
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.

1.1 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.

1.2 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.

1.3 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.

1.4 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.

1.5 **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 Charter may be amended by resolution of the Board. Date of last review: 1 July 2020