a particular case);
- mergers, acquisitions/divestments, joint ventures or changes in assets;
- significant developments in regard to new projects or ventures;
- major new contracts, orders, or changes in suppliers or customers; or
- legal proceedings against or allegation of any breach of the law, whether civil or criminal, by the Company.

## 11.6 Review of Policy

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 12 DIVERSITY POLICY

### 12.1 Purpose

Zip Co Limited (the Company or Zip) values diversity in the workplace, recognises that a diverse workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance.

The Company acknowledges the positive outcomes and better overall performance that can be achieved through a diverse workplace, including being able to attract, retain and motivate directors, officers and employees from the widest possible pool of available talent.

The Company has a strong commitment to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience. Zip recognises that in order to have an inclusive workplace, discrimination, harassment, vilification and victimisation cannot and will not be tolerated.

The purpose of this Diversity Policy (the Policy) is to outline the Company's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on the composition of its Board and senior management team. This Policy also provides a process for the Board to determine measurable objectives which the Company will implement and report against for the purpose of the Company achieving its diversity goals.

This Policy applies to the Board and all employees, including contractors and temporary employees, of the Company.

### 12.2 Diversity Commitment

Zip is committed to:

- (a) complying with the diversity recommendations published by ASX Corporate Governance Committee by establishing measurable objectives for achieving gender diversity;
- (b) ensuring that the Company's corporate culture and values at all levels supports diversity and inclusion in the workplace whilst maintaining a commitment to a high performance culture;
- (c) promoting diversity among employees, consultants and senior management throughout the Company;
- (d) keeping the shareholders of the Company informed of the Company's progress towards implementing and achieving its diversity objectives;
- (e) ensuring that recruitment and selection practices at all levels are appropriately structured so that a diverse range of candidates are considered and guarding against any conscious or unconscious biases that might discriminate against certain candidates;
- (f) supporting at all levels an individual's domestic responsibilities including the adoption of flexible work practices that will assist them to meet those responsibilities;
- (g) providing opportunities for employees on extended parental leave to maintain their connection with the workplace;
- (h) ensuring the policy for selection and appointment of new directors is transparent and considers all facets of diversity to avoid "groupthink" or other cognitive biases in decision making;
- (i) ensuring development and succession plans for directors and Senior Management include gender diversity as a relevant consideration;
- (j) monitoring and measuring the achievement of all diversity objectives set by the Board; and

- (k) considering whether key performance indicators for senior management might be an appropriate way of furthering gender diversity objectives

The Board will:

- (a) aim to ensure that appropriate procedures and measures are introduced and responsibilities delegated to the Remuneration and Nomination Committee to ensure that the Company's diversity commitments are implemented appropriately;
- (b) seek to ensure that the diversity profile is a factor that is taken into account in the selection and appointment of qualified employees, senior management and Board candidates; and
- (c) seek to identify and consider programs and initiatives that:
  - (i) assist in the development of a broader pool of skilled and experienced employees and that, over time, will prepare them for senior management and Board positions;
  - (ii) assist with enhancing employee retention, in particular that of women from middle management;
  - (iii) assist with minimising career disruption when employees take time out of the workplace to meet other obligations and attempt to re-enter the workforce; and
  - (iv) facilitate or permit employees to access such programs or initiatives where reasonable, possible and in line with the needs and objectives identified by the diversity profile.
- (d) review this policy at least annually to ensure that it is operating effectively and whether any changes are required.

While the key focus of this Policy and the ASX Corporate Governance Council's recommendations is on promoting the role of women within organisations, the Company recognises that other forms of diversity are also important and will seek to promote and facilitate a range of diversity initiatives throughout the Company beyond gender diversity.

### 12.3 Responsibilities

- (a) The Board has formally approved and adopted this policy, showing a commitment by the Board for accountability across the Company to achieve its diversity goals.
- (b) The Board has responsibility for this policy, including its regular review and the monitoring of its effectiveness.
- (c) The Board has responsibility to disclose:
  - (i) the Diversity Policy on the Company's website;
  - (ii) the Objectives set for the relevant reporting period and the Company's progress in achieving the Objectives in Zip's annual report; and
  - (iii) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or the entity's Gender Equality Indicators, as defined in the *Workplace Gender Equality Act 2012* (Cth).

### 12.4 Objectives

- (a) Setting measurable objectives

The Board, in consultation with the Remuneration and Nomination Committee, will, to the extent practicable (particularly in the context of the Company's circumstances and industry), annually set measurable objectives for achieving gender diversity, in the composition of its Board, senior management and workforce generally (**Objectives**) and, where appropriate, other aspects of diversity including in respect of women in leadership, age diversity and cultural diversity.

Should the Company be in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board will be to have not less than 30% of its directors of each gender within a specified period.

(b) Periodic review

The Board (in consultation with the Remuneration and Nomination Committee) will assess annually the Company's progress in achieving the Objectives. They will also monitor the effectiveness of this Policy and oversee the implementation of initiatives outlined in and arising from this Policy.

(c) Measurable objectives as key performance indicators

The Board, in consultation with the Remuneration and Nomination Committee, will consider the extent to which the achievement of these measurable objectives should be tied to key performance indicators for the Board, the CEO and other senior management. If Zip undertakes a gender pay equity audit (which must be approved by the Board), the Board will consider the results of any such audit and any disclosure related issues.

## **12.5 Review of Policy**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## **13 ANTI-BRIBERY AND CORRUPTION POLICY**

### **Part A: Introduction**

#### **13.1 Policy statement**

Zip Co Limited and its subsidiaries and related entities (the Company, we/us/our) has a zero tolerance approach to bribery and corruption. We:

- (a) conduct all business in an honest and ethical manner;
- (b) are committed to acting professionally, fairly and with integrity in all business dealings and relationships;
- (c) do not permit the making of any inappropriate promises, gifts or excessive hospitality to any Public Officials in order to achieve unfair advantage or benefit; and
- (d) resist any efforts made by others (including suppliers, customers or clients) to unfairly affect any official decision making process in order to achieve unfair advantage or benefit.

Our employees and any third parties must:

- (a) conduct all business in an honest and ethical manner;
- (b) be committed to acting professionally, fairly and with integrity in all business dealings and relationships;
- (c) not permit the making of any inappropriate promises, gifts or excessive hospitality to Public Officials in order to achieve unfair advantage or benefit; and
- (d) resist any efforts made by others (including existing or potential supplier, customers or clients) to unfairly affect any official decision making process in order to achieve unfair advantage or benefit.

We encourage charitable donations and sponsorships only when they are ethical and legal under local laws and practices. We do not encourage contributions to political parties.

We do not condone facilitation payments as a means of doing business. We expect our business partners and any third parties we do business with to implement and enforce effective systems to counter bribery.

We will make every effort to report and document any breach of the law that is brought to our attention through the reporting mechanism provided by Australian authorities.

We acknowledge the serious criminal civil penalties and reputational damage that may be incurred if the Company, any employee or third party are involved in bribery or corruption.

This policy extends across all of our business dealings, and in all countries and territories in which we operate.

In accordance with this policy and with relevant laws and regulations, we will:

- (a) not provide, solicit or accept payments, gifts or entertainment that constitute bribery, as defined herein;
- (b) maintain systems and controls which will deter and minimise the risk of bribery;
- (c) make employees fully aware of our anti-bribery policy and create an anti-bribery culture within the organisation, the central feature of which will be zero tolerance of bribery; and
- (d) provide appropriate mechanisms for employees to report suspected bribery or otherwise voice their concerns, and to protect those who do so.

It is every employee and third party's responsibility to comply with the requirements of this policy. Employees and third parties should review this policy regularly, as it may be updated by us from time to time. Employees and third parties should also periodically review any related policies.

#### **13.2 Scope of policy**

This policy applies to:

- (a) the Company and all of our officers and employees (whether permanent or temporary);
- (b) any subsidiaries of the Company and their respective officers and employees (whether permanent or temporary); and

- (c) any identified and appropriate third parties (including contractors or consultants) who are notified by us or any of our subsidiaries of the existence of this policy, irrespective of whether or not such third parties are contractually required to comply with this policy.

In this policy, unless the context requires otherwise the term 'employee' is used to refer to all individuals who are:

- (a) expressly covered by this policy as set out in paragraph 13.2; or
- (b) act as officers of, are employed by or are a contractor to any party referred to in paragraph 13.2.

### **13.3 Compliance with relevant laws**

Employees and third parties must comply with the anti-bribery and anti-corruption laws of each and every country in which they conduct business on behalf of the Company, as well as the laws of any other country that may extend to apply to any part of our business. These laws may include (but are not limited to):

- (a) the Australian Criminal Code Act 1995 (Cth);
- (b) relevant New Zealand legislation, including:
  - (i) the *Crimes Act 1961* (NZ); and
  - (ii) the *Secret Commissions Act 1910* (NZ).
- (c) the Bribery Act 2010 (UK);
- (d) the US Foreign Corrupt Practices Act, 15 USC § 78dd-1 (1977); and
- (e) the South African Prevention and Combating of Corrupt Activities Act 12 of 2004 and any other relevant applicable legislation.

Employees and third parties' compliance with the anti-bribery and anti-corruption laws of the country in which they conduct business on behalf of the Company is an internal requirement of the Company.

### **13.4 Other policies**

Employees should ensure that they read and comply at all times with all other relevant internal policies, procedures and guidelines in addition to this policy. These include (but are not limited to):

- (a) The Company's suite of Corporate Governance policies procedures – available at <http://zipmoneylimited.com.au/corporate-governance.html>;
- (b) The Company's Whistleblowing Policy – available at <http://zipmoneylimited.com.au/corporate-governance.html>;
- (c) The Company's Privacy Policy – available at <https://zip.co/privacy>; and
- (d) The employment contract between the Company and the employee.

Employees must also ensure that they complete any anti-corruption training that they are required to undertake from time to time.

## **Part B: Bribery**

### **13.5 Meaning of 'Bribe'**

- (a) A bribe includes payment or offers or promises to pay or provide anything of value, directly or indirectly, to obtain an improper personal or business advantage.
- (b) 'Anything of value' should be interpreted broadly to include anything (whether monetary or non-monetary) that provides a benefit to the recipient. It may include facilitation payments, favours, loans and loan guarantees, the use of property, job offers, political contributions or the payment of expenses or debts.
- (c) 'Facilitation payments' means customary, unofficial minor payments to secure or speed up a routine government action. They are known colloquially as "speed money", 'grease payments' or 'oiling the wheels'.

### **13.6 Prohibition on bribery**

- (a) We strictly prohibit the payment, offer or authorisation of a bribe, as well as the receipt or acceptance of a bribe, as defined in paragraph 13.5.

### **13.7 Policies and procedures**

- (a) We have put this policy in place in order to prevent instances of bribery occurring. Any failure by employees to comply with this policy may not amount to a criminal offence, but will nevertheless be treated by us as a serious breach of duty for disciplinary purposes.
- (b) Employees should familiarise themselves with any procedures which apply to them and ensure that they are complied with. If there is anything which they do not understand, such as how a procedure operates, they should not hesitate to seek guidance from the Policy Officer.

### **13.8 Reporting**

- (a) Employees must report immediately, in accordance with the procedure at paragraph 13.9 below, when they:
  - (i) uncover an instance of bribery; or
  - (ii) suspect that a bribe has been, or is in the process of being made, paid or received or merely discussed; or
  - (iii) receive or otherwise become aware of information which suggests that a bribe is in the process of being made, paid or received or merely discussed.
- (b) Equally, employees must make a report when they:
  - (i) suspect that a related breach of policies and procedures has occurred; or
  - (ii) receive or otherwise become aware of information which suggests that a related breach of policies and procedures has been or is in the process of being committed.

### **13.9 Report and escalation by employees**

- (a) Where an employee becomes aware of or suspects that bribery has taken place, the information will be reported in the first instance to:
  - (i) their manager (or in the case of third parties, the third party's contact person); or
  - (ii) directly to the Policy Officer.
- (b) All reports will be treated in confidence and fully investigated. Every effort will be made to grant anonymity if it is requested, although employees should be aware that anonymity may be difficult or even impossible to preserve if, as a result of investigations, the police are informed or disciplinary action is taken.
- (c) Once an employee has reported a suspicion or concern to the appropriate person, the matter should not be discussed with any person other than those responsible for investigating it until the information is made public.
- (d) A manager to whom an employee's concerns are expressed must act promptly and notify the employee of any action taken. Where it is decided that further investigation is not appropriate, the employee must be given a prompt and full explanation of the reasons for reaching this conclusion.

### **13.10 Responsibility of managers**

- (a) Managers have full authority to implement this policy within their spheres of responsibility. The measures taken by managers will vary according to the nature of the area for which they are responsible but may include:
  - (i) devising, implementing and maintaining systems and controls designed to prevent bribery, minimise the risk of bribery and detect instances of bribery;
  - (ii) ensuring that employees are aware of our anti-bribery policies and procedures; and

- (iii) ensuring that employees participate in our anti-bribery training and that training specific to the needs of particular employees or job functions (including on-the-job training) is provided when appropriate.

### **13.11 Responsibility of all employees**

- (a) Employees are expected, as part of their normal duties, to do the following:
  - (i) familiarise themselves with our anti-bribery and related policies;
  - (ii) participate in any anti-bribery training provided by us;
  - (iii) familiarise themselves with and comply with any policy and procedure manuals which apply to their jobs;
  - (iv) immediately report any actual or suspected bribe;
  - (v) immediately report any allegation of bribery made by a third party; and
  - (vi) immediately report any breaches of policies and procedures which may come to their attention.
- (b) All employees who are authorised to make payments to third parties must take steps to:
  - (i) understand the link between commissions (if any) and the business transaction/venture;
  - (ii) document the calculation or basis of all proposed commissions to ensure they are reasonable and in-keeping with local practice;
  - (iii) ensure that all expenses are explainable and relate legitimately to the services provided;
  - (iv) ensure that all expenses are properly claimed, records and paid; and
  - (v) be aware of changes to the payee/recipient.

### **13.12 Investigating bribery**

- (a) Any investigation into a bribe or suspected bribe will depend on a variety of factors and we will respond accordingly.

#### **What happens in our investigations?**

During our investigations, we:

- analyse information to determine if misconduct relating to bribery has occurred
- gather information using careful, investigative practices.

#### **Why do we investigate?**

The decision to begin an investigation does not mean there has been any misconduct. Rather, we investigate to:

- determine if there is evidence of criminal conduct and potential criminal offences involved
- determine if there is evidence of conduct which warrants disciplinary action
- expose strengths and weaknesses in the Company's processes that could allow corruption to take place.

The duration of the investigation depends on the nature and complexity of the allegations. Our aim is to complete investigations within 6 months unless extenuating circumstances require a longer review period.

#### **What information should employees report?**

- Employees are encouraged to raise concerns about any instances of bribery or corruption, or suspicions about them, as early as possible
- If an employee is unsure about whether a particular act constitutes bribery or corruption, they can raise this with their manager.

Should the Company identify cases of actual or suspected cases of bribery, it will be considered whether the matter should be reported to the police or other relevant enforcement agencies.

## **Part C: Gifts, benefits and entertainment**

### **13.13 Background**

- (a) We must act with integrity and transparency in all of our business dealings to avoid the appearance of seeking to obtain any improper business advantage. Accordingly, we do not permit the giving or receiving of gifts, benefits or entertainment that are not reasonably justifiable in all the circumstances.
- (b) Part C of this policy establishes minimum requirements for the offering and receiving of gifts, benefits and entertainment and associated record keeping requirements. It seeks to ensure that any conflict of interest, or the appearance of such, between the self-interest of an employee and his/her responsibilities to the Company or our clients is avoided or, at the very least, appropriately managed.

### **13.14 Explanation of concepts**

- (a) In this Part C, the following definitions apply:
  - (i) anything of value should be interpreted broadly to include anything (whether monetary or non-monetary) that provides a benefit to the recipient. It may include favours, loans and loan guarantees, the use of property, job offers, political contributions or the payment of expenses or debts;
  - (ii) benefits should be interpreted broadly to include anything of value as defined above and might include transport or promotional items associated with other entertainment;
  - (iii) entertainment means any entertainment or event, whether provided by us or received from our employee, including any social event, hospitality event, meal, conference, marketing event or any similar event;
  - (iv) gifts means anything of value given to, or received from, a prospective or current client, business partner, consultant, agent or service provider;
  - (v) Minimal Value means for promotional gifts valued at less than AUD\$300 or local equivalent and entertainment costing less than AUD\$300 or local equivalent;
  - (vi) Other Party means an existing or prospective client, consultant, intermediary or other goods/services provider of the Company; and
  - (vii) Public Official means anyone working in a legislative, administrative or judicial position or working for or on behalf of government-owned or controlled entities or agencies, political parties, party officials and political candidates or for a public international organisation whose members are either: (a) countries or territories; (b) governments of countries or territories; or (c) other public international organisations. This definition may include consultants who hold government positions, employees of companies owned or controlled by governments, political party officials and others, or employees retained by government agencies. For the purposes of this policy, this term will also cover immediate family members (parent, spouse, child, in-law or sibling) and anyone else to whom the Public Official provides material support.

### **13.15 General requirements relating to gifts, benefits and entertainment**

- (a) Employees must not accept gifts, benefits, or entertainment from, or offer or provide them to, a person they know through their employment with us, except in accordance with this policy.
- (b) When considering offering to or accepting from an existing or prospective client, consultant, intermediary or other goods/services provider (each an Other Party), employees must never use their position with the Company for personal or private gain for themselves, their families or other persons.

- (c) In addition to the specific requirements set out below, no gifts, benefits or entertainment may be offered to, or accepted from, Other Parties in circumstances where it:
- (i) is inappropriate in light of the underlying business relationship;
  - (ii) is so frequent, excessive in value or of such a nature that it might give rise to a perception of impropriety;
  - (iii) might cause embarrassment to us and/or bring our reputation into disrepute;
  - (iv) might cause the recipient to improperly perform his or her duties;
  - (v) might be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe;
  - (vi) might improperly influence the recipient's judgement and/or potentially impact or alter the provision or receipt of a service; or
  - (vii) violate any applicable laws or regulations.

### **13.16 Specific requirements relating to gifts**

- (a) The giving or receiving of cash gifts is strictly prohibited. In addition, employees must not solicit or receive gifts or anything of value for their own benefit in return for a relevant function or activity being improperly performed, either by them or others.
- (b) Exceptions to this policy are permissible in relation to:
- (i) promotional items of Minimal Value (such as stationery, pens, calendars or diaries), which may be offered;
  - (ii) gifts of a purely personal nature to mark occasions such as a wedding, birth of a child or retirement, which are not subject to this policy provided there is no expectation that a relevant function or activity will be performed improperly or that business will be obtained or retained as a result of the gift; and
  - (iii) seasonal or traditional gifts that are given to mark local festivals, where it is local business practice to exchange such gifts and provided that the gifts do not appear to be excessive in the circumstances.

### **13.17 Specific requirements relating to entertainment**

- (a) The following guidelines apply:
- (i) Entertainment of or by Other Parties must not be so frequent or so excessive as to raise any question of impropriety and must always be consistent with the underlying relationship with the Other Party.
  - (ii) Entertainment, whether given or received, does not require approval where its cost falls below the Minimal Value.
  - (iii) Normal business courtesies such as paying for a meal are acceptable provided they are proportionate and cannot reasonably be regarded as giving rise to a conflict of interest.
  - (iv) Attendance at a sporting, cultural or other social event is acceptable. However, employees should not solicit entertainment from Other Parties.
  - (v) Providing accommodation or transport to Other Parties attending entertainment events, and paying for their guests or family members, should be avoided.

### **13.18 Public Officials**

- (a) The provision of anything of value to Public Officials should be avoided whenever possible and, if being considered, the advice of the Policy Officer should be sought in advance.

- (b) In particular, gifts to Public Officials should be strictly avoided. Guidance should be sought from the Policy Officer before offering such a gift.

### **13.19 Record retention**

- (a) Details of all conflicts of interest, gifts, benefits or entertainment given or received, including any rejected gifts, should be maintained in a central file.
- (b) The Policy Officer should periodically review (at least annually) the frequency of gifts and entertainment being received and given and seek the advice of our legal advisers where the cumulative monetary value of gifts and entertainment given or received by any individual appears excessive or inappropriate.

## **Part D: Third Parties**

### **13.20 Background**

- (a) We must act with integrity and transparency in all of our business dealings to avoid the appearance of seeking to obtain any improper business advantage. The use of any third parties (including contractors or consultants and other parties acting on the Company's behalf) (together, third parties) increases the risk of corrupt activities being undertaken as we have less control over these third parties.
- (b) For this reason, third parties should not be used by us unless it is not possible to conduct business without their involvement. This policy establishes the way in which third parties should be engaged and monitored.

### **13.21 Procedure for appointment and retention of third parties**

- (a) Before the engagement of a new third party or renewal of an existing agreement with a third party, the Company will take appropriate steps to ensure the party meets the Company's requirements, as outlined below.
  - (i) Due diligence should be updated to ensure that risks are properly managed. For example, if there is a change in the third party's ownership, directors or control or its business activities (resulting in it being involved with high risk jurisdictions or sectors), further due diligence must be conducted, properly recorded and signed-off as above.
  - (ii) The third party should be made aware of the anti-corruption policies in place and the standards of conduct that we expect.
  - (iii) The level of fees should be reasonable in relation to the level of service provided.
  - (iv) The relationship between the Company and all third parties must always be governed by a written agreement. This agreement should include provisions setting out the standard of conduct expected and giving us sufficient rights so that monitoring and investigation can take place. No business should be conducted with the third party's involvement until such an agreement has been entered into.

### **13.22 Contact persons responsibilities**

- (a) If it is essential to use a third party to conduct business, the principles set out below should be followed:
  - (i) An employee should be identified as the contact person for the third party.
  - (ii) There should be a solid and documented basis for trusting the third party and sufficient background checks should have been carried out.
  - (iii) The contact person should make the third party aware of our anti-corruption policies and, where appropriate, suitable training should be given at our discretion.

- (iv) The contact person must take reasonable steps to monitor the third party and prevent improper conduct.
- (v) If there is any indication of potentially improper conduct the contact person should notify the Policy Officer immediately. The Policy Officer will then take sufficient steps to investigate the conduct.
- (vi) An arrangement with a third party should be terminated in the event that an investigation does not dispel concerns about the alleged improper conduct. Decisions relating to such termination will be ultimately taken by the Company but the Policy Officer will ensure that the contact person is kept updated on the progress of the investigation and any conclusions drawn.

### **13.23 Third parties obligations**

- (a) Third parties are expected to do the following:
  - (i) familiarise themselves with our anti-bribery and related policies;
  - (ii) participate in any anti-bribery training provided by us;
  - (iii) familiarise themselves with and comply with any policy and procedure manuals which apply to their work;
  - (iv) immediately report any actual or suspected bribe to their contact person or the Policy Officer;
  - (v) immediately report any allegation of bribery made by a third party; and
  - (vi) immediately report any breaches of policies and procedures which may come to their attention.

### **13.24 Warning signs**

- (a) Contact persons and employees should always look out for anything that might signal that the third party is involved in any improper conduct. This could include situations when the third party:
  - (i) appears unqualified or understaffed;
  - (ii) is located in a jurisdiction that we consider to be high risk. This may be determined by reference to Transparency International's Corruption Perceptions Index, available at <https://www.transparency.org/cpi>;
  - (iii) is specified or recommended by a government official;
  - (iv) requests that his, her or its identity be kept hidden;
  - (v) requests that he, she or it be paid in cash, upfront or through offshore payments;
  - (vi) requests unusually large fees in relation to the services provided; or
  - (vii) seeks reimbursement for unusually high or undocumented expenses.

### **13.25 Record retention**

- (a) Details of all third parties engaged by the Company should be maintained in a central file and kept updated. Signed originals of all written agreements should be retained and stored securely.

## **Part E: Minimising Corruption Risk**

### **13.26 Training**

- (a) Induction training on this policy will be provided to all new employees and relevant third parties. All employees and relevant third parties will receive training on this policy on at least an annual basis. Training is mandatory and will be tailored to the situations most relevant to particular employee or third party.
- (b) Where a manager, contact person or the Policy Officer determines that further training of employees or third parties is required, such training will be arranged and will be mandatory.
- (c) All employees and third parties who are unclear about the operation of this policy or its application

to a particular situation should contact the Policy Officer.

### **13.27 Risk Assessment**

- (a) The Policy Officer will undertake an annual risk assessment to identify any bribery and corruption risks within the Company (Risk Assessment).
- (b) All employees and third parties are expected to fully co-operate with the Policy Officer while the Risk Assessment is being undertaken.

### **13.28 Policy Review**

- (a) The Policy Officer will undertake an annual review of this policy to check that it is operating effectively and whether any changes are required to the policy.
- (b) This Policy may be amended by resolution of the Board.
- (c) Date of last review: 1 July 2020.

## **Part F: Whistle-blower protections and processes**

### **13.29 Overview**

- (a) We are committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which our board, employees and third parties are responsible and accountable, behave with honesty and integrity and are able to raise concerns regarding unethical, unlawful or undesirable conduct, without fear of reprisal. We do not tolerate conduct that should be reported in accordance with this policy, and encourage our board, employees and staff to report an issue if they genuinely believe Improper Misconduct has occurred.
- (b) For further information, please see the Company's Whistleblower Policy available at <http://zipmoneylimited.com.au/corporate-governance.html>.

## **Part G: Corporate Social Responsibility Programs**

### **13.30 Overview**

- (a) We are committed to conducting our operations in a socially and environmentally responsible manner. The Company monitors whether it has any material exposure to economic, environment and social risks through our Risk Management Policy.
- (b) For further information, please see the Company's Environment & Social Policy available at <http://zipmoneylimited.com.au/corporate-governance.html>.

## **Part H: Non-compliance**

### **13.31 Non-compliance**

- (a) The consequences of non-compliance with this policy could be severe. Breaches of this policy may render employees liable to disciplinary action, up to and including termination of employment.
- (b) In many jurisdictions, such breaches might also render individuals liable to prosecution by a law enforcement or regulatory body which might impose significant penalties for the giving or receiving of payments or gifts, benefits or entertainment which are deemed to be improper inducements for investment or other business.
- (c) In the case of business partners or other third parties to whom this policy also applies, we will not hesitate to terminate our relationship with a business partner or third party who has been found to breach this policy.
- (d) In the case of an employee who is guilty of bribery:
  - (i) the employee may face criminal penalties which will vary according to the offence with which he or she is charged and the seriousness of that offence;
  - (ii) the employee may be liable to disciplinary action, up to and including termination of employment; and

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- (iii) the employee may be liable to civil legal action for the recovery of any misappropriated sums and /or damages for any loss or damage suffered by his or her victim.

### **Key contacts page**

If you have any questions or require further information regarding this policy or any related policies of the Company, please contact the Policy Officer.

Any suspected incidents of bribery or other misconduct must be reported by contacting either the Policy Officer or Whistleblower Investigations Officer.

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<b>Policy Officer &amp; Whistleblower Investigations Officer</b>	Name:	Jessica Morris
	Phone:	+61 402 583 118
	Email:	<a href="mailto:jessica.morris@zip.co">jessica.morris@zip.co</a>
<b>Australian Federal Police</b>	Phone:	(02) 5126 0000
	Website:	<a href="https://www.afp.gov.au/contact-us">https://www.afp.gov.au/contact-us</a>

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## Schedule 1: Due Diligence Procedure

### Due Diligence

1. Appropriate due diligence enquiries should be made, including checking the third party's background, qualifications and reputation, before the appointment of any third party and on an ongoing basis.
2. The extent of the necessary due diligence enquiries will depend on a range of factors, including the location, nature of services, corporate structure and reputation of the Business Partner or Retailer. At a minimum, due diligence will involve:
  - (a) corporate structure inquiries (e.g. Equifax);
  - (b) assessment of the Business Partner or Retailer's country of domicile and country of payment, and risks associated with tax evasion or money laundering;
  - (c) media searches;
  - (d) business references;
  - (e) review of applicable economic and trade sanctions (including reviewing against the applicable lists of persons subject to sanctions);
  - (f) assessment of location specific corruption risks using the Transparency International Corruption Perception Index and the World Bank's Worldwide Governance Indicators; and
  - (g) consideration of any "red flags" arising in the course of due diligence. Some examples of red flags include:
    - (i) a history of improper payment practices;
    - (ii) refusal or reluctance to disclose the identity of owners, directors or officers, or insistence upon confidentiality;
    - (iii) unusual or secretive payment methods or a request for cash or bearer instrument payments;
    - (iv) a request of unusual bonus or special payments, or a request of payment in a jurisdiction outside the Business Partner or Retailer's home country with no relationship to the transaction or entities involved.
3. These checks should be fully researched and the results recorded.
4. Any concerns arising from due diligence enquiries must be raised with the Policy Officer.

## 14 WHISTLEBLOWER POLICY

### 14.1 Introduction and Purpose

Zip Co Limited ACN 139 546 428 (**Company**) and its subsidiaries (collectively, **Zip**) are committed to maintaining high standards of integrity, ethical behaviour and corporate governance. Zip recognises the importance of ensuring a safe, supportive and confidential environment where people feel confident about reporting wrongdoing and are supported and protected throughout the process.

This purpose of this Whistleblower Policy (**Policy**) is to:

- (a) establish a system for the reporting, investigation and rectification of wrongdoing;
- (b) encourage the reporting of wrongdoing and ensure that any such reports are dealt with appropriately;
- (c) set out how Zip will support and protect individuals who make reports in accordance with this Policy (Whistleblowers);
- (d) ensure Zip complies with its legal and regulatory obligations, including those under the *Corporations Act 2001* (Cth) (Corporations Act); and
- (e) to align with the ASX Corporate Governance Principles and Recommendations.

This Policy is underpinned by Zip's values of:

- (a) Treat each other with respect and dignity
- (b) Respect the law and act accordingly
- (c) Be fair and honest in your dealings
- (d) Use Zip's property responsibility and in the best interests of Zip and its reputation
- (e) Be responsible for your actions and accountable for their consequence
- (f) Be responsible to the community and to the individual.

Nothing in this Policy should be taken as restricting anyone from reporting any matter or providing any information to a regulator (such as ASIC, AUSTRAC or APRA), the police or any other person in accordance with any relevant law, regulation or other requirement.

### 14.2 Who does this Policy apply to?

- (a) This Policy applies to anyone who is, or has been, any of the following in relation to Zip:
  - (i) an officer or employee (e.g. current and former employees who are permanent, part-time, fixed-term or temporary, interns, secondees, managers, and directors);
  - (ii) a supplier of services or goods to Zip (whether paid or unpaid), including their employees (e.g. current and former contractors, consultants, service providers and business partners);
  - (iii) an associate (within the meaning of the Corporations Act); or
  - (iv) a relative, dependant or spouse of an individual mentioned above,
  - (v) (collectively, **Personnel**).

### 14.3 Reportable Matters

#### 14.3.1 What wrongdoing is reportable?

Personnel may report any conduct, whether actual, reasonably suspected or intended, by Zip or an officer or employee of Zip (acting in that capacity) that is:

- (a) dishonest, fraudulent or unethical;
- (b) illegal, corrupt or an irregular use of Zip's funds;
- (c) oppressive, discriminatory or grossly negligent;
- (d) an unsafe work-practice;

- (e) a serious breach of Zip's policies (including the protections afforded to Whistleblowers under this Policy);
- (f) an improper or misleading practice regarding accounting or financial reporting;
- (g) a failure to comply with any legal or regulatory obligation or the ASX Listing Rules;
- (h) a serious risk to public safety, the financial system or the environment;
- (i) a 'disclosable matter' under 1317AA of the Corporations Act (see the Annexure); and
- (j) a deliberate concealment of any conduct above,

(each a Reportable Matter and, collectively, Reportable Matters).

Conduct may constitute a Reportable Matter even if it does not involve a contravention of a particular law.

Examples of Reportable Matters include:

- (a) an employee offering or accepting a bribe in course of their employment;
- (b) facilitating money laundering and terrorist financing;
- (c) irresponsible lending practices; and
- (d) misleading practices in the preparation of Zip's financial statements.

#### **14.3.2 Personal work-related grievances**

This Policy does not apply to conduct that is not a Reportable Matter or conduct concerning a person's current or former employment which, although having implications for the person personally, does not:

- (a) have any other significant implications for Zip; or
- (b) relate to any conduct, or alleged conduct, about a Reportable Matter.

Such conduct should be reported and handled in accordance with Zip's usual procedures and policies regarding such matters.

Examples of conduct to which this Policy does not apply include:

- (a) an interpersonal conflict between the person and another employee;
- (b) a decision relating to the terms and conditions of engagement of the person; or
- (c) a decision to suspend or terminate the engagement of the person, or otherwise to discipline the person,

unless it involves retaliation or victimisation against the person for making a report in accordance with this Policy.

### **14.4 Reporting**

#### **14.4.1 Responsibility to report**

Zip relies on its Personnel to help maintain its commitment to honest and ethical behaviour. Personnel are encouraged to report any wrongdoing in accordance with this Policy.

#### **14.4.2 How to make a report**

- (a) A report can be made to:
  - (i) the Whistleblower Investigations Officer;
  - (ii) the Chair of the Risk Committee of the Company; or
  - (iii) if (i) or (ii) above is not applicable for any reason, any director of the Company,

in person, by email or by letter sent to the Company and marked for the attention of the relevant person.

Personnel are encouraged, where possible, to raise issues with the Whistleblower Investigations Officer first. However, Personnel may at any stage skip a person in the chain

outlined above if that person is the subject of the report, if there is a reason to believe that the person is not likely to deal with, or has not dealt with, the report properly or are otherwise uncomfortable with making the report to that person.

- (b) Any such report should, where possible, be in writing and contain details of:
- (i) the nature of the alleged conduct and when it is alleged to have occurred;
  - (ii) the person or persons responsible for or involved in the alleged conduct;
  - (iii) the facts on which the Whistleblower's belief that the alleged conduct has occurred, and has been committed by the persons named, are founded; and
  - (i) the nature and whereabouts of any further evidence that would substantiate the allegations contained in the report, if known.
- (c) Reports can be made anonymously by sending a sealed letter to the Company at its registered office. The letter should be marked 'Private and Confidential' and for the attention of the Company and a person listed in paragraph (a) above. It will be delivered unopened to that person. Reports made anonymously may, however, affect Zip's ability to investigate the matter properly and to communicate with a Whistleblower about their report.
- (d) To avoid jeopardising an investigation, prior to the resolution of the matter, Whistleblowers are required to keep confidential the fact that a report has been made (subject to any legal requirements).

#### **14.4.3 Deliberate false reporting**

A false report of a Reportable Matter could have significant effects on Zip's reputation and the reputations of other staff members and could also cause considerable waste of time and effort.

Anyone who knowingly makes a false report of a Reportable Matter, or who otherwise fails to act honestly with reasonable belief in respect of a report breaches this Policy and may:

- (a) be subject to disciplinary action, including dismissal (the disciplinary action or sanction will depend on the severity, nature and circumstance of the false report); and
- (b) not be afforded the protections given to Whistleblowers under this Policy.

However, the fact that a report turns out to be false will not of itself constitute a breach of this Policy nor prevent the Whistleblower from being afforded the protections under this Policy.

### **14.5 Investigations**

#### **14.5.1 Investigation process**

The key steps which Zip will take following the receipt of a report are as follows:

- (a) The recipient of the report (which must be a person listed in section 14.4.2(a) (Recipient) will assess the report to determine whether it is a report to which this Policy applies.
- (b) If the Recipient determines that it is a report to which this Policy applies, he or she must as soon as practicable, refer it to the Whistleblower Investigations Officer and the Chair of the Risk Committee of the Company, who will then consider the parameters of a formal investigation. The Whistleblower's identity must not be provided to anybody if the Whistleblower has requested that his or her identity be kept confidential.
- (c) The Whistleblower Investigations Officer is responsible at first instance for investigating reports made under this Policy, although it will be conducted under the governance of the Risk Committee. Investigation processes will vary depending on the nature and substance of the report, and whether the report was made anonymously. The purpose of an investigation is to determine whether or not a report is substantiated, with a view to Zip then rectifying any wrongdoing uncovered to the extent that this is practicable in all the circumstances.
- (d) The investigation will be conducted in a confidential, fair, thorough, objective and reasonably timely manner. If the Whistleblower Investigations Officer, a member of the Risk Committee or a member of the Board is allegedly involved in the alleged conduct, they must not take part in the

investigation except to the extent required to respond to the allegation.

- (e) The principles of procedural fairness will be observed to the extent possible when investigating a report. The individual against whom the allegation is made must be provided with the right of response prior to the conclusion of the investigation (where appropriate).
- (f) In investigating reports, the Whistleblower Investigations Officer (in consultation with the Risk Committee) may:
  - (i) designate a person to lead the investigation (this person must not be someone implicated in the alleged conduct);
  - (ii) delegate investigation of a report to another person or committee (whether internal or external to Zip) so long as they are not implicated in the alleged conduct; and/or
  - (iii) subject to compliance with Zip's procedures and policies, seek independent professional advice (e.g. from lawyers or auditors).
- (g) The outcome of all investigations will be documented in a register securely maintained by the Company having regard to the principles of preserving confidentiality.

#### **14.5.2 Action taken if wrongdoing found**

Zip may take a range of actions if the investigation finds that wrongdoing has occurred, including:

- (a) appropriate sanctions against the wrongdoer in accordance with applicable law;
- (b) where illegal conduct has occurred, reporting the matter to the relevant authorities; and/or
- (c) changes to Zip's procedures to prevent reoccurrence of the wrongdoing.

#### **14.5.3 Board to be informed**

The Board of Directors of the Company and the Company Secretary must be informed of any material incidents reported under this Policy immediately.

#### **14.5.4 Communicating with Whistleblowers about their report**

Where reports have not been made anonymously, Whistleblowers will be provided with regular updates and informed of the outcome of the investigation arising from their report, subject to considerations of the privacy of anyone who is the subject of the report, confidentiality requirements and applicable law.

Where practicable, Whistleblowers will be provided with initial feedback within a fortnight of making the report, and any further feedback on a fortnightly basis as the matter progresses.

### **14.6 Whistleblower Protection**

#### **14.6.1 Confidentiality and anonymity**

- (a) Whistleblowers are entitled to remain anonymous while making a report, over the course of the investigation and after the investigation is finalised. However, the effectiveness of an investigation may be hindered if a report is made anonymously and the Whistleblower has not provided a means of contacting them.
- (b) Unless required by law, a court or as consented to by the Whistleblower:
  - (i) the person to whom a report is made under this Policy must not disclose the identity of the Whistleblower to anyone else;
  - (ii) the identity of the Whistleblower must be kept confidential from any person not involved in the investigation of the report; and
  - (iii) all files relating to the report must be kept secure and information received from a Whistleblower must be held in confidence.
- (c) Practical measures which Zip may take to protect a Whistleblower's identity include:
  - (i) redacting all personal information or reference to the Whistleblower;
  - (ii) referred to the Whistleblower in a gender-neutral context;

- (iii) where possible, consulting with the Whistleblower to help identify certain aspects of their report that could inadvertently identify them; and
  - (iv) restricting access to information and records concerning reports made under this Policy.
- (d) A breach of the confidentiality requirements set out above will be regarded as a serious breach of this Policy and a person's terms of engagement or employment and may result in disciplinary action including termination of the person's engagement or employment.
- (e) Despite these protections, it is possible that someone might deduce a Whistleblower's identity without there having been a breach of this Policy because, for example, the nature of the report points to one particular individual having made it or otherwise as a consequence of the investigation process.

#### **14.6.2 Retaliation prohibited**

- (a) Zip is absolutely committed to ensuring all persons who make a report in accordance with this Policy are afforded absolute confidentiality and fairness and are not subject to any detrimental, recriminatory, harassing or unfavourable treatment for reporting a Reportable Matter.
- (b) Subject to section 14.6.3, Whistleblowers must not be personally disadvantaged for making a report in accordance with this Policy, whether by dismissal, demotion, any form of harassment, discrimination or any form of current or future bias. Zip will take whatever action is possible, consistent with this Policy, to make sure that this is the case.
- (c) The Company has appointed a Whistleblower Protection Officer whose role is to handle any complaints of retaliation or victimisation against a Whistleblower. If a Whistleblower has been the subject of any personal disadvantage as a consequence of making a report in accordance with this Policy, a complaint may be made to the Whistleblower Protection Officer, who will be responsible for handling such complaints. Alternatively, such complaints may be reported as a Reportable Matter in accordance with this Policy.
- (d) Whistleblowers are also encouraged to seek independent legal advice or contact regulatory bodies, such as ASIC, if they believe they have suffered detriment as a result of making a report in accordance with this Policy.
- (e) A breach of the protections set out above will be regarded as a serious breach of this Policy and a person's terms of engagement or employment and may result in disciplinary action including termination of the person's engagement or employment.

#### **14.6.3 Whistleblower's own involvement in wrongdoing**

If a Whistleblower is implicated in a Reportable Matter, making a report in accordance with this Policy will not protect the Whistleblower from the consequences flowing from his or her involvement in the wrongdoing. A person's liability for their own conduct is not affected by their report of that conduct under this Policy, although active cooperation in the investigation, an admission and remorse may be taken into account when considering disciplinary or other action.

For the avoidance of doubt, despite a Whistleblower's involvement in a Reportable Matter, they must not be subjected to, and Zip will ensure they are protected from, any actual or threatened retaliation or victimisation in reprisal for reporting that Reportable Matter in accordance with this Policy.

#### **14.6.4 Protection under law**

Additional protections may be afforded to Whistleblowers under applicable law including the *Taxation Administration Act 1953* (Cth) and the Corporations Act. Please see the Annexure for further information about the protections afforded to whistleblowers under the Corporations Act.

### **14.7 Records**

#### **14.7.1 Maintaining records**

The Company will maintain a secure and confidential record of all reports made and all actions taken under this Policy including:

- (a) reports of Reportable Matters;

- (b) complaints of breaches of this Policy; and
- (c) the results of any investigations conducted under this Policy.

#### **14.7.2 Identity of Whistleblowers not recorded**

Unless required by law, a court or as consented to by the Whistleblower, the identity of the Whistleblower, or information that is likely to lead to the identification of the Whistleblower, must be redacted from the records referred to in section 14.7.1.

#### **14.8 Communication of policy**

This Policy will be publicly available on the Company's website. Zip will also take reasonable steps, as it deems appropriate, to:

- (a) notify new Personnel of the existence of the Policy;
- (b) provide for the training of Personnel about this Policy and their rights and obligations under it; and
- (c) provide for the training of those who may receive reports under this Policy about how to respond to them.

#### **14.9 Questions**

Any questions about this Policy from Personnel should be directed to the Whistleblower Investigations Officer. The Whistleblower Investigations Officer will endeavour to respond to all queries in a timely manner.

#### **14.10 Review of Policy**

- (a) Periodic review

The Risk Committee is responsible for the review and oversight of this Policy. In performing this role, the Risk Committee will, with the appropriate support and input from management and the Company Secretary:

- (i) review on a periodic basis:
  - (A) the effectiveness of this Policy, its objectives and the strategies outlined above, which aim to achieve the objectives; and
  - (B) the division of responsibilities and accountability for handling and investigating Reportable Matters,

and

- (ii) provide a report to the Board on the outcomes of its review, including any recommendations for changes to those strategies or the way in which they are implemented.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

##### **14.10.1 Amendment**

This Policy may be amended or replaced from time to time. The latest version of this Policy can be found on the Company's website or obtained from the Whistleblower Investigations Officer.

#### **14.11 Policy Contacts**

Whistleblower Investigations Officer:	Jessica Morris	<a href="mailto:jessica.morris@zip.co">jessica.morris@zip.co</a> +61 402 583 118
Chair of the Risk Committee:	John Batistich	<a href="mailto:john.batistich@zipco">john.batistich@zipco</a> +61 412 963 168
Whistleblower Protection Officer:	Colette Retallick	<a href="mailto:colette.retallick@zip.co">colette.retallick@zip.co</a> +61 420 207 320

## ANNEXURE

### WHISTLEBLOWING UNDER THE CORPORATIONS ACT

Part 9.4AAA of the Corporations Act contains a whistleblower protection regime applying to the Company. This Annexure contains only a summary of the regime and is not exhaustive. It should not be relied upon as legal advice. Furthermore, the Corporations Act may have been amended since the date this Policy was published, meaning this information may no longer be current. Protection may also be provided under other applicable laws such as the *Taxation Administration Act 1953* (Cth).

#### 1. Protected Disclosures

1.1. **(Conditions)** The Corporations Act affords protections to disclosers where the following conditions are met:

- (a) the discloser is an individual who is, or has been, any of the following in relation to the entity:
  - (i) an officer or employee;
  - (ii) a supplier of services or goods to the entity (whether paid or unpaid), including their employees (e.g. current and former contractors, consultants, service providers and business partners);
  - (iii) an associate of the entity; and
  - (iv) a relative, dependant or spouse of an individual mentioned above,

and:

- (b) the discloser has made a disclosure of information relating to a 'disclosable matter' directly to an 'eligible recipient' or to ASIC, APRA or another Commonwealth body prescribed by regulation;
  - (c) the discloser has made a disclosure to a legal practitioner for the purposes of obtaining legal advice or legal representation about the operation of the whistleblower provisions in the Corporations Act; or
  - (d) the discloser has made an 'emergency disclosure' or 'public interest disclosure' (in which case, the disclosure can be made to a journalist or parliamentarian and still qualify for protection under the Corporations Act).
- 1.2. It is important for disclosers to understand the criteria for making an 'emergency disclosure' or a 'public interest disclosure' prior to making the disclosure. Refer to section 1317AAD of the Corporations Act for further details and seek advice from a legal practitioner.
- 1.3. Disclosures can be made anonymously and still be protected under the Corporations Act.
- 1.4. **(Disclosable matters)** Disclosable matters involve information that the discloser has reasonable grounds to suspect concerns misconduct, or an improper state of affairs or circumstances, in relation to:

- (a) the entity; or
- (b) a related body corporate of the entity,

and includes information which the discloser has reasonable grounds to suspect indicates those entities (including their employees or officers) have engaged in conduct that:

- (a) constitutes an offence against, or a contravention of, a provision of any of the following:
  - (i) the Corporations Act;
  - (ii) the *Australian Securities and Investments Commission Act 2001* (Cth);
  - (iii) the *Banking Act 1959* (Cth);
  - (iv) the *Financial Sector (Collection of Data) Act 2001* (Cth);
  - (v) the *Insurance Act 1973* (Cth);

- (vi) the *Life Insurance Act 1995* (Cth);
  - (vii) the *National Consumer Credit Protection Act 2009* (Cth);
  - (viii) the *Industry (Supervision) Act 1993* (Cth);
  - (ix) an instrument made under an Act referred to above;
- (b) constitutes an offence against any other law of the Commonwealth that is punishable by imprisonment for a period of 12 months or more;
- (c) represents a danger to the public or the financial system; or
- (d) is prescribed by regulation.
- 1.5. Disclosable matters include conduct that may not involve a contravention of a particular law.
- 1.6. Disclosures that are not about 'disclosable matters' do not qualify for protection under the Corporations Act. If a disclosure about a Reportable Matter under the Policy is not a 'disclosable matter' (e.g. reports of breaches of Zip's policies), it does not qualify for protection under the Corporations Act.
- 1.7. **(Personal work-related grievances)** Disclosures that relate solely to personal work-related grievances, and that do not relate to detriment or threat of detriment to the discloser, do not qualify for protection under the Corporations Act. Personal work-related grievances are those that relate to the discloser's current or former employment and have, or tend to have, implications for the discloser personally, but do not:
- (a) have any other significant implications for the entity (or another entity); or
  - (b) relate to any conduct, or alleged conduct, about a disclosable matter.
- 1.8. A personal work-related grievance may still qualify for protection if:
- (a) it includes information about misconduct, or information about misconduct includes or is accompanied by a personal work-related grievance (mixed report);
  - (b) the entity has breached employment or other laws punishable by imprisonment for a period of 12 months or more, engaged in conduct that represents a danger to the public, or the disclosure relates to information that suggests misconduct beyond the discloser's personal circumstances;
  - (c) the discloser suffers from or is threatened with detriment for making a protected disclosure; or
  - (d) the discloser seeks legal advice or legal representation about the operation of the whistleblower protections under the Corporations Act.
- 1.9. **(Eligible recipients)** An 'eligible recipient' includes:
- (a) an officer or senior manager of the entity or related body corporate;
  - (b) the internal or external auditor (including a member of an audit team conducting an audit) or actuary of the entity or related body corporate; and
  - (c) a person authorised by the entity to receive disclosures that may qualify for protection.
- ## 2. Protection under the Corporations Act
- 2.1. If a person makes a disclosure that qualifies for protection under the Corporations Act:
- (a) that person will not be subject to any civil, criminal or administrative liability (including disciplinary action) for making the disclosure;
  - (b) no contractual or other remedy may be enforced, and no contractual or other right may be exercised, against that person on the basis of the disclosure;
  - (c) it will be an offence to disclose the identity of that person or information that is likely to lead to the identification of that person, without the consent of that person (subject to limited exceptions such as disclosures to ASIC, APRA, a legal practitioner or the AFP); and
  - (d) it will be an offence to cause or threaten to cause any detriment to that person due to a belief or suspicion that the person made, or proposes to make, a disclosure. The definition of detriment includes dismissal, injury, discrimination and a range of other actions.
- 2.2. These protections apply not only to internal disclosures, but also to disclosures to legal practitioners,

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regulatory and other external bodies, and public interest and emergency disclosures that are made in accordance with the Corporations Act.

- 2.3. A contravention of these provisions can incur hefty civil and criminal penalties as well as result in compensation being paid to the person who has made the protected disclosure.
- 2.4. A discloser (or any other employee or person) can seek compensation and other remedies through the courts if:
  - (a) they suffer loss, damage or injury because of a disclosure; and
  - (b) the entity failed to take reasonable precautions and exercise due diligence to prevent the detrimental conduct.

## 15 ENVIRONMENTAL AND SOCIAL POLICY

### 15.1 Purpose

The Company monitors whether it has any material exposure to economic, environment and social risks through its Risk Management Policy. The Board does not consider that the Company currently has any material exposure to environment or social risks.

The purpose of this Environmental and Social Policy is to outline how Zip Co Limited (Zip or the Company) intends to manage any of these risks should this become necessary.

### 15.2 Definitions

**Environmental risks:** the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect the natural environment or if its activities are adversely affected by changes in the natural environment. This includes the risks associated with the entity polluting or degrading the environment, adding to the carbon levels in the atmosphere, or threatening a region's biodiversity or cultural heritage. It also includes the risks for the entity associated with climate change, reduced air quality and water scarcity.

**Material exposure:** a real possibility that the risk in question could materially impact the listed entity's ability to create or preserve value for security holders over the short, medium or longer term.

**Social risks:** the potential negative consequences (including systemic risks and the risk of consequential regulatory responses) to a listed entity if its activities adversely affect human society or if its activities are adversely affected by changes in human society. This includes the risks associated with the entity or its suppliers engaging in modern slavery, aiding human conflict, facilitating crime or corruption, mistreating employees, customers or suppliers, or harming the local community. It also includes the risks for the entity associated with large scale mass migration, pandemics or shortages of food, water or shelter.

### 15.3 Role

Zip is committed to conducting its operations in a socially and environmentally responsible manner. In order to achieve this, the company will:

- Comply with all relevant environmental and heritage laws relevant to its operations;
- Regularly review, monitor and take action to mitigate environment risk;
- Minimise pollution, waste management and use water and energy as efficiently as possible;
- Support all directors and employees (including contractors and temporary employees) on a range of topics, including health, safety and wellbeing; diversity, inclusion; and ethical labour and working conditions. The Company's commitment is outlined in the Code of Conduct and other specific people-related policies;
- Ensure that any incidents, concerns and complaints are reported adequately, investigated and appropriate measures implemented;
- Communicate with employees and stakeholders about the company's environmental impacts and management and associated controls; and
- Recognise and respect the characteristics and history of the communities in which we operate and will operate in an ethical manner, with integrity and cultural sensitivity.

The Board, in consultation with the Audit & Risk Committee will:

- (a) Carefully consider the basis for any determination the Company does not have any material exposure to environmental or social risks, and benchmark its disclosures in this regard against those made by its peers.
- (b) Disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.
- (c) Should disclosure be required the Board will determine whether to publish an integrated report or sustainability report including any cross-references to relevant international frameworks or standards.
- (d) Note many listed entities will be exposed to these types of risks, even where they are not directly involved in mining or consuming fossil fuels.

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- (e) Consider whether the Company has any material exposure to climate change risk by reference to the recommendations of the Financial Stability Board’s Task Force on Climate-related Financial Disclosures (“TCFD”)

The Board has formally adopted this policy, reflecting a commitment by the Board for accountability across Zip Co to monitor environment and social risks.

The Board has responsibility for this policy including its regular review and the monitoring of its effectiveness.

#### **15.4 Review of Policy**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## **16 HEALTH AND SAFETY POLICY**

### **16.1 Overview**

Zip is committed to providing a healthy and safe place to work. The Company believes that providing a safe and healthy environment with work practices that do not compromise the safety, security, physical and mental health and wellbeing of its employees, visitors and contractors is essential to Zip's long-term success.

### **16.2 Objectives**

Zip will meet its commitment to health and safety by:

- complying with all applicable health and safety legislation;
- identifying and analysing hazards and risks;
- documenting and implementing and maintaining controls to eliminate or reduce these hazards/risks, including effective prevention programs that are consistent with the risk profile of Zip's workplaces and activities;
- monitoring, reviewing, reporting on health and safety performance on a regular basis;
- taking action to mitigate health and safety risks;
- ensuring that any incidents, concerns and complaints are adequately recorded, investigated and appropriate measures implemented where required;
- communicating to all workers and visitors the Company's health and safety procedures and any other relevant health and safety information is disseminated; and
- supporting and promoting the health and wellbeing of our people.

### **16.3 Responsibilities**

Zip aims to provide and maintain a working environment that minimises risks to the health, safety and welfare of all employees and visitors. An essential element of this system is that it is a cooperative and consultative relationship on health and safety matters between the Company's management and executive staff and employees, with a view to achieving continuous improvement in work health and safety.

People are our most important asset and we ask that all staff work together to help us make wellbeing and safety an integral part of how we operate by:

- taking reasonable care of your own health and safety, including their mental health wellbeing;
- taking reasonable care not to do, or fail to do, anything with the consequence that the health or safety of anyone else at Zip is adversely affected;
- taking reasonable care to report any unsafe practices and conditions to your manager; and
- complying with Zip's procedures relating to health and safety and with any reasonable instruction given relating to a health or safety matter, including a requirement to undertake training.

Zip are committed to fulfilling the objectives of this policy and expect the same of all workers and contractors working on our behalf.

### **16.4 Review of Policy**

The Board will periodically review this Policy. External reviews may be undertaken of this Policy at the request of the Board.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020

## 17 MODERN SLAVERY STATEMENT

The *Modern Slavery Act 2018* (Cth) (**Act**) commenced operation on 1 January 2019. At Zip Co Limited (**Company**) we believe that conducting our business in a responsible manner and making meaningful contributions to the communities in which we operate is critical to delivering balanced and sustainable stakeholder outcomes.

We understand that slavery can occur in many forms, such as forced labour, child labour, domestic servitude, and human trafficking. In this statement we refer to 'modern slavery' as defined by the Act.

Our purpose and values are integral to the way we operate our business. This Policy is underpinned by Zip's values of:

- (a) Treat each other with respect and dignity;
- (b) Respect the law and act accordingly;
- (c) Be fair and honest in your dealings;
- (d) Be responsible for your actions and accountable for their consequence; and
- (e) Be responsible to the community and to the individual.

Our commitment to human rights is supported by policies and processes that identify, assess and mitigate risks of modern slavery. These include, but are not limited to our:

- (a) Code of Conduct; and
- (b) Whistleblower Policy.

We are committed to operating our business lawfully and ethically and we expect our suppliers to operate in accordance with all applicable modern slavery laws including those prohibiting human slavery and slavery like practices, human trafficking and child labour. We value and observe all laws regarding corporate social responsibility, workplace safety protection and staff inclusion and diversity. We have a Whistleblower Policy providing the procedures for our employees, or our suppliers and their employees, to anonymously report or raise any concerns or suspected unethical or corrupt behavior.

Particular steps we will undertake to ensure for compliance with the Act include:

- Assessing the potential modern slavery risks in our operations and supply chains with emphasis on high risk geographical locations and business transactions;
- Developing and reviewing Company policies on modern slavery in operations and supply chains;
- Developing training for staff in modern slavery requirements;
- Preparing to conduct due diligence on local and global supply chains;
- Reviewing supplier contracts to ensure they contain terms that are consistent with the Act; and
- Taking steps to address any potential modern slavery risks identified and setting up a program to measure effectiveness through performance monitoring.

This Policy will be reviewed and updated annually.

This Policy has been endorsed by the Board of the Zip Co Limited.

Date of last review: 1 July 2020