



# Corporate Governance Statement 2023



## ZIP CO LIMITED

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# Corporate Governance Framework

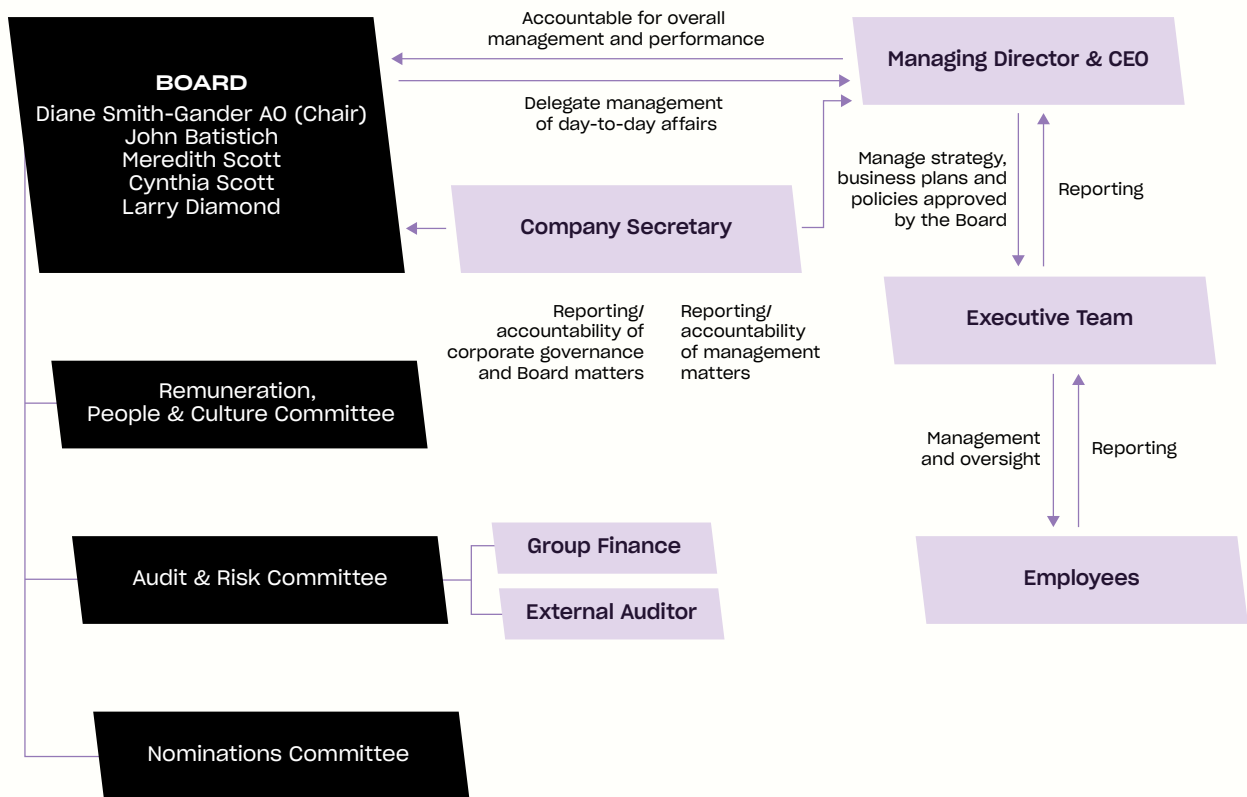
The directors and management of Zip Co Limited (**ZIP** or the **Company**) are committed to conducting the business of the Company and its controlled entities (the **Group**) in an ethical manner and in accordance with high standards of corporate governance.

This Corporate Governance Statement describes ZIP’s corporate governance framework, policies and practices during the financial year ended 30 June 2023 (the **Reporting Period** or **FY23**). This statement has been approved by the Board as at 28 September 2023.

Throughout FY23, ZIP’s corporate governance arrangements were consistent with the ASX *Corporate Governance Council’s Corporate Governance Principles and Recommendations (4th ed)* (the **ASX Principles**). The Appendix 4G, which is a checklist cross referencing the ASX Principles to the relevant disclosures in this Corporate Governance Statement and the FY23 Annual Report has been lodged with the ASX, and a copy is also available on the Company’s website.

ZIP is committed to ensuring that its corporate governance framework, policies and practices reflect a high standard of corporate governance. Delivering on this commitment requires ZIP to have a sound understanding of current governance requirements and practices, as well as being attuned to emerging governance trends and shifting stakeholder expectations. Good corporate governance supports sustainable performance by ZIP over time.

ZIP’s **current** governance framework (including the members of the Board as at 28 September 2023) is summarised below.



The corporate governance policies and documents adopted by ZIP and referred to in this Corporate Governance Statement are published on the ZIP website at <https://zip.co/investors/corporate-governance>

# Purpose and Values

## OUR PURPOSE

To create a world where people can live fearlessly today, knowing they are in control of tomorrow.

## OUR MISSION

To be the first payments choice everywhere and every day.

## VALUES

- Customer first
- Own it
- Change the game
- Stronger together

At an enterprise level, ZIP's purpose and mission provides ZIP and its Directors, employees, and suppliers with the foundations for actions and, together with ZIP's values, guide ZIP's thinking and decision-making. Further information about ZIP's purpose and mission can be found on ZIP's website and on pages 02 and 03 of the FY23 Annual Report.

The values underpin ZIP's multi-country business, and the Board and management are guided by these core values when making decisions for ZIP, including in relation to its corporate governance policies and practices.

The Executive Team is responsible for instilling ZIP's values across ZIP and continually reference and reinforce the values with staff.

## ZIP's Board

As at 28 September 2023, ZIP's Board comprised of three Non-Executive Directors, ZIP's Group Chief Executive Officer and Managing Director, Cynthia Scott and Chief Executive Officer US, Larry Diamond. An overview of the qualifications, appointment date, experience and responsibilities of each Director is set out at pages 61 and 64 of the FY23 Annual Report.

Name	Date of Appointment	Independent
<b>Larry Diamond</b> (Executive Director and Chief Executive Officer US) ( <b>US CEO</b> )	11 September 2015 (Appointed MD & CEO on 1 July 2016, ceased as CEO on 10 August 2023 and ceased as MD on 24 August 2023)	No
<b>Peter Gray</b> (Chief Executive Officer ANZ) ( <b>ANZ CEO</b> )	11 September 2015 (Appointed COO on 1 July 2016 ceased as COO on 10 August 2023 and ceased as Executive Director on 24 August 2023)	No
<b>John Batistich</b> (Non-Executive Director)	6 September 2018	Yes
<b>Diane Smith-Gander AO</b> (Chair)	1 February 2021	Yes
<b>Meredith Scott</b> (Non-Executive Director)	1 September 2022	Yes
<b>Cynthia Scott</b> (Managing Director and Group Chief Executive Officer) ( <b>CEO</b> )	24 August 2023 (Appointed Group CEO on 10 August 2023 and as MD on 24 August 2023)	No

### ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the governance of ZIP. The role of the Board is to safeguard ZIP's interests and foster sustainable value creation while considering the reasonable interests of shareholders, employees, customers, and other relevant stakeholders.

The Board reviews and approves ZIP's Group strategy, and the Board's responsibilities are designed to provide strategic guidance and effective oversight of management. Additionally, the Board is responsible for supporting a culture within the Group that promotes ethical and responsible behaviour – guiding ZIP's corporate culture by establishing the tone from the top and monitoring the implementation of, and broader adherence to, ZIP's core values, policies and related processes. This includes monitoring ZIP's approach to the management of both financial and non-financial risks, such as its exposure to cyber security IT risks, health, safety & wellbeing risks and potential damage to ZIP's reputation & brand.

Responsibilities specifically reserved to the Board are set out in a formal Board Charter, which the Board reviews every two years. The Board Charter was last reviewed and updated in June 2022 and a copy is available on the Corporate Governance page of the Company's website.

## ZIP's Board continued

### RESPONSIBILITIES OF THE CHAIR

Under ZIP's Constitution, the Board elects a Chair from amongst the Non-Executive Directors. This means that the roles of the Chair and the CEO are not exercised by the same individual. It is also a requirement of ZIP's Board Charter that the Chair be independent (where practicable).

The Chair presides over ZIP's Board meetings and shareholder meetings. Some of the key responsibilities of the Chair include:

- Leading the Board in reviewing and discussing Board matters;
- Facilitating effective contributions by all Directors and monitoring Board performance;
- Reviewing corporate governance matters with the Company Secretary and Group General Counsel and reporting to the Board; and
- Maintaining a regular dialogue with the CEO, and being the principal communication channel between the Board and management.

ZIP's current Chair is Diane Smith-Gander AO. The Board is satisfied that Diane Smith-Gander is, and has been since her appointment in February 2021, an **independent** Director.

### BOARD MEETINGS

The Board met 24 times during the financial year. Directors' attendances are set out on page 65 of the FY23 Annual Report.

In addition to the Board considering strategic matters at each scheduled Board meeting, the Board also holds a separate session each year to discuss ZIP's strategy.

### INDEPENDENCE

The Board regularly assesses the independence of each Director and has determined that each non-executive Director is, and was throughout the entirety of the financial year, independent. As the CEO and US CEO are both executives, they are not considered to be independent.

In accordance with the Board Charter, ZIP considers a Director to be independent if the Director is independent of management and is free of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of ZIP rather than in the interests of an individual shareholder or other party.

When assessing the independence of a Director, the Board considers the matters potentially affecting the independent status of a Director as described in the ASX Principles. Materiality is assessed on a case-by-case basis by reference to each Director's individual circumstances rather than by applying general materiality thresholds. As at the date of this statement, there were no relationships or associations of the kind referred to in Box 2.3 of the ASX Principles in relation to ZIP's non-executive Directors.

### BOARD COMPOSITION

#### Skills and capabilities

ZIP seeks to maintain a Board of Directors with an appropriate range of expertise, skills, knowledge, experience, independent judgement, diversity and perspectives appropriate for the Company's operations and size, and an understanding of, and competence to deal with, current and emerging issues relevant to overseeing a multi-country fintech business.

The Board skills matrix is reviewed annually by the Nominations Committee, with a view to capturing the skills needed to address existing and emerging business and governance issues relevant to the Group, and considers any changes in the Group's circumstances and strategic priorities.

## ZIP's Board continued

The mix of skills and experience represented on the Board in FY23 is set out in the Board skills matrix below.

SKILLS AND EXPERIENCE	DESCRIPTION	LEVEL <sup>1</sup>
<b>INDUSTRY</b>		
Retail and ecommerce	Experience in the retail/ecommerce sectors	Proficient
Payments and affiliates	Experience in conducting business directly with consumers	Proficient
Issuing responsible credit	Experience with customer base	Practiced
Multi-country markets	Experience in conducting business in, and proven knowledge of, overseas markets in which the Company operate	Practiced
<b>DIGITAL AND TECHNOLOGY</b>		
Digital platforms	Experience in the use of online platforms to deliver products and services	Practiced
Disruptive technology	Experience in digital technologies, implementing technology products, leveraging digital technologies and digital disruption	Proficient
Online communities	Experience in leveraging online communities to drive business	Practiced
<b>GOVERNANCE, STAKEHOLDERS AND REGULATORY</b>		
Listed companies	Experience as a Director on a listed company Board in Australia or overseas	Practiced
People and culture	Experience in building workplace capability, setting a remuneration framework that attracts and retains high calibre executives, and promoting diversity and inclusion	Proficient
Health, safety, environment and sustainability	Experience related to workplace health, safety, environment, and corporate responsibility issues within large businesses	Practiced
Legal, governance and compliance	Ability in, and understanding of the application of legal, governance and compliance principles and regulations	Proficient
Risk management and compliance oversight	Experience in identifying, assessing, and managing strategic, operational, and financial risks, and monitoring compliance management frameworks and systems	Proficient
<b>LEADERSHIP</b>		
Executive leadership	Held senior executive position in an organisation of significant size or a listed company in Australia or overseas	Proficient
Financial acumen	Qualifications or experience in financial accounting and reporting, corporate finance, and internal controls	Proficient
Capital management	Experience in capital management strategies, including capital partnerships, debt financing and capital raisings	Proficient
Mergers and acquisitions	Experience in corporate transactions and joint ventures	Proficient
Strategy	Experience in developing, implementing, and challenging a plan of action to achieve our long-term objectives	Proficient

1. **Proficient** means regarded to have expert or highly qualified proficiency, knowledge and experience in the subject matter or domain and has been seen to contribute these skills in Board and Committee conversations and critical thinking. **Practiced** means has developed a sound working knowledge and understanding of the subject matter through either past executive or management roles, extensive on-the-job application of skills in Board and Committee activities and/or through training and professional development activities.

## ZIP's Board continued

The skills analysis demonstrated that ZIP's Board members were highly experienced and most skills that would be considered important to the effective performance of the Board were present.

The Board uses the Board Skills Matrix as part of succession planning to assess the skills and experience that may be required on the Board in the future to support effective governance and the delivery of ZIP's strategy, having regard to the ongoing transition of the fintech sector. Considering the rapid changes to the business over the last few years, and given ZIP's current size, strategic focus on core markets and an accelerated path to profitability, the Board is looking to appoint one more non-executive director domiciled in the US to assist with scaling multi-country technology/products, and supplement US payments and retail/ecommerce experience.

## NOMINATIONS AND APPOINTMENT

The Nominations Committee oversees matters related to the composition of the Board, including arrangements for the selection and appointment of new Directors. When considering the appointment of a new Director, the Committee may engage the services of an executive recruitment firm to assist in identifying suitable candidates for consideration for appointment to the Board and to carry out appropriate reference checks.

Newly appointed Directors must stand for appointment at the next Annual General Meeting of the Company (**AGM**). The Notice of Meeting for the AGM provides shareholders with material information about each Director standing for election or re-election, including details of their relevant skills, independence, experience, other directorships and whether the Board supports the election or re-election of the Director. Directors seeking election are also given the opportunity to address the AGM and to answer questions from shareholders.

New Directors receive a formal letter of appointment that sets out their duties, responsibilities, rights and remuneration entitlements, together with copies of policies and other supporting information for the Group (the induction pack).

These processes have been followed in relation to the recent appointment of Cynthia Scott as Managing Director. Shareholders will be asked to approve Cynthia Scott's appointment at the 2023 Annual General Meeting.

## BOARD EFFECTIVENESS

### Building director capability

The formal letter of appointment and induction materials provided to a newly appointed Director contains detailed information to allow the new Director to gain an understanding of:

- ZIP, its operations and governance systems;
- The rights, duties and responsibilities of Directors;
- The role of each Board Committee;
- The roles and responsibilities of the Executive Team; and
- ZIP's financial, strategic, and operational risk management positions.

New Non-Executive Directors also enter into a program of meetings with members of ZIP's Executive Team to learn about the business.

## ZIP's Board continued

Directors also undertake a program of ongoing Director education, including presentations on a range of topics generally relevant to ZIP's business activities, including compliance training and presentations by external industry and subject matter specialists. In FY23, the Directors approved a Board Training Plan and were given the opportunity to have discussions with, or receive tabled reports from, a range of external presenters, including experts on Anti-Money Laundering and Counter Terrorism Financing, stakeholder engagement, capital management/markets, tax advisers and cyber-security. The Board is also required to undertake mandatory annual online training on numerous subjects such as anti-money laundering and counter-terrorism financing, workplace bullying, information security, prevention of sexual harassment, privacy, insider training, whistleblower training, modern slavery and anti-bribery and corruption.

## PERFORMANCE AND EVALUATION

The Board regularly reviews its own performance and the performance of individual Directors. Going forward the intention is for a formal review of the performance of the Board to be conducted every third year with an external facilitator.

In FY23, the performance review of the Board was facilitated internally and overseen by the Chair (and Chair of the Nominations Committee) – Diane Smith-Gander. The review process involved an anonymous internal assessment survey, review of Board papers, discussion with Directors, the Company Secretary and the Executive Team, all of which involved qualitative and quantitative assessments.

The FY23 review focused on the following key areas:

- Board Structure: structure and composition of the Board;
- Committees: responsibilities and effectiveness of the Board's Committees;
- Dynamics of the Board: Board processes and decision-making;
- Leadership, Culture and People: the leadership of the Company by the Board;
- Key Relationships: the Board's relationship with management and other stakeholders;
- Stewardship: oversight of risk management, internal controls and assurance;
- Strategic Foresight – strategy setting and performance;
- Performance and Value Creation: monitoring performance, resources and protection of shareholder value; and
- Sustainability: stakeholder reporting and transparency on Environmental, Sustainability and Governance factors.

The overall assessment was that the Board functions effectively in the discharge of its responsibilities. Following the review, the Board discussed the outcomes and identified several actions to further strengthen its performance in recognition of the future challenges facing ZIP and the fintech sector more generally. Those areas included the composition and size of the Board, the collaboration between Board members, the effectiveness of the Board's strategic discussions, ability to monitor shareholder value and the Company's sustainability efforts.



## Board Committees

The Board has established three Committees as follows:

- Audit & Risk Committee (**ARC**);
- Nominations Committee; and
- People, Remuneration & Culture Committee (**RPCC**).

Each Committee's roles and responsibilities and membership requirements are set out in its Charter. Details of the number of Committee meetings held and each Director's attendance at those meetings are set out on page 65 of the FY23 Annual Report. An overview of the roles and responsibilities, composition and membership of each Committee (as at the date of this statement) is set out in the table below. Each Committee reports to the Board and makes recommendations to the full Board for its consideration as appropriate.

### EVALUATION OF BOARD COMMITTEES

The Charter for each Board Committee requires an annual review of performance. During FY23, an internal review was conducted and the Board discussed each Committee's performance over the past 12 months. The Board considered, together with relevant members from management, whether the Committee had achieved its objectives for the financial year and reviewed the effectiveness of the Committee and how its members had worked together, including with management. Following this review, the Board was satisfied that each Committee had been effective in performing its responsibilities under its respective Charter.

Membership	Purpose and responsibilities
<b>Audit &amp; Risk Committee (ARC)</b>	
Meredith Scott (Chair) Diane Smith-Gander John Batistich (Interim Chair following Pippa Downes' resignation) <sup>1</sup>	The ARC assists the Board to fulfil its responsibilities through the effective identification, assessment, monitoring and management of risks and compliance with legal and regulatory requirements.  Specifically, the ARC's primary responsibilities include overseeing: <ul style="list-style-type: none"> <li>– The integrity of financial reporting;</li> <li>– External audit engagement;</li> <li>– Risk management controls, policies and procedures; and</li> <li>– Policies and procedures for ensuring ZIP's compliance with laws and regulations.</li> </ul>
<b>Nominations Committee</b>	
Diane Smith-Gander (Chair) John Batistich Meredith Scott <sup>1</sup>	The Committee's purpose is to review and recommend to the Board matters relating to: <ul style="list-style-type: none"> <li>– Optimal Board composition;</li> <li>– Recruitment of candidates for the Board;</li> <li>– Performance evaluation of the Board, its Committees and individual Directors;</li> <li>– Induction and professional development; and</li> <li>– Succession planning for the Board.</li> </ul>

## Board Committees continued

Membership	Purpose and responsibilities
<b>Remuneration, People &amp; Culture Committee (RPCC)</b>	
John Batistich (Chair)	The Committee:
Diane Smith-Gander	<ul style="list-style-type: none"> <li>– Makes recommendations to the Board in respect of ZIP's remuneration practices and framework to ensure alignment with ZIP's core values, risk appetite and desired company culture;</li> </ul>
Meredith Scott <sup>1</sup>	<ul style="list-style-type: none"> <li>– Reviews the performance and remuneration of senior management; and</li> <li>– Makes recommendations to the Board in relation to Director remuneration, employment-related policies, talent management and succession planning for key management roles and measurable diversity objectives.</li> </ul>

1. Independent Non-Executive Director, Pippa Downes resigned on 22 June 2022. Meredith Scott was appointed as a Non-Executive Director on 1 September 2022.

## Executive Team

The Board has delegated to the CEO, Cynthia Scott, the authority to manage ZIP's day-to-day affairs and the authority to manage ZIP's affairs in relation to all matters, other than those responsibilities reserved by the Board to itself, including in the Board Charter.

The CEO's role includes:

- Leading ZIP's Executive Team;
- Accounting to the Board for ZIP's overall management and performance; and
- Management of ZIP in accordance with the strategy, business plans and policies approved by the Board.

The CEO has authority, in turn, to delegate to the Executive Team. The Executive Team comprises the CEO and Senior Executives who report directly to the CEO.

Specific limits on the authority delegated to the CEO and the Executive Team are set out in a Delegations of Authority Procedure endorsed by the Board.

Each member of ZIP's Executive Team (including the CEO) is employed under a Service Agreement that sets out the terms on which the Executive is employed including details of the Executive's duties, responsibilities, rights and remuneration entitlements. The Service Agreement also sets out the circumstances in which the employment of the Executive may be terminated by either ZIP or the Executive, including details of notice periods and the amounts payable to the Executive because of the termination by ZIP of the Executive's employment.

When considering the appointment of a new Executive, ZIP carries out appropriate reference checks (including due-diligence in respect of the candidate's character, experience, education, criminal record and bankruptcy status) before ZIP makes an offer of employment.

While Executive Team members have individual accountability for their respective business functions, the Executive Team has collective accountability for management of risk across ZIP. This is supported by, among other things, regular results and priorities meetings where emerging risks and key decisions affecting the business are discussed and agreed by Executive Team members.

The CEO and other members of the Executive Team regularly attend Board and Committee meetings to report on and discuss key issues and the existing and emerging risks of the business.

### REMUNERATION

The Remuneration Report on pages 66 to 96 of the FY23 Annual Report sets out ZIP's policies and practices for remunerating non-executive Directors and executives.

### PERFORMANCE EVALUATION

The Board reviews the CEO and notes the Executive Team's performance annually against agreed performance objectives and other relevant factors.

Executive Team performance evaluations were conducted for FY23 in accordance with this process. Details of the evaluation process and the linkages between the result of performance evaluations and remuneration are disclosed in the Remuneration Report on pages 66 to 96.

### COMPANY SECRETARY

The Board is responsible for the appointment of ZIP's Company Secretary. Tai Phan has been appointed as the Company Secretary to the Board and each Board Committee, attending all meetings of the Board and Committees as required.

The Company Secretary is accountable to the Board through the Chair on all corporate governance matters and all matters to do with the proper functioning of the Board.

## Diversity, Equity & Inclusion

ZIP's Diversity Policy describes ZIP's approach to diversity, equity and inclusion and how these attributes are to be embedded in ZIP workplaces. It provides a framework to effectively embed and support a diverse and inclusive workplace for all employees.

By framing diversity, equity and inclusion to be about balanced teams and equity of experience, ZIP aims to build high-performing teams and remove obstacles that prevent people from being their best.

On 15 June 2023, the Nominations Committee recommended no changes and to the Board Measurable Objectives for Gender Diversity (approved on 23 June 2022) to be achieved by 30 June 2026:

- Board: 40% women/40% men/20% any gender
- Group Executive cohort: 40% women/40% men/20% any gender
- Group Director cohort: 40% women/40% men/20% any gender
- Group Manager cohort: 40% women/40% men/20% any gender
- Group Workforce: 40% women/40% men/20% any gender

These targets are supported by internal goals for gender balance that are measured at a functional team and regional level. Goals have also been set to drive gender equity across the employee experience, including through measuring and responding to gaps in employee engagement.

ZIP will be gathering data to understand its workforce and any gaps that exist, which will inform the development of a broader set of goals that target other diversity demographics in the future.

The Nominations Committee recommends measurable objectives for achieving gender diversity to the Board for adoption each year and the RPCC receives regular reports on the progress in achieving those objectives, alongside the diversity metrics for the Company's entire workforce. Further detail of the Group's diversity, equity and inclusion activities during FY23 are contained at pages 16 and 17 of the Annual Report.

ZIP completed the Australian Workplace Gender Equality Agency's (WGEA) compliance program for 2022/23. The submission provides transparency on gender balance across the workforce, as well as initiatives, policies and practices that support gender equality. These reports will be publicly available on the WGEA Data Explorer and on our website.

# Risk Management Framework and Financial Reporting

## RISK MANAGEMENT FRAMEWORK

ZIP faces a variety of risks due to the nature of its business. Details of ZIP’s strategic risks, including ZIP’s economic, environmental and social risks and how these risks are managed, are set out in the Annual Report on pages 10 to 45.

ZIP is committed to ensuring that risk management practices are embedded into business processes to drive consistent, effective and accountable action, decision-making and management practice.

The Board has adopted a Risk Management Policy that sets out ZIP’s objectives for risk management and clearly articulates the responsibilities of all ZIP personnel in relation to the management of financial and non-financial risks.

ZIP seeks to embed risk management principles and practices into strategy development and day-to-day business processes to achieve robust and responsible commercial outcomes. ZIP’s Risk Management model is based on the ‘three lines of defence’ and is illustrated in the table below.

<b>Oversight</b>	<b>Board of Directors</b>		
	<b>Audit &amp; Risk Committee</b>		
	<b>Operational Risk Committee (Management Committee)</b>		
<b>Accountability &amp; Responsibility</b>	<b>1st line of defence</b>	<b>2nd line of defence</b>	<b>3rd line of defence</b>
	<i>Business divisions / units</i>	<i>Risk &amp; Compliance</i>	<i>Operations, Group Finance and External Audit activities</i>
	Responsible for effectively identifying, assessing and managing risk to achieve ZIP’s objectives in accordance with ZIP’s risk management policy and standards.	Responsible for enterprise wide risk and compliance standard systems.  Oversight and support.	Responsible for assurance on governance, risk management and internal control processes.

ZIP systematically examines all technical and financial activities to identify material risk exposures using an enterprise-wide risk program. This program is supported by:

- ZIP’s Risk Management Policy; and
- ZIP’s risk management and assessment standards, the objectives of which are to provide guidance to ZIP employees on how to conduct risk assessments, ensure consistency and simplicity in approach to risk identification, evaluation and management, and establish a common ‘risk’ language across the business.

ZIP has implemented policies that directly or indirectly serve to mitigate and manage risk (including the Securities Trading Policy, the Continuous Disclosure Policy, and other policies listed in the Key Corporate Governance Policies section of this statement).

The Board acknowledges the importance of combating financial crime; and the important role that Zip plays in protecting our community, customers and employees. We are committed to preventing, detecting and disrupting financial crime by maintaining effective systems, processes and controls to manage financial crime risks, including Anti-Money Laundering and Counter Terrorism Financing, Sanctions and Anti-Bribery and Corruption.

## Risk Management Framework and Financial Reporting continued

The Board has oversight of the financial crime programs, receives regular reporting on the effectiveness of financial crime controls, and engages independent external auditors to ensure that the programs continue to meet regulatory standards.

The Board is focused on the continuous improvement of our control environment to manage the ever-evolving threat of financial crime. In FY23 significant investment was made in a new financial crime platform, uplifting capability to perform screening, transaction monitoring and customer due diligence.

Credit Risk (AU) at ZIP is overseen by the Credit Risk Committee which is attended by senior management drawn from Credit, Operations, Finance and Data Analytics. The Credit Risk Committee is accountable for managing credit risk, arrears and losses across ZIP (AU). The Governance Enterprise Risk and Compliance Committee (US) oversees risks across ZIP's US business.

### ROLES OF THE BOARD AND ARC

The Board is responsible for approving and monitoring the implementation of policies governing ZIP's systems of internal compliance, risk management and control.

The ARC, among other things, reviews and recommends ZIP's risk management policies and material strategic risks to the Board for approval, and reviews and monitors the implementation of policies and procedures for identifying, assessing, monitoring and managing risk. During FY23, the ARC and the Board considered and agreed ZIP's Top Risks each quarter.

The ARC receives presentations from management on ZIP's material strategic risks (both financial and non-financial) and the controls in place and/or in design to mitigate or manage those risks at each meeting. Each year the ARC and the Board review ZIP's strategic risks and the risk management framework to ensure that it continues to be sound and operates effectively and within the risk appetite set by the Board.

In addition, the ARC has assumed responsibility for overseeing the issues, incidents and risks identified by management in the quarterly Group financial, legal, compliance and risk reports, and ensuring there is clear accountability for, and effective closure of, relevant issues. In FY23, the Board conducted an internal review of ZIP's risk management framework and conduct tests to ensure that it remains sound and continues to operate effectively within the risk appetite set by the Board.

The ARC receives regular presentations from management throughout the year on specific risk topics, for example IT security, anti-money laundering, design and distribution obligations, treasury, finance and insurance. The ARC also has responsibility for reviewing and approving the investigation of any complaints received via the Company's whistleblower hotline. The Cyber Security Council, which has the remit to review specific IT risks, is a sub-committee of the ARC.

Whilst the Company does not have a separate Internal Audit function, it does conduct investigations into identified risks and various control issues by personnel in roles distinct from where those risks and issues reside. This is overseen by the Operations, Finance and IT teams with the support of external advisers and investigators. All such matters are reported to the ARC and Board.

## Risk Management Framework and Financial Reporting continued

### FINANCIAL REPORTING

The Board receives reports from management about ZIP's financial performance and business results at each scheduled meeting.

The ARC reviews and discusses the half-yearly and full-year financial reports with management and the external auditors, including the disclosures made in those reports and recommends to the Board whether the financial reports should be approved.

Before the Board approves the financial statements for a financial period (including the full year and half-year), the CEO and CFO provide declarations to the Board that, in their opinion, the financial records of ZIP have been properly maintained and that the financial statements comply with the Accounting Standards and give a true and fair view of the financial position and performance of ZIP. They also provide confirmation that these opinions have been formed based on a sound system of risk management and internal control, which is operating effectively.

ZIP is committed to providing clear, concise and effective disclosure to shareholders and other stakeholders in its corporate reports. In circumstances where ZIP's auditor has not been required to review a periodic corporate report, ZIP conducts an internal verification exercise to ensure that its reports are materially accurate, balanced and provide investors with appropriate information to make informed investment decisions. Material statements in these documents are verified by relevant business management prior to approval for release to the market.

### EXTERNAL AUDITOR

The role of the external auditor is to provide an independent opinion that ZIP's financial reports are true and fair and comply with applicable regulations.

ZIP's external auditor is Deloitte. Deloitte attends the AGM each year and shareholders may ask the auditor written questions in advance of the AGM or ask questions at the AGM, relevant to the audit. In June 2022, ZIP's Board (on recommendation from the Audit and Risk Committee) approved Mark Lumsden as the lead audit partner for an additional financial year. In September 2023, ZIP's Board approved Jason Thorne as the new lead audit partner, continuing its engagement of Deloitte as the Company's external auditor. The ARC members meet with the external auditor at least twice a year without management present.

ZIP's ARC Charter contains details of the procedure for the selection, appointment, independence and performance of the external auditor.

Under the ARC Charter, the external auditor's services are monitored to ensure that they do not provide any services which might threaten their independence, or conflict with their assurance and compliance role.

Reports on the provision of auditing and related services are provided to the ARC on a regular basis. The ARC and the Board concluded that non-audit services provided during FY23 did not compromise the external auditor's independence requirements under the Corporations Act. The Board (on recommendation from the ARC) approved a new Non-Audit Services Policy in August 2023 to ensure compliance with APES 110 Code of Ethics for Professional Accountants and appropriate oversight of the ARC over the updated non-audit services provided by the external auditors. The Non-Audit Services Policy will be reviewed annually.

The performance of the external auditor is discussed by the ARC following completion of the full year financial statements. The Chair of the ARC subsequently meets with the external auditor to discuss recommendations for improvements to the conduct of the audit.

## Key Corporate Governance Policies

Details of ZIP's key corporate governance policies are summarised below – copies of each are available on the Corporate Governance page of ZIP's corporate website.

Completion of training on ZIP's key corporate governance policies has been made mandatory and a pre-condition to receipt of short-term equity incentives. Training is provided both on induction of new ZIPsters and on an annual basis for some policies.

### CODE OF CONDUCT

ZIP has a Code of Conduct that applies to ZIP, its Directors, employees and contractors and sets out the standards of responsibility and ethical conduct required. ZIP's commitments under the Code are as follows:

- Act in accordance with the Company's values and in the best interests of the Company,
- Treat each other with respect and dignity,
- Respect the law and act accordingly,
- Be fair and honest in your dealings,
- Use the Company's property responsibly and in the best interest of the Company and its reputation,
- Be responsible for your actions and accountable for their consequences, and
- Be responsible to the community and to the individual.

These commitments drive behaviours aligned with ZIP's core values. Training on the key principles of the Code of Conduct is currently part of existing training modules. However to enhance awareness, a dedicated part of the induction process for new ZIPsters is being introduced across the business. All ZIPsters periodically will complete online refresher training modules on the Code of Conduct.

The Code provides a mechanism to enable ZIPsters to report actual or suspected breaches, in addition there is an independent service to allow for anonymous reporting via the whistleblower hotline. The ARC oversees the application of the Code in ZIP, including overseeing the investigation of alleged breaches of the Code where appropriate, monitoring compliance and recommending amendments to the Board.

Any material breaches of the Code are reported to the Board and monitored until the relevant breach is considered closed.

### ANTI-BRIBERY & CORRUPTION POLICY

ZIP's Anti-Bribery and Corruption Policy prohibits any ZIP activities that cause, support, or conceal corruption or bribery in any form.

Any material breaches are reported to the Board.

### CONTINUOUS DISCLOSURE POLICY

ZIP's Continuous Disclosure Policy describes ZIP's continuous disclosure obligations and how they are managed by ZIP.

In 2022, ZIP established a Continuous Disclosure Committee responsible for ensuring the Company complies with its continuous disclosure obligations, monitoring compliance with the Continuous Disclosure Policy including determining whether market sensitive information should be disclosed to the ASX. Directors are advised of the nature and content of all non-administrative announcements prior to release to the ASX and will, in certain circumstances approve these releases. Directors receive copies of all announcements immediately after notification to the ASX. All ASX announcements are available from ZIP's Investment Centre on its corporate website. Decisions of the Continuous Disclosure Committee are now recorded and reported to the Board through the Company's Investor Relations function.



## Key Corporate Governance Policies continued

### DIVERSITY POLICY

The Diversity Policy is designed to foster many facets of diversity in addition to gender, including different ages, ethnicities and backgrounds at all levels within the Group. For more detail on the Company's Diversity disclosures please see page 12 of this Statement.

### ENVIRONMENTAL & SOCIAL POLICY

ZIP is committed to conducting its operations in a socially and environmentally responsible manner. This policy demonstrates ZIP's commitment to operate the business sustainably and sets out the minimum level of controls and monitoring required across the Group to ensure compliance with environmental laws, regulatory requirements and social licence to operate. The Policy is aligned to the Company's Sustainability strategy. For more details please see pages 10 to 45 of the FY23 Annual report.

### HEALTH & SAFETY POLICY

ZIP is committed to providing a healthy and safe place to work. The Company believes in 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. This policy demonstrates ZIP's commitment to providing a safe and healthy workplace and sets out the minimum level of controls and monitoring required across the Group to ensure compliance.

The Board also sets aside time at each scheduled Board meeting to discuss as a standing agenda item: Respect @ ZIP, which allows time for the Directors and Executives to discuss any lessons learnt from personal experience in relation to any health and safety incidents or observations.

### HUMAN RIGHTS STATEMENT AND SUPPLIER CODE OF CONDUCT

In June 2020 ZIP Adopted a Human Rights Statement and Supplier Code of Conduct. The Human Rights Statement outlines ZIP's commitment to upholding international human rights standards across its business, as aligned to the International Bill of Human Rights, among other conventions.

ZIP's Joint Modern Slavery Statement is reviewed annually and outlines the steps ZIP has taken across its business and supply chains to combat modern slavery. The Supplier Code of Conduct outlines the standards to which ZIP holds its suppliers accountable, in areas such as child labour, human rights and anti-discrimination and forms part of the Company's legal, contracting process.

### SECURITIES TRADING POLICY

ZIP's Securities Dealing Policy outlines when ZIP employees may deal in the Company's securities.

All staff are required to seek pre-approval from the Approving Officer in advance of trading in the Company's securities. The Policy was updated in May 2022 and is compliant with the *Corporations Act 2001* (Cth) and ASX Listing Rules requirements.

### WHISTLEBLOWER POLICY

ZIP's Whistleblower Policy encourages reporting of suspected unethical, illegal or undesirable behaviour and promotes a culture of honest and ethical conduct.

A third party whistleblower service provider facilitates ZIP's employees and other stakeholders speaking up regarding any concerns that ZIP or its people are failing to meet ethical or legal standards. Any material incidents and an overview of the number of all complaints and incidents are reported to the Board.

# Shareholder Engagement

ZIP operates an investor relations program to facilitate effective two-way communications with investors. This program seeks to keep shareholders informed about ZIP's activities and to listen to issues or concerns raised by shareholders.

ZIP holds regular investor briefings and provides financial results, investor presentations, annual reports, ASX announcements and AGM materials via its website. Copies of new and substantive investor or analyst presentations are lodged with the ASX ahead of the presentation.

As well as attending broker-sponsored conferences, ZIP conducts briefings and meetings for institutional and retail investors throughout the year. Communication with the market is predominantly through the CEO, US CEO, ANZ CEO, CFO and the Director of Investor Relations.

ZIP also engages with corporate governance advisory firms, shareholder representative bodies, institutional investors, proxy advisers and retail investor groups to understand market expectations on topics including governance, ESG and remuneration.

From time to time, the Chair of the Board and the Chair of the RPCC participate in meetings with such organisations so the Board can be in a better position to receive direct feedback about the effectiveness of ZIP's corporate governance and remuneration arrangements.

Fundamental to ZIP's investor relations program is the management of its continuous disclosure obligations, which facilitates all shareholders having access to important company information. These actions are in line with ZIP's Continuous Disclosure Policy which is approved by the Board and available on ZIP's website. In addition to lodging this information with the ASX, ZIP uses its website to make information about the company and its activities available to shareholders. The Investor Centre on ZIP's website contains a range of information relevant to shareholders including copies of past Annual Reports and ASX announcements.

ZIP's shareholder register is maintained by Computershare which provides an accessible online platform for shareholders to access and manage their shareholding. Shareholders may elect to receive all shareholder communications and announcements by email and may also communicate with ZIP and the Share Registry electronically.

In relation to AGMs, shareholders are provided with a notice of meeting, setting out the business to be considered, including all material information relevant to the election or re-election of directors. These materials, together with the presentations at the AGM and the voting results, are released to the ASX and then made available on ZIP's website. Investors are invited to submit questions before the meeting. This helps the company understand shareholder issues and concerns and address key areas of shareholder feedback. The Chair also encourages shareholders to ask questions and make comments about ZIP's operations and the performance of the Board and senior management at the AGM. The Chair may respond directly to questions or, at her discretion, may refer a question to another Director, the CEO or a member of the Executive Team. All resolutions at the AGM are decided by a poll.

Shareholder meetings are expected to be held fully virtually and analyst/media briefings in relation to half-year and full year financial results by webcast/teleconference and other significant events can be heard by teleconference.

The ZIP Share Register is managed and maintained by Computershare Investor Services Pty Limited. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Computershare Investor Centre.

## Shareholder Engagement continued

The health and safety of our people, shareholders and the communities in which we operate is of paramount importance to ZIP. Consistent with the approach we have taken for the last few years, ZIP's AGM will be held virtually on 9 November 2023 (through the Computershare platform).

Shareholders will be able to vote and submit questions in advance and "live" during the meeting. ZIP considers these measures to be appropriate for the 2023 AGM.

ZIP Co is also a code-compliant member of the Australian Finance Industry Association Limited ('AFIA') and is a founding member of the Buy Now Pay Later Code of Practice ('BNPL Code'). The BNPL Code is applicable from 1 March 2021.

The BNPL Code was developed to take a proactive approach to strengthen customer protections and go beyond the regulatory obligations for buy now pay later products. The Code has been developed by AFIA in consultation with consumer groups, government, regulators and companies in the BNPL industry.

The Code sets high standards for the BNPL industry and has been developed to:

- Ensure we develop products and services that are suitable for our customers;
- Promote high standards of service for customers; and
- Support compliance with legal and industry obligations.

# Appendix 4G

## Key to Disclosures

### Corporate Governance Council Principles and Recommendations

Name of entity

ZIP CO LIMITED

ABN/ARBN

50 139 546 428

Financial year ended:

30 June 2023

Our corporate governance statement<sup>1</sup> for the period above can be found at:<sup>2</sup>

- These pages of our annual report:
- This URL on our website: <https://zip.co/investors/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 28 September 2023 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.<sup>3</sup>

Date: 28 September 2023

Name of authorised officer authorising lodgement: Diane Smith-Gander AO

<sup>1</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of Listing Rule 4.10.3.

Under Listing Rule 4.7.3, an entity must also lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX. The Appendix 4G serves a dual purpose. It acts as a key designed to assist readers to locate the governance disclosures made by a listed entity under Listing Rule 4.10.3 and under the ASX Corporate Governance Council's recommendations. It also acts as a verification tool for listed entities to confirm that they have met the disclosure requirements of Listing Rule 4.10.3.

The Appendix 4G is not a substitute for, and is not to be confused with, the entity's corporate governance statement. They serve different purposes and an entity must produce each of them separately.

<sup>2</sup> Tick whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where your corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

<sup>3</sup> Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

See notes 4 and 5 below for further instructions on how to complete this form.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
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.	<input checked="" type="checkbox"/> and we have disclosed a copy of our board charter at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> Tick the box in this column only if you have followed the relevant recommendation **in full** for the **whole** of the period above. Where the recommendation has a disclosure obligation attached, you must insert the location where that disclosure has been made, where indicated by the line with “*insert location*” underneath. If the disclosure in question has been made in your corporate governance statement, you need only insert “our corporate governance statement”. If the disclosure has been made in your annual report, you should insert the page number(s) of your annual report (eg “pages 10-12 of our annual report”). If the disclosure has been made on your website, you should insert the URL of the web page where the disclosure has been made or can be accessed (eg “www.entityname.com.au/corporate-governance/charters/”).

<sup>5</sup> If you have followed all of the Council’s recommendations **in full** for the **whole** of the period above, you can, if you wish, delete this column from the form and re-format it.

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>1.5 A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(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</p> <p>(c) disclose in relation to each reporting period:</p> <p>(1) the measurable objectives set for that period to achieve gender diversity;</p> <p>(2) the entity's progress towards achieving those objectives; and</p> <p>(3) either:</p> <p>(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</p> <p>(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.</p> <p>If the entity was in the S&amp;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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed a copy of our diversity policy at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p> <p>and we have disclosed the information referred to in paragraph (c) at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p> <p>and if we were included in the S&amp;P / ASX 300 Index at the commencement of the reporting period our measurable objective for achieving gender diversity in the composition of its board of not less than 30% of its directors of each gender within a specified period.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>1.6 A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed the evaluation process referred to in paragraph (a) at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(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.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the evaluation process referred to in paragraph (a) at:</p> <p>Corporate Governance Statement  <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p> <p>and whether a performance evaluation was undertaken for the reporting period in accordance with that process at:</p> <p>Corporate Governance Statement  <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: The Annual Report.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our board skills matrix at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>



## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<p>2.3 A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, affiliation or relationship of the type described in Box 2.3 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</p> <p>(c) the length of service of each director.</p>	<p><input checked="" type="checkbox"/> and we have disclosed the names of the directors considered by the board to be independent directors at:</p> <ul style="list-style-type: none"> <li>• Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>; and</li> <li>• The Annual Report</li> </ul> <p>and, where applicable, the information referred to in paragraph (b) at: N/A</p> <p>and the length of service of each director at:</p> <ul style="list-style-type: none"> <li>• Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>; and</li> <li>• The Annual Report</li> </ul>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 3 – INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should articulate and disclose its values.	<input checked="" type="checkbox"/> and we have disclosed our values at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our code of conduct at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/> and we have disclosed our whistleblower policy at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	<input checked="" type="checkbox"/> and we have disclosed our anti-bribery and corruption policy at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) 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</p> <p>(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.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: The Annual Report</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement</p> <p>In relation to the information referred to in paragraph (a)(1), after Pippa Downes resigned on 22 June 2022 the Company did not have at least three members of its audit committee until the appointment of Meredith Scott on 1 September 2022.</p>
4.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
4.3	<p>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.</p>	<p><input checked="" type="checkbox"/></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	<input checked="" type="checkbox"/> and we have disclosed our continuous disclosure compliance policy at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<input checked="" type="checkbox"/> and we have disclosed information about us and our governance on our website at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	<input checked="" type="checkbox"/> and we have disclosed how we facilitate and encourage participation at meetings of security holders at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed whether a review of the entity's risk management framework was undertaken during the reporting period at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(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.</p>	<p><input checked="" type="checkbox"/></p> <p><i>[If the entity complies with paragraph (b):]</i></p> <p>and we have disclosed the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes at: Corporate Governance Statement <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a></p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <u>in full</u> for the <u>whole</u> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have NOT followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
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.	<input checked="" type="checkbox"/> and we have disclosed whether we have any material exposure to environmental and social risks at: Annual Report  and, if we do, how we manage or intend to manage those risks at: Annual Report	<input type="checkbox"/> set out in our Corporate Governance Statement

## Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation	Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) 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</p> <p>(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.</p>	<p><input type="checkbox"/></p> <p><i>[If the entity complies with paragraph (a):]</i></p> <p>and we have disclosed a copy of the charter of the committee at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a> and the information referred to in paragraphs (4) and (5) at: The Annual Report.</p>	<p><input checked="" type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> <p>In relation to the information referred to in paragraph (a)(1), after Pippa Downes resigned on 22 June 2022 the Company did not have at least three members of its remuneration committee.</p>
8.2	<p>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.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives at: The Annual Report</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(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</p> <p>(b) disclose that policy or a summary of it.</p>	<p><input checked="" type="checkbox"/></p> <p>and we have disclosed our policy on this issue or a summary of it at: <a href="https://zip.co/investors/corporate-governance">https://zip.co/investors/corporate-governance</a> and the Corporate Governance Statement.</p>	<p><input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Key to Disclosures Corporate Governance Council Principles and Recommendations

Corporate Governance Council recommendation		Where a box below is ticked, <sup>4</sup> we have followed the recommendation <b>in full</b> for the <b>whole</b> of the period above. We have disclosed this in our Corporate Governance Statement:	Where a box below is ticked, we have <b>NOT</b> followed the recommendation in full for the whole of the period above. Our reasons for not doing so are: <sup>5</sup>
<b>ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES</b>			
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	<input type="checkbox"/> and we have disclosed information about the processes in place at: ..... <i>[insert location]</i>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we do not have a director in this position and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and this recommendation is therefore not applicable <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<input type="checkbox"/>	<input type="checkbox"/> set out in our Corporate Governance Statement <b>OR</b> <input checked="" type="checkbox"/> we are established in Australia and not an externally managed listed entity and this recommendation is therefore not applicable <input type="checkbox"/> we are an externally managed entity that does not hold an AGM and this recommendation is therefore not applicable