
DIVERSITY POLICY

1.1 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.

1.2 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;

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- (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.

1.3 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).

1.4 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. 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.

(b) 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.

1.5 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