

# Zip Co Ltd Group Anti-Bribery and Corruption Policy

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## Contents

<b>1</b>	<b>Part A: Introduction</b> .....	<b>2</b>
1.1	Policy statement.....	2
1.2	Policy Principles.....	2
1.3	Scope and applicability.....	3
1.4	Compliance with relevant laws.....	3
1.5	Other policies.....	3
1.6	Explanation of concepts.....	3
<b>2</b>	<b>Part B: ABC Compliance Measures</b> .....	<b>5</b>
2.1	Management commitment.....	5
2.2	Governance.....	5
2.3	Prohibition on bribery and facilitation payments.....	5
2.4	Gifts and entertainment.....	5
2.5	Third Parties.....	7
2.6	ABC training.....	9
2.7	Record Keeping.....	9
<b>3</b>	<b>Part C: Reporting breaches of this Policy</b> .....	<b>9</b>
3.1	Potential breaches.....	9
3.2	Consequences of breaches of this Policy and applicable laws.....	10
3.3	Key Zip contacts.....	10

## 1 Part A: Introduction

### 1.1 Policy statement

Zip Co Limited and its subsidiaries and related entities (Zip, we/us/our) has a zero tolerance approach to bribery and corruption. Zip has assessed that it faces a range of bribery and corruption risks arising from the geographic areas in which it operates, and the nature of its business, and has adopted controls responsive to such risks.

Our Zipsters and any third parties with whom we engage must:

- (a) conduct all business in an honest and ethical manner;
- (b) be committed to acting professionally, fairly and with integrity in all business dealings and relationships;
- (c) not give, offer, or promise any inappropriate benefits (including gifts or excessive hospitality) to or for the benefit of any Public Officials or any other person in order to achieve unfair advantage or benefit;
- (d) resist any demands or requests for inappropriate benefits by Public Officials or any other person;
- (e) resist any efforts made by others (including suppliers, customers or clients) to unfairly affect any official decision-making process in order to achieve unfair advantage or benefit;
- (f) only make political donations, charitable donations and sponsorships when they are ethical and legal under local laws and practices; and
- (g) not make facilitation payments.

We expect our business partners and any third parties we do business with to implement and enforce effective systems to counter bribery and corruption.

We will make every effort to report and document any breach of the law that is brought to our attention through the reporting mechanism provided by Australian, New Zealand, US or other relevant authorities.

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

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

### 1.2 Policy Principles

- (a) Zip will have in place systems and processes to identify, mitigate and manage bribery and corruption risks.
- (b) Zip implements governance structures to allow for Board approval and Executive leadership oversight of its ABC program.
- (c) Zip provides training to its Zipsters appropriate to the nature, scale and complexity of bribery and corruption risks.
- (d) Zip will monitor the performance of its Anti-Bribery and Corruption (ABC) program and update, enhance or recalibrate to account for the evolving risk environment presented by bribery and corruption.

### 1.3 Scope and applicability

This policy applies to:

- (a) Zip and all our officers and Zipsters (including all permanent and temporary employees, interns, volunteers and contractors);
- (b) any subsidiaries of Zip and their respective officers and Zipsters; and
- (c) third parties acting for or on behalf of Zip (including agents, intermediaries, vendors, merchants and consultants).

### 1.4 Compliance with relevant laws

Zipsters and third parties must comply with laws prohibiting domestic and foreign public and private sector bribery and corruption in each and every country in which they conduct business on behalf of Zip, as well as the laws of any other country that may extend to apply to any part of our business. These laws may include (but are not limited to):

- (a) the Australian Criminal Code (Cth);
- (b) relevant New Zealand legislation, including:
  - (i) the Crimes Act 1961 (NZ); and
  - (ii) the Secret Commissions Act 1910 (NZ);
- (c) the US Foreign Corrupt Practices Act 15 USC § 78dd-1 (1977); and
- (d) any other relevant applicable legislation.

Zipster and third party compliance with the anti-bribery and anti-corruption laws of the country in which they conduct business on behalf of Zip is an internal requirement of Zip.

It is important to be aware that, unlike most laws, many anti-bribery and anti-corruption laws apply everywhere in the world. For example, Australia's laws prohibiting the bribery of foreign public officials apply not only to all acts that occur within Australia, but also to all acts of Australian citizens, residents and companies that engage abroad.

### 1.5 Other policies

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

- (a) Zip's suite of Corporate Governance policies procedures – available at <https://zip.co/investors/corporate-governance> ;
- (b) Zip's Whistleblowing Policy available at <https://zip.co/investors/corporate-governance>
- (c) Zip's Privacy Policy – available at <https://zip.co/privacy>;
- (d) Zip's Delegation of Authority Procedure; and
- (e) the employment contract between Zip and Zipsters.

Zipsters must also ensure that they complete any training that they are required to undertake from time to time.

### 1.6 Explanation of concepts

In this Policy, the following definitions apply:

- (a) 'benefits' should be interpreted broadly to include anything (whether monetary or non- monetary) that provides an advantage to the recipient (including, for example, facilitation payments, favours, loan, loan guarantees, the use of property, job offers, political contributions or the payment of expenses or debts);
- (b) 'bribe' includes payment or offers or promises to pay or provide any benefit, directly or indirectly, to obtain an improper personal or business advantage;
- (c) 'entertainment' means any entertainment or event, whether provided by us or received from our Zipster, including any social event, hospitality event, meal, conference, marketing event or any similar event;
- (d) 'facilitation payment' means customary, unofficial minor payments to secure or speed up a routine government action;
- (e) 'gifts' mean anything of value given to, or received from, a prospective or current client, business partner, consultant, agent or service provider;
- (f) 'Minimal Value for record keeping' means for promotional gifts valued at \$100 or local equivalent and entertainment costing \$100 or local equivalent (noting \$100 is AUD 100 in Australia, USD 100 in US and NZD 100 in New Zealand).
- (g) 'Minimal Value for approval' means for promotional gifts valued at \$299 or local equivalent and entertainment costing \$299 or local equivalent (noting \$299 is AUD 299 in Australia, USD 299 in US and NZD 299 in New Zealand).
- (h) 'Other Party' means an existing or prospective client, consultant, intermediary or other goods/services provider of Zip; and
- (i) 'Public Official' includes:
  - (i) an employee, official or contractor of a government body or a wholly or partially state-owned enterprise;
  - (ii) a person performing the duties of an office or position created under a law of a foreign country or by the custom or convention of a country or region (for example, indigenous elders or community representatives who are authorised to act on behalf of a community, who can influence local government actions on behalf of a community, or who directly or indirectly receive salaries, wages or benefits from a government body in connection with their community leadership);
  - (iii) a person in the service of a governmental body including a member of the military or the police force;
  - (iv) a politician, judge, or member of the legislature of a state, province, or country;
  - (v) an employee, contractor or person otherwise in the service of a public international organisation (such as the United Nations);
  - (vi) an individual who is or who holds himself or herself out to be an authorised intermediary of a public official;
  - (vii) a political party, party official or candidate for public office;
  - (viii) a member of a royal family;
  - (ix) a commercial entity, or the directors, officers or employees of a commercial entity, in which a government body has a significant ownership interest or over which it otherwise exerts control; or
  - (x) family members (parent, spouse, child, in-law or sibling) and anyone else to whom the Public Official provides material

support.

(j) 'Policy Officer' means the person listed at paragraph 3.3 of this policy.

## 2 Part B: ABC Compliance Measures

This document also sets out the minimum requirements for complying with principles outlined in Part A.

### 2.1 Management commitment

Zip's Board of Directors and Executive Leadership team is committed to establishing and maintaining a culture of ABC compliance throughout our organisation. Zip's Board of directors and Executive leadership team has reviewed and approved this Policy.

### 2.2 Governance

The Director Global AML/CTF and MLRO, supported by Zip's financial crime compliance team, has operational oversight of this Policy. The Director Global AML/CTF and MLRO may delegate responsibilities under this Policy.

All approvals by the Director Global AML/CTF and MLRO must be in writing and records must be retained.

This Policy should be reviewed at least once every two years to ensure it remains current.

### 2.3 Prohibition on bribery and facilitation payments

#### (a) Prohibition on bribery

Zip strictly prohibits giving, offering or authorising bribes, as well as demanding, requesting, accepting or receiving bribes, as defined in paragraph 1.6.

#### (b) Prohibition on facilitation payments

Zip strictly prohibits the making of facilitation payments as a means of doing business.

### 2.4 Gifts and entertainment

#### (a) General requirements

- (i) Zip prohibits the offering or giving of gifts or entertainment to Other Parties, or accepting gifts or entertainment from Other Parties, in circumstances where it:
  - (A) has been solicited from Other Parties;
  - (B) is inappropriate in light of the underlying business relationship;
  - (C) involves a benefit afforded to the guests or family members of Other Parties (for example, paying for the guest or family member of the Other Party to attend the entertainment);
  - (D) is so frequent, excessive in value or of such a nature that it might give rise to a perception of impropriety;

- (E) might cause embarrassment to us and/or bring our reputation into disrepute;
- (F) might cause the recipient to improperly perform his or her duties;
- (G) might be construed as seeking to gain any improper business advantage, as representing an inducement for investment or other business, or as a bribe;
- (H) might improperly influence the recipient's judgement and/or potentially impact or alter the provision or receipt of a service; or
- (I) violate any applicable laws or regulations.

(b) Approvals process for gifts and entertainment

- (i) Approval is not required for the following types of gifts and entertainment:
  - (A) gifts or entertainment where the value falls below the Minimal Value for approval;
  - (B) promotional items where the value falls below the Minimal Value for approval (such as stationery, pens, calendars or diaries); and
  - (C) seasonal or traditional non-cash gifts (for example, that are given to mark local festivals or where this forms part of local business practices), where the value falls below the Minimal Value for approval.
- (ii) Gifts and entertainment above the Minimal Value for approval may be approved by either:
  - (A) the Policy Officer; or
  - (B) a member of the Global Executive team or their direct reports.
- (iii) Notwithstanding paragraph 2.4(b)(i) above, gifts and entertainment must not be provided to Public Officials without the prior approval of the Policy Officer or a member of the Global Executive team.

(c) Record Keeping

- (i) Details of all gifts or entertainment at or over the minimal value for record keeping (i.e. of a value at or over \$100) given or received, including any rejected gifts, should be maintained in a central file.
- (ii) Zipsters must:
  - (A) submit all expense claims relating to gifts or entertainment in accordance with Zip's expenses procedure and record the reason for the expense; and

- (B) ensure record keeping of the giving or receiving of entertainment or gifts for managerial review.
- (iii) The Policy Officer should periodically review (at least annually) the frequency of gifts and entertainment being received and given and seek legal advice where the cumulative monetary value of gifts and entertainment given or received by any individual appears excessive or inappropriate.

## 2.5 Third Parties

- (a) Procedure for appointment and retention of third parties
  - (i) Before the engagement of a new third party or renewal of an existing agreement with a third party, Zip will take appropriate steps to ensure the party meets Zip's requirements, as outlined below.
    - (A) Due diligence should be conducted or updated to ensure that risks are properly identified and managed in accordance with the procedure set out in Zip's ABC Standard.
    - (B) The third party should be made aware of Zip's Anti-Bribery and Corruption Policy and the standards of conduct that we expect.
    - (C) The level of fees should be reasonable in relation to the level of service provided.
    - (D) The relationship between Zip and all third parties must always be governed by a written agreement. This agreement should include provisions setting out the standard of conduct expected and giving us sufficient rights so that monitoring and investigation can take place. No business should be conducted with the third party's involvement until such an agreement has been entered into.
- (b) Business owner responsibilities
  - (i) If it is essential to use a third party to conduct business, the principles set out below should be followed:
    - (A) A Zipster should be identified as the business owner for the third party.
    - (B) The business owner should conduct due diligence in accordance with Zip's ABC third party due diligence standard prior to the engagement of the third party.
    - (C) The business owner should make the third party aware of Zip's Anti-Bribery and Corruption Policy and, where appropriate, suitable training should be given at our discretion.

- (D) The business owner must take reasonable steps to monitor the third party and prevent improper conduct.
  - (E) If there is any indication of potentially improper conduct the business owner should notify the Policy Officer immediately. The Policy Officer will then take sufficient steps to investigate the conduct.
- (c) Zipster obligations
- (i) All Zipsters who are authorised to make payments to third parties must take steps to:
    - (A) understand the link between commissions (if any) and the business transaction/venture;
    - (B) document the calculation or basis of all proposed commissions to ensure they are reasonable;
    - (C) ensure that all expenses are explainable and relate legitimately to the services provided;
    - (D) ensure that all expenses are properly claimed, recorded and paid; and
    - (E) be aware of changes to the payee/recipient.
- (d) Third party obligations
- (i) Third parties are expected to:
    - (A) familiarise themselves with our Anti-Bribery and Corruption Policy;
    - (B) participate in any anti-bribery training provided by us;
    - (C) familiarise themselves with and comply with any policy and procedure manuals which apply to their work;
    - (D) as soon as reasonably practicable report any actual or suspected bribe to their contact person (business owner at Zip) or the Policy Officer, or in accordance with Zip's Whistleblowing Policy;
    - (E) as soon as reasonably practicable report any allegation of bribery made by a third party; and
    - (F) as soon as reasonably practicable report any breaches of policies and procedures which may come to their attention.
- (e) Warning signs
- (i) Business owners and Zipsters should always look out for anything that might signal that the third party is involved in any improper conduct. This could include situations when the third party:
    - (A) appears unqualified or understaffed;



- (B) is located in a jurisdiction that we consider to be high risk. This may be determined by reference to Transparency International's Corruption Perceptions Index, available at <https://www.transparency.org/cpi>;
  - (C) is specified or recommended by a government official;
  - (D) requests that their identity be kept hidden;
  - (E) requests that they be paid in cash, upfront or through offshore payments;
  - (F) requests unusually large fees in relation to the services provided; or
  - (G) seeks reimbursement for unusually high or undocumented expenses.
- (f) Third Party Details
- (i) Details of all third parties engaged by Zip should be maintained and kept updated.

## 2.6 ABC training

- (a) Training is a fundamental component of Zip's ABC compliance procedures, and Zipsters are expected to comply with all training requirements.
- (b) Induction training on this Policy will be provided to all new officers, Zipsters and relevant third parties.
- (c) Annual training on this Policy will be provided to all officers, Zipsters and relevant third parties.
- (d) Zip will review ABC training materials on a periodic basis to ensure these remain current, engaging and relevant to the risks Zip faces.

## 2.7 Record Keeping

Records of ABC screening and due diligence performed on customers and third parties must be maintained in line with local AML/CTF record keeping requirements or a minimum of five years, whichever is longer.

## 3 Part C: Reporting breaches of this Policy

### 3.1 Potential breaches

- (a) Zip must report all breaches of this policy in accordance with applicable local or foreign laws. The Director Global AML/CTF and MLRO will facilitate this reporting, in conjunction with Zip's compliance and legal teams.
- (b) Where a Zipster becomes aware of or suspects that bribery has taken place, the information must be reported in the first instance to:
  - (i) to their manager (or in the case of third parties, the third party's contact person), who should then report it to the Policy Officer;
  - (i) directly to the Policy Officer; or
  - (ii) where the Zipster is uncomfortable with the above options, is seeking protection as a whistleblower or wants to report anonymously, or for any other reason, in accordance with the reporting procedures set out in Zip's Whistleblowing Policy.

- (c) All reports will be treated in confidence and assessed to determine if a formal investigation is required.
- (d) Once a Zipster has reported a suspicion or concern to the appropriate person, the matter should not be discussed with any person other than those responsible for investigating it until the information is made public.
- (e) A manager to whom a Zipster's concerns are expressed must act promptly and notify the Zipster of any action taken. Where it is decided that further investigation is not appropriate, the Zipster must be given an explanation of the reasons for reaching this conclusion, subject to other obligations Zip may have.
- (f) We are committed to creating and maintaining a culture of corporate compliance and ethical behaviour. We do not tolerate detrimental conduct towards a person as a result of that person making a report in accordance with this policy. For further information, please see Zip's Whistleblower Policy available at:  
<https://zip.co/investors/corporate-governance> .

### **3.2 Consequences of breaches of this Policy and applicable laws**

- (a) The consequences of non-compliance with this policy could be severe. Breaches of this policy may render Zipsters liable to disciplinary action, up to and including termination of employment.
- (b) In many jurisdictions, such breaches might also render individuals liable to prosecution by a law enforcement or regulatory body which might impose significant penalties.
- (c) In the case of business partners or other third parties to whom this policy also applies, we will not hesitate to terminate our relationship with a business partner or third party who has been found to breach this policy.

### **3.3 Key Zip contacts**

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

**Policy Officer:** Mark Ponniah (Director Global AML/CTF and MLRO)

[mark.ponniah@zip.co](mailto:mark.ponniah@zip.co)

## Version Control

### Variations

Except in relation to entitlements that are provided under legislation, the measures provided under this Policy are at the sole discretion of Zip and are not legally binding on Zip. We reserve the right to vary, replace or terminate this Policy from time to time. This version of the Policy supersedes all previous versions.

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