

Corporate Governance Statement 2024



Zip Co Limited

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Corporate Governance Framework

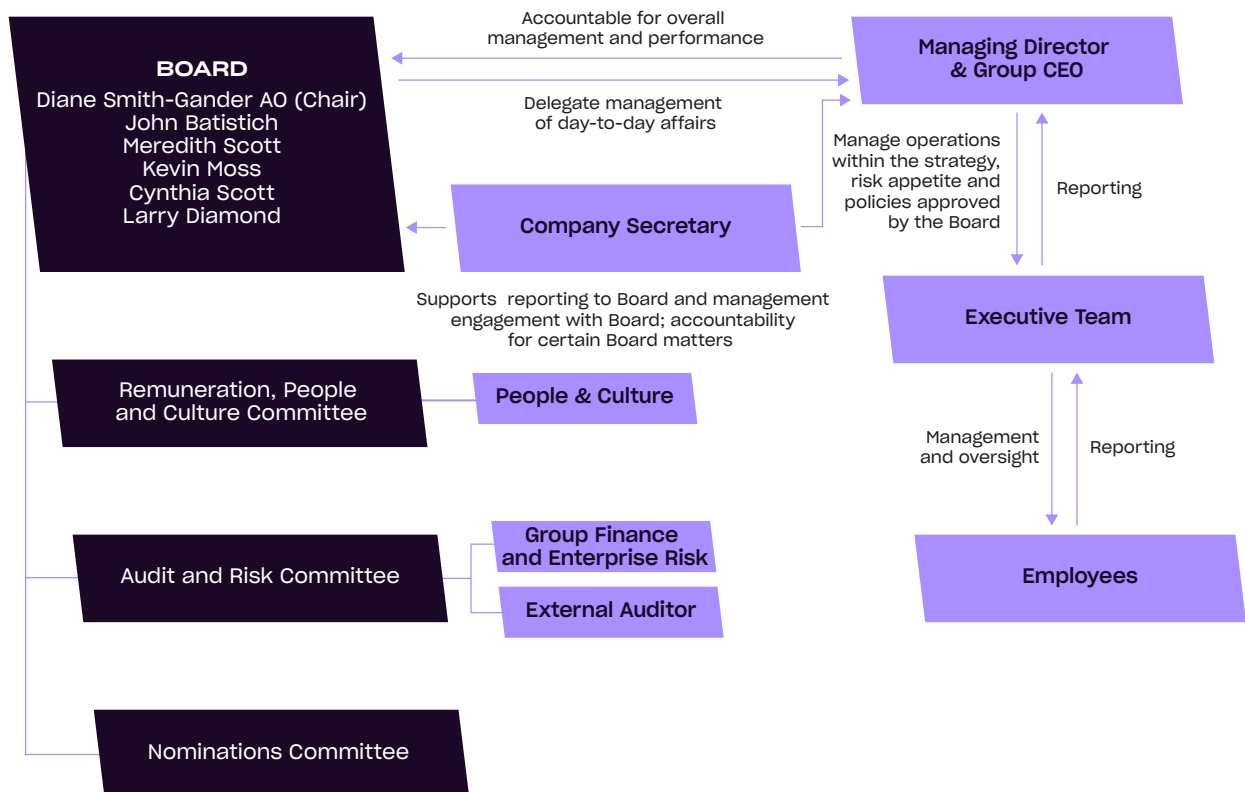
The directors and management of Zip Co Limited (**Zip** or the **Company**) are committed to conducting the business of the Company and its controlled entities (the **Group**) in an ethical manner and in accordance with high standards of corporate governance that are appropriate for the Company’s nature and scope of operations.

This Corporate Governance Statement describes Zip’s corporate governance framework, policies and practices during the financial year ended 30 June 2024 (the **Reporting Period** or **FY24**). This statement was approved by the Board on 26 September 2024.

Throughout FY24, 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 FY24 Annual Report (**Annual Report**), has been lodged with the ASX, and a copy is also available on the Company’s website.

The Zip Board and its Committees periodically review the Company’s corporate governance arrangements and practices to consider their appropriateness, including alignment with current governance requirements and practices, as well as emerging governance trends and evolving stakeholder expectations. The Zip Board believes that good corporate governance supports sustainable performance by Zip over time.

Zip’s **current** governance framework (including the members of the Board as at 26 September 2024) is summarised below.



More information on the Company’s corporate governance practices, including the Company’s Constitution, Board and Committee Charters, and key corporate governance policies 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 decision-making and thinking at Zip, including in relation to its corporate governance policies and practices. Further information about Zip's purpose and mission can be found on Zip's website and at the front of the FY24 Annual Report.

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

Zip's Board of Directors

As at 26 September 2024, Zip's Board was comprised of four Non-Executive Directors and two Executive Directors. An overview of the qualifications, appointment date, experience and responsibilities of each Director is set out at pages 49 to 54 of the FY24 Annual Report.

Name	Date of Appointment	Independent
Diane Smith-Gander AO (Chair)	1 February 2021	Yes
John Batistich (Non-Executive Director)	6 September 2018	Yes
Meredith Scott (Non-Executive Director)	1 September 2022	Yes
Kevin Moss (Non-Executive Director)	21 May 2024	Yes
Cynthia Scott (Group Chief Executive Officer and Managing Director)	24 August 2023 (Appointed as Group CEO on 10 August 2023 and as Managing Director on 24 August 2023)	No
Larry Diamond (Executive Director and Chairman US (Zip Co US Inc.))	11 September 2015 (Appointed as a director on 11 September 2015; ceased as Managing Director on 23 August 2023)	No

On 25 September 2024, Zip announced that Matthew W. Schuyler would be joining the Board as an additional Non-Executive Director on 7 October 2024.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is responsible for the governance of Zip. The role of the Board is to provide leadership and strategic guidance for the Company and oversight of management. The Board is accountable to shareholders for the performance of the Company. The Board considers that its role includes safeguarding Zip's interests and fostering sustainable value creation while considering the reasonable interests of shareholders, employees, customers, and other relevant stakeholders.

Key responsibilities of the Board include setting Zip's Group strategy, approving the Company's values and Code of Conduct, approving an annual budget and monitoring financial performance, setting risk appetite and approving the Company's risk management framework, appointing and replacing the CEO, and overseeing corporate reporting and disclosure processes. 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 risks, health, safety and wellbeing risks and potential risk to Zip's reputation and brand.

The Board has adopted a Board Charter that details the roles and responsibilities of the Board and management, including those matters specifically reserved to the Board. The Board reviews the Board Charter periodically to determine its appropriateness to the needs of the Company.

The Board Charter was last reviewed and updated in August 2024 and a copy is available on the Corporate Governance page of the Company's website.

Zip's Board of Directors continued

RESPONSIBILITIES OF THE CHAIR

Under Zip's Constitution, the Board may elect a Chair from among the Directors. Under the Board Charter, the Chair should be a Non-Executive Director who satisfies the Board's criteria for independence (where practicable). These provisions support the roles of the Chair and the Group CEO not being exercised by the same individual.

The Chair presides over Zip's Board meetings and shareholder meetings. Key responsibilities of the Chair include:

- Leadership of the Board and overseeing the Board in the effective discharge of its role
- Setting the agenda for Board meetings, in consultation with the Group CEO and Company Secretary
- Facilitating effective contributions by all Directors and promoting open and constructive engagement between Board members, and between Board and management at meetings
- Maintaining a regular dialogue with the Group CEO, and being the principal communication channel between the Board and management
- Establishing and overseeing the implementation of policies and processes for Board performance reviews and Board renewal.

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 17 times during the financial year. Director's attendances are set out on page 55 of the FY24 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 against criteria for independence set out in the Board Charter, including through an annual formal assessment undertaken by the Nominations Committee. The Board has assessed each Non-Executive Director as independent. As the Managing Director, Cynthia Scott, and Larry Diamond are both executives in the Zip Group, they cannot be considered to be independent.

In accordance with the Board Charter, a Director is considered 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 independence 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.

Zip's Board of Directors continued

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 its 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 considering any changes in the Group's circumstances and strategic priorities.

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

Skills/experience	Description	Level ¹
Industry		
Retail/Ecommerce	Experience in the retail/ecommerce industry	Proficient
Payments and Affiliates	Experience in conducting business directly with consumers	Proficient
Issuing responsible credit	Experience with customer base	Proficient
Multi country markets	Experience in conducting business in, and proven knowledge of, overseas markets in which the Company operates	Proficient
Digital & Technology		
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
Cyber Security	Experience in cyber security technology and cyber governance	Practiced
Governance, Stakeholders and Regulatory		
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

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 of Directors continued

Skills/experience	Description	Level ¹
Leadership		
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

The skills and experience 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. As noted in the 2023 Annual Report, considering the strategic importance of the US market, the Board had been planning to appoint an additional independent, non-executive director based in the US. The Board appointed Kevin Moss as Non-Executive Director effective 21 May 2024. Kevin is US-resident and brings to the Board additional credit and risk experience in the financial services and payments sectors, including for the US market.

NOMINATIONS AND APPOINTMENT

The Nominations Committee oversees matters related to the composition and performance of the Board, including assisting the Board in identifying and recommending candidates for election to the Board and determining the appropriateness of candidates to ensure the Board collectively maintains a desirable mix of expertise, skills, experience, diversity and perspectives appropriate for the Company's operations and size. 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 background and reference checks (including due diligence in respect of the candidate's character, experience, education, criminal record and bankruptcy status).

Directors appointed by the Board must stand for election 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 the key terms and conditions of their appointment, including duties and responsibilities, rights and remuneration entitlements.

These processes have been followed in relation to the recent appointment of Kevin Moss as a Non-Executive Director by the Board. Shareholders will be asked to elect Kevin Moss as a Director at the 2024 AGM.

Zip's Board of Directors continued

BOARD EFFECTIVENESS

Building director capability

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

- Zip, its operations, strategy, financial performance and governance systems
- The rights, duties and responsibilities of Directors
- The role of each Board Committee
- The roles and responsibilities of the Executive Team
- Zip's risk management framework and key policies.

As part of their induction, new Non-Executive Directors also engage in a program of meetings with members of Zip's Executive Team to learn about the Company and its business.

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 2023, the Directors approved a Board Training Plan and in FY24 the Board was 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, the US regulatory climate and areas of reform, workplace health and safety, director duties in relation to ESG and other corporate governance topics. The Board is also required to undertake annual online training on numerous subjects such as Zip's Code of Conduct, workplace health and safety (including addressing bullying awareness and prevention of sexual harassment), anti-money laundering and counter-terrorism financing, anti-bribery and corruption, information security awareness, privacy awareness, insider trading awareness, whistleblower policy and modern slavery.

PERFORMANCE AND EVALUATION

The Board periodically reviews its own performance, that of its Committees, and the performance of individual Directors. The Board's intention is to undertake a formal review of the performance of the Board, using an external facilitator, every third year, with the next such formal review planned for 2025.

In FY24, the Board undertook an internal assessment of the Board's performance, supported by a governance consultant and overseen by the Chair (and Chair of the Nominations Committee) – Diane Smith-Gander. The review process involved an anonymous internal assessment survey and questionnaire completed by the Directors and a number of members of the Group Executive Team.

The FY24 review focused on several key areas, including:

- Board structure and composition
- Responsibilities and effectiveness of the Board's Committees
- Leadership of the Company by the Board
- Board processes and decision-making
- The Board's relationship with management and other stakeholders
- The Board's role in performance oversight
- Strategy setting and monitoring of execution
- Oversight of risk management, compliance, internal controls and assurance
- Sustainability, and effective oversight of the needs of stakeholders.

The Board's overall assessment, following consideration of the outcomes of the survey and questionnaire, was that the Board functions effectively in the discharge of its responsibilities. Following the review, the Board discussed the outcomes and identified actions to further strengthen its performance. The actions include a planned review of the Board Committee structure given the changing size and composition of the Board.

Board Committees

The Board has established three standing Committees:

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

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 55 of the FY24 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.

The Charter for each Board Committee requires an annual or periodic review of performance. In 2024, this review was conducted as part of the Board effectiveness review referred to above.

A summary of the membership, purpose and key responsibilities of the Board's Committees is set out below.

Membership	Purpose and responsibilities
Audit and Risk Committee (ARC)	
Meredith Scott (Chair) John Batistich Kevin Moss	<p>The Committee assists the Board to fulfil its responsibilities through its governance and oversight of financial reporting, external audit, and risk management (including the effective identification, assessment, monitoring and management of risks).</p> <p>The ARC's responsibilities include:</p> <ul style="list-style-type: none"> – Reviewing financial reports and associated investor materials, and the integrity of unaudited periodic financial reports – Overseeing external audit engagement – Overseeing the risk management framework, including risk management systems – Overseeing the effectiveness of the Group's compliance program in ensuring Zip's compliance with laws and regulatory requirements.
Remuneration, People and Culture Committee (RPCC)	
John Batistich (Chair) Meredith Scott Kevin Moss	<p>The Committee assists the Board to fulfil its responsibilities, including through reviewing people and culture trends and metrics, and reviewing and making recommendations to the Board in relation to:</p> <ul style="list-style-type: none"> – Zip's remuneration practices and framework to ensure alignment with Zip's values, risk appetite and desired company culture – The performance and remuneration of the Managing Director and Group CEO, and reviewing the remuneration of senior executives – Director remuneration, employment-related policies, and talent management and succession planning for key management roles.
Nominations Committee	
Diane Smith-Gander AO (Chair) John Batistich Meredith Scott Kevin Moss ²	<p>The Committee's purpose is to review and make recommendations to the Board relating to:</p> <ul style="list-style-type: none"> – Optimal Board composition – Recruitment of candidates for the Board – Performance evaluation of the Board, its Committees and individual Directors – Induction and professional development – Succession planning for the Board.

2. From 19 September 2024.

Group Executive Team

The Board has delegated to the Group CEO, Cynthia Scott, the authority to manage Zip's day-to-day business and operations and the authority to control the affairs of Zip, other than those responsibilities reserved by the Board to itself, including in the Board Charter.

The Group CEO's role includes:

- Leading Zip's Group Executive Team
- Accounting to the Board for Zip's overall management and performance
- Management of Zip in accordance with the values, Code of Conduct, strategy, budget and risk appetite approved by the Board.

The CEO has authority, in turn, to delegate to the Group Executive Team. The Group Executive Team comprises the Group CEO, CEO Australia and New Zealand, CEO United States, Group Chief Financial Officer, Chief Legal and Risk Officer, and Chief People Officer.

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

Each member of Zip's Group Executive Team (including the Group 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 background and 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 Group Executive Team members have individual accountability for their respective business functions, the Group 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.

Together with the Group CEO and Managing Director, other members of the Group 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 56 to 88 of the FY24 Annual Report sets out Zip's policies and practices for remunerating non-executive Directors and executives.

PERFORMANCE EVALUATION

On an annual basis, the Board reviews the performance of the Group CEO, and notes the Group Executive Team's performance against agreed performance objectives and other relevant factors, on the advice of the Remuneration, People and Culture Committee.

Executive Team performance evaluations were conducted for FY24 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 56 to 88 of the FY24 Annual Report.

COMPANY SECRETARY

The Board is responsible for the appointment of Zip's Company Secretary. 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.

Details of the Company Secretary are set out on page 54 of the FY24 Annual Report. The appointed Company Secretary has attended all meetings of the Board and Committees as required.

Diversity, Equity & Inclusion

Zip is committed to fostering an environment in which our employees can thrive, by bringing out the best in every 'Zipster', enabling them to do their best work.

Zip's Diversity, Equity and Inclusion Policy outlines Zip's commitment to fostering a corporate culture that embraces diversity. It provides a framework to embed and support a diverse and inclusive workplace for all employees, including the process for setting, measuring and reporting on measurable objectives for diversity, equity and inclusion.

Zip is committed to building balanced teams that reflect the diversity of the communities in which we operate. By framing diversity, equity and inclusion to be about balanced teams and equity of experience, Zip aims to build high-performing teams, while guarding against bias and removing obstacles that prevent people from being their best.

The Nominations Committee sets measurable objectives for achieving gender diversity 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.

In June 2024, the Nominations Committee set the following "Measurable Objectives for Gender Diversity" 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.

Further detail of the Group's diversity, equity and inclusion activities during FY24 are contained at page 33 of the Annual Report, including progress against the objectives set out above.

Zip completed the Australian Workplace Gender Equality Agency's (WGEA) compliance program for 2023/24. The submission provides transparency on gender balance across the workforce, as well as initiatives, policies and practices that support gender equality. Zip's WGEA submissions, along with Zip's Gender Pay Gap Statement, are published on Zip's corporate website. The Company's most recent "Gender Equality Indicators" are also available on the WGEA Data Explorer site.

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 and other material risks, and how these risks are managed, are set out in the Annual Report in the Sustainability Report.

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.³

Zip examines its activities to identify material risk exposures using an enterprise-wide risk program. This program is supported by:

- the Risk Management Policy
- Zip's risk management framework and associated standards, the objectives of which are to provide guidance to Zip employees on how to conduct risk assessments, ensure a consistent and simple 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 referred to in the Key Corporate Governance Policies section of this Statement).

Zip adopts a 'Two lines of defence' approach to managing risk. The first line is accountable for risk and control ownership. The Group CEO and Group Executive Team are responsible for the first line, ensuring appropriate identification and ownership of risks and controls, and effective implementation of the risk management framework. They are supported by the regional Executive Teams. Management is responsible for ensuring that systems, processes, and controls are in place to minimise identified risks to an acceptable level. Zip has a designated independent second line Risk and Compliance function that provides oversight, challenges risk decisions and provides monitoring and assurance on the control environment and level of compliance.

Whilst Zip does not have a separate Internal Audit function, it does rely on personnel, including with the support of external auditors and specialists (when appropriate), to independently investigate or assure specific control issues or identified risks. Zip personnel involved in such activities are in roles distinct from where those issues or risks reside.

Zip does not have any material exposure to environmental or social risks. Environmental and social risks are identified, assessed and reported through Zip's risk management processes and form part of overall risk reporting to the Board. Zip's 2024 Sustainability Report, within the Annual Report, also contains commentary on Zip's materiality assessment of key ESG matters for Zip, including social and environmental priority areas, and related goals and commitments.

3. The Risk Management Policy is available on the Corporate Governance page of Zip's website.

Risk Management Framework and Financial Reporting continued

ROLES OF THE BOARD AND AUDIT AND RISK COMMITTEE

The Board is responsible for, among other matters:

- Approving the risk management framework
- Reviewing and monitoring material business risks and overseeing how they are managed
- Setting the risk appetite within which the Board expects management to operate
- Overseeing the adequacy, appropriateness and operation of systems of internal control and compliance.

The ARC assists the Board in fulfilling its oversight responsibilities, including by:

- Monitoring and reviewing the effectiveness of the risk management framework
- Overseeing Zip's material business risks as outlined in Zip's risk profile, and monitoring performance against risk appetite.

The ARC also oversees the investigation of any reports received via the Company's whistleblower hotline, and oversees the management of material issues and incidents.

The ARC receives reporting from management on Zip's material business risks (both financial and non-financial) and the key controls in place and/or in design to mitigate or manage those risks at each meeting. In addition, the ARC receives reporting from management throughout the year on specific risk topics of interests e.g. cyber security.

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 FY24, the Board's risk appetite statement and the Zip group and regional risk profiles were refreshed and a program of work was established to further develop and enhance Zip's risk management practices.

Where appropriate, the ARC will establish sub-committees to support its oversight responsibilities. One such committee is the Cyber Security Council that has the remit to review specific Information Technology risks. The risk governance structure also includes:

- Risk Committees – The Governance Enterprise Risk and Compliance Committee oversees risks across Zip's US business (US). The Operational Risk and Compliance Committee oversees non-financial risk management, and the Credit Risk Committee oversees credit risk, arrears and losses across Zip in ANZ (AU).
- Regional Executive Committees – ensures alignment across teams and accountability for delivering on strategic commitments in each of the US and ANZ region.

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 makes recommendations to the Board relating to the approval of those financial reports.

Before the Board approves the financial statements for a financial period (including the full year and half-year), the Group CEO and Group 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 Accounting Standards and give a true and fair view of the financial position and performance of Zip. For FY24, the Group CEO and Group CFO also provided the Board with a declaration that, in their opinion, the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* (Cth) is true and correct. They also provide confirmation that these opinions have been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Zip is committed to providing clear, accurate and balanced 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 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 in accordance with the *Corporations Act 2001*, including giving a true and fair view of the Company's financial position and financial performance for the relevant period and comply with applicable accounting standards and 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. The ARC members meet with the external auditor at least twice a year without management present.

The ARC Charter contains details of the Committee's responsibilities relating to the selection and appointment of the external auditor, and for monitoring auditor independence (including reviewing proposed engagements for any non-audit services), and monitoring and evaluating the performance of the external auditor.

Reports on the provision of audit and related services are provided to the ARC on a regular basis. The ARC and the Board concluded that non-audit services provided during FY24 did not compromise the external auditor's independence requirements under the *Corporations Act*. Zip has had a Non-Audit Services Policy in place since August 2023 to support compliance with APES 110 Code of Ethics for Professional Accountants and ensure appropriate oversight by the ARC over the non-audit services provided by the external auditors.

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.

CODE OF CONDUCT

Zip has a Code of Conduct that applies to all Zip personnel, including its executive leadership team and Zip's Directors. The Code is a guide for the expectations of behaviours and the way in which the Company operates. Requirements under the Code include to uphold the Company values and to:

- Actively promote the highest standards of ethics and integrity in carrying out their duties
- Disclose any actual or perceived conflicts of interest
- Respect the confidentiality of information of a confidential nature which is acquired in the course of the Company's business
- Comply with all laws and regulations that apply to the Company and its operations
- Deal with the Company's customers, business partners, suppliers, government officials and each other with the highest level of honesty, fairness and integrity and to observe legal and regulatory requirements
- Protect the assets and information of the Company to ensure it is available for legitimate business purposes and not use their position in the Company for personal gain
- Maintain a safe and fair work environment, treat fellow staff members with respect and not engage in bullying, harassment or discrimination
- Comply with all Company policies.

New Zipsters undertake training in relation to the Code as part of induction and Zipsters in Australia and New Zealand are also required to complete online refresher training annually.

The Code sets out the channels for reporting known or suspected breaches of the Code. In addition, there is an independent service that facilitates anonymous reporting via the whistleblower hotline.

In accordance with the Code of Conduct, any material breaches of the Code are reported to the Audit and Risk Committee.

ANTI-BRIBERY & CORRUPTION POLICY

Zip's Anti-Bribery and Corruption Policy outlines Zip's approach to identifying, managing and mitigating the risks of bribery and corruption, and our expectations of Zip subsidiaries, our officers, all Zipsters and third parties acting for or on behalf of Zip. Zip has a zero tolerance approach to bribery and corruption.

Any material breaches of the Policy are reported to the Board.

Key Corporate Governance Policies continued

CONTINUOUS DISCLOSURE POLICY

Zip's Continuous Disclosure Policy outlines the corporate governance measures adopted by the Company to support its commitment to disclosure and ensure that the Company complies with its disclosure obligations under the ASX Listing Rules, the *Corporations Act 2001* (Cth) and at law.

Zip's Continuous Disclosure Committee has delegated authority from the Board for ensuring that the Company complies with its continuous disclosure obligations. The Disclosure Committee is responsible for, among other matters, considering whether information is market sensitive and must be disclosed to the ASX, and whether exceptions to disclosure under the ASX listing rules apply. Under the policy, matters of fundamental significance to the Company must be approved by the Board and the Disclosure Committee will also consider whether it is otherwise appropriate to refer disclosure matters to the Board for review.

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 material market announcements promptly after they have been made to the ASX. All ASX announcements are available from Zip's Investor Centre on its corporate website. Decisions of the Continuous Disclosure Committee are recorded and reported to the Board.

DIVERSITY POLICY

Zip's Diversity, Equity and Inclusion Policy outlines Zip's commitment to fostering a corporate culture that embraces diversity. It provides a framework to effectively embed and support a diverse and inclusive workplace for all employees, including the process for setting, measuring and reporting on measurable objectives for diversity, equity and inclusion. The Policy reinforces Zip's strong commitment to inclusion at all levels of the organisation, for all people of all genders, marital or family status, sexual orientations, gender identities, ages, disabilities, ethnicities, religious beliefs, cultural backgrounds, socio-economic backgrounds, perspectives and experiences.

HEALTH & SAFETY POLICY

Zip's Health and Safety Policy demonstrates Zip's commitment to providing a safe and healthy work environment, and outlines the Company's intentions and objectives to ensure, so far as is reasonably practicable, the health and safety of its' employees and other people to whom Zip owe a Work Health and Safety related duty of care. This includes providing and maintaining a working environment that minimises the risks to the health, safety and welfare of all employees, contractors and visitors. This policy also sets out the minimum level of controls and monitoring required across the Group to ensure compliance.

The Audit and Risk Committee monitors health, safety and wellbeing as part of its oversight of enterprise risk. In addition, the Board sets aside time at each scheduled Board meeting to discuss as a standing agenda item: Respect @ Zip, which allows time for the Directors and senior executives to discuss any lessons learnt from personal experience in relation to any psychosocial health and safety incidents or observations.

Key Corporate Governance Policies continued

HUMAN RIGHTS STATEMENT, JOINT MODERN SLAVERY STATEMENT AND SUPPLIER CODE OF CONDUCT

Zip's Human Rights Statement outlines Zip's commitment to operating its business lawfully and ethically and how Zip aspires to uphold international human rights principles across its business, including those in the International Bill of Human Rights, among other conventions.

Zip's Joint Modern Slavery Statement is prepared annually and outlines the steps Zip has taken across its business and supply chains to address modern slavery risks.

Zip's 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 contracting process for relevant suppliers in Australia and New Zealand.

SECURITIES TRADING POLICY

Zip's Securities Trading Policy outlines the types of conduct that are prohibited under the *Corporations Act 2001* (Cth) when dealing in Zip's securities and establishes practices that protect Zip and its personnel against the misuse (or appearance of misuse) of 'inside information'.

Under the Policy, Zip personnel, which includes employees, Zip's directors and certain related parties of the directors and executives, must not deal in Zip securities if in possession of inside information. Zip personnel are not permitted to deal in Zip securities during specified 'prohibited periods' set out in the Policy⁴. Designated personnel (which includes Directors, officers, members of the executive team and certain other employees) are required to seek prior written approval to trade Zip securities from the Approving Officer during all periods.

The Securities Trading Policy also contains a prohibition on entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity-based remuneration scheme.

The Policy was prepared to satisfy ASX Listing Rules requirements.

WHISTLEBLOWER POLICY

Zip's Whistleblower Policy encourages reporting of actual or suspected wrongdoing (for example, dishonest, illegal or unethical conduct) and promotes a culture of honest and ethical conduct. The policy also establishes a system for the reporting, investigation and rectification of wrongdoing. The policy supports the Company's compliance with applicable legal and regulatory obligations, including under the *Corporations Act 2001* (Cth) and *Protected Disclosures (Protection of Whistleblowers) Act 2022* (NZ).

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. The policy also outlines processes to make a report to one of Zip's Whistleblower Protection Officers. Any material incidents, and an overview of the number of all complaints and incidents, are reported to the Board.

4. The policy provides that in exceptional circumstances (as determined by the Approving Officer), Zip personnel may be permitted to trade during a Prohibited Period on a case by case basis.

Shareholder Engagement

Zip operates an investor relations program, with a range of strategies to facilitate effective two-way communications with shareholders and other stakeholders. There is regular reporting to the Board and Group Executive Team by Investor Relations. This program seeks to keep shareholders informed about Zip's activities and to listen to issues or concerns raised by shareholders.

Zip's Shareholder Communication Policy, which is available on the Zip corporate website, outlines the Company's approach to promoting effective communication with shareholders and other stakeholders. This includes encouraging and facilitating participation at Zip's general meetings, and dealing promptly with enquiries.

Zip's website provides a range of information about the Company and its governance framework to investors. The Investor Centre on Zip's website contains a range of information relevant to shareholders, such as its ASX announcements, previous Annual Reports, Half year and quarterly reports, other financial reports, and presentations used in analyst, investor or media briefings, which are published after they have been given to the ASX and following confirmation of release to the market. The website also includes notices of meeting and accompanying documents relating to Annual General Meetings (AGMs) and other security holder meetings. The website also provides information on where shareholders can direct inquiries to the Company or its share registry, including electronically.

As well as attending broker-sponsored conferences, Zip conducts briefings and meetings with institutional and retail investors throughout the year. Copies of new and substantive investor or analyst presentations are lodged with the ASX ahead of these events and published on the Company's website. Analyst/media briefings in relation to half-year and full year financial results are held by webcast/teleconference and other significant events can be heard by teleconference. Archived transcripts of these proceedings are also available on the Zip website.

Communication with the market is predominantly through the Group CEO, Group CFO, US CEO, ANZ CEO and the Director of Investor Relations and Sustainability. Where significant comments or concerns are raised by investors or their representatives, they are communicated to the Company's Board and relevant senior executives, supported by Investor Relations.

Zip also engages with a broad range of other stakeholders, including corporate governance advisory firms, shareholder representative bodies, proxy advisers and retail investor groups to understand evolving market expectations on topics including ESG and remuneration. From time to time, the Chair of the Board and the Chair of the Remuneration, People and Culture Committee participate in meetings with such organisations so that the Board can receive direct feedback about the effectiveness of Zip's corporate governance and remuneration arrangements.

Fundamental to Zip's investor relations program is Zip's management of its continuous disclosure obligations, in accordance with its Continuous Disclosure Policy, which is described above under 'Key Corporate Governance Policies' including its commitment to making accurate, complete, balanced, clear and objective disclosures to the market under the Policy.

The Zip share register is maintained by Computershare Investor Services Pty Limited. Computershare provides an accessible online platform for shareholders to access and manage their shareholding. 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. Shareholders may elect to receive all shareholder communications and announcements by email and may also communicate with the Share Registry electronically.

Shareholder Engagement continued

As outlined in the Shareholder Communication Policy, general meetings are an important opportunity for Zip to communicate with shareholders and allow for informed shareholder participation. The Company aims to ensure that the form, content and delivery of notices of general meetings comply with the Company's Constitution, the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

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. Notices of Meeting, as well as any presentations to be made at the AGM, and the results of voting at the AGM, are all released to the ASX. Copies of the presentations are also published on Zip's website after they are released on ASX. Shareholder meetings, including AGMs, are expected to be held fully virtually.

Investors are invited to submit questions before the AGM. 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, the management of the entity, 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 Group CEO or a member of the Group Executive Team. All substantive resolutions at the AGM are decided by a poll.

Consistent with the approach taken for the last few years, Zip's 2024 AGM will be held virtually on 7 November 2024 (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 2024 AGM.