



Corporate Governance Statement

1 INTRODUCTION

Sezzle Inc. (the **Company**) is committed to conducting its business activities and governing the company in accordance with best practice corporate governance to the extent appropriate to the size and nature of the Company's operations.

This Corporate Governance Statement details the extent to which the Company will follow, as at the date of its admission to the official list of the ASX, the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Recommendations**).

For the purposes of this Corporate Governance Statement submitted pursuant to the Company's pre quotation disclosure obligations as required by the ASX, the Company's corporate governance practices are structured with reference to the third edition of the Recommendations released on 27 March 2014.

While listed entities are entitled not to adopt the Recommendations in whole or in part, the ASX requires that entities explain why it has not adopted any particular recommendation on an "if not, why not" basis.

The table set out below identifies which Recommendations the Company follows and which it does not, and provides reasons for not following those Recommendations as well as alternate governance practices (if any) the Company intends to adopt instead of those Recommendations.

The Company's corporate governance policies together with a copy of this Corporate Governance Statement are all available on the Investor section of the Company's website at sezzle.com (**Website**).

2 RECOMMENDATIONS COMPLIANCE TABLE

Recommendation	Compliance	Statement
Principle 1 – Lay solid foundations for management and oversight A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.		
1.1 A listed entity should disclose:	Compliant	The board of directors of the Company (Board) has adopted a charter (Board Charter) which sets out the principles regarding the ongoing

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<p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>		<p>operation of the Board. The Board Charter sets out the role and responsibilities of the Board and expressly provides for the delegation of authority to the Company's Chief Executive Officer (CEO) for matters pertaining to the day to day operations of the Company.</p> <p>A copy of the Board Charter is available on the Website.</p>
<p>1.2 A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>(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.</p>	<p>Compliant</p>	<p>The Board Charter sets out the Company's process for selection, appointment and re-appointment of directors.</p> <p>The Company's Remuneration and Nomination Committee is responsible for implementing these procedures and does so in accordance with the Remuneration and Nomination Committee's charter (Remuneration and Nomination Committee Charter).</p> <p>In accordance with these Charters, the Company undertakes relevant background checks on director candidates and provides all material information to shareholders that may be relevant to a decision on whether or not to elect or re-elect a director including the nominee's biographical details, qualifications, a statement whether the Board supports their election, a statement whether the Board considers the nominee independent, details of the term of office for nominees who are currently directors and any materially adverse findings arising out of background checks undertaken for nominees who are to be elected or appointed as directors for the first time.</p> <p>The Remuneration and Nomination Committee Charter is available on the Website.</p>

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<p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>Compliant</p>	<p>The Board Charter provides that each director and senior executive is required by the Company to execute a written agreement setting out the terms of their appointment.</p>
<p>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.</p>	<p>Compliant</p>	<p>The Board Charter sets out the role and responsibilities of the Company's Secretary and provides that the Secretary is accountable to the Board, via the chair of the Board (Chair) on all matters to do with the proper function of the Board and any committee of the Board and sets out the specific obligations of the Secretary in this regard.</p>
<p>1.5 A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p>	<p>Compliant</p>	<p>The Company has adopted a diversity policy (Diversity Policy) which is available on the Website.</p> <p>The Diversity Policy provides that the Board will at the appropriate time and subject to the Company's size and operations, endeavour to, on an annual basis, establish appropriate and measurable diversity targets to achieve and maintain gender diversity within the Company and assess the Company's progress in achieving these objectives.</p> <p>The Remuneration and Nomination Committee Charter provides that the Remuneration and Nomination Committee is responsible for the implementation and review of the Diversity Policy.</p> <p>The Company will provide updates on its progress towards achieving any objectives arising out of the implementation of the Diversity Policy including the respective proportions of men and women on the Board, in senior executive positions and across the whole organisation (including how the entity defines 'senior executive') in its future annual reports.</p>

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<p>(i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</p> <p>(ii) 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>The Company is not a ‘relevant employer’ for the purposes of the Workplace Gender Equality Act.</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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>Compliant</p>	<p>The Board Charter provides that the Board is required to review and evaluate the performance of the Board, its committees and individual directors from time to time and that, at least once annually, it must review and evaluate the Board’s compliance with the Board Charter and amend that charter or any other governance policies to meet the goals and objectives of the Board as they develop over time.</p> <p>The Board will ensure that these evaluations are undertaken in accordance with the Board Charter from time to time and will provide details as to its compliance with this Recommendation in the Company’s future annual reports.</p>
<p>1.7 A listed entity should:</p>	<p>Compliant</p>	<p>The Board Charter provides that the Board will review and evaluate the performance of the Company’s executives at least once annually.</p> <p>The Board will ensure that an evaluation of the Company’s executives will be undertaken by the Company in accordance with the Board</p>

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<p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>		<p>Charter and will provide details as to its compliance with this Recommendation in the Company's future annual reports.</p>
<p>Principle 2 – Structure the board to add value</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>		
<p>2.1 The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose;</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p>	<p>Compliant</p>	<p>The Board has established a Remuneration and Nomination Committee to oversee the selection and appointment practices of the Company.</p> <p>The Remuneration and Nomination Committee is governed by the Remuneration and Nomination Committee Charter, which is available on the Website.</p> <p>The Remuneration and Nomination Committee will consist of:</p> <ul style="list-style-type: none"> • Paul Purcell; • Kathleen Pierce Gilmore; and • Paul Lahiff as chair of the committee.

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<p>(v) 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>The Company considers that all 3 members of the committee are independent non-executive directors.</p> <p>The Company will provide details as to the number of times the Remuneration and Nomination Committee meets and the individual attendance of the members at those meetings in its future annual reports.</p>
<p>2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Compliant</p>	<p>The Board Charter provides that the Board is responsible for developing and implementing a skills matrix setting out the mix of skills and diversity that the Board has or is looking to achieve in its membership.</p> <p>The Company will disclose the details of any skills matrix the Board adopts in the future.</p>
<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, association or relationship of the type described in Box 2.3</p>	<p>Compliant</p>	<p>The Company assesses the independence of its directors against the requirements for independence set out in the Board Charter which reflect the independence criteria detailed in the Recommendations.</p>

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<p>but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association 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>The independence of a director is assessed upon their appointment and periodically from time to time or when a director has advised the Board of any new actual or potential conflict of interest.</p> <p>The Company considers that each of Paul Lahiff, Paul Purcell and Kathleen Pierce Gilmore are independent directors, free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of their judgement.</p> <p>The length of service of the Company's independent directors is as follows:</p> <ul style="list-style-type: none"> • Paul Lahiff appointed 7 May 2019; • Paul Purcell appointed 15 April 2019; and • Kathleen Pierce Gilmore appointed 15 April 2019.
<p>2.4 A majority of the board of a listed entity should be independent directors.</p>	<p>Compliant</p>	<p>As at the time of the Company's listing, the Board will consist of a majority of independent directors being 3 independent directors out of a total of 5.</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>Not Compliant</p>	<p>The Chair of the Board is Charlie Youakim who is not an independent director and is also the CEO of the entity. While the Board does not comply with this recommendation currently, the Board believes that the Board and Company are best served at this stage of the Company's growth and operations for the founding shareholder to be the Chairman.</p>

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<p>2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Compliant</p>	<p>The Board Charter provides that directors are expected to participate in induction or orientation programs upon their election or appointment, and any continuing education or training arranged by the Company for them from time to time.</p>
<p>Principle 3 – Act ethically and responsibly</p> <p>A listed entity should act ethically and responsibly.</p>		
<p>3.1 A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>Compliant</p>	<p>The Company has adopted a Code of Conduct, Anti-Bribery and Corruption Policy and Securities Trading Policy that applies to all directors, officers, employees, consultants, contractors and advisors of the Company, as applicable.</p> <p>The Company is committed to acting ethically and responsibly and has prepared these policies having regards to the Recommendations.</p> <p>The Code of Conduct, Anti-Bribery and Corruption Policy and Securities Trading Policy are available on the Website.</p>
<p>Principle 4 – Safeguard integrity in corporate reporting</p> <p>A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.</p>		

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<p>4.1 The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the relevant qualifications and experience of the members of the committee; and</p> <p>(v) 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</p>	<p>Compliant</p>	<p>The Board has established an Audit and Risk Committee to assist the Board in carrying out its accounting, auditing, risk management, governance, compliance and financial reporting responsibilities.</p> <p>The Audit and Risk Committee is governed by the Audit and Risk Committee charter (Audit and Risk Committee Charter) which is available on the Website.</p> <p>The Audit and Risk Committee will consist of:</p> <ul style="list-style-type: none"> • Paul Purcell; • Kathleen Pierce Gilmore; and • Paul Lahiff as chair of the committee. <p>The Company considers that all 3 members of the committee are independent non-executive directors.</p> <p>The qualifications and experience of the members of the Audit and Risk Committee are set out on the Website.</p> <p>The Company will provide details as to the number of times the Audit and Risk Committee meets and the individual attendance of the members at those meetings in its future annual reports.</p>

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the external auditor and the rotation of the audit engagement partner.		
<p>4.2 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>	Compliant	<p>The Company is a Delaware incorporated entity that is registered with the Australian Securities and Investments Commission as a foreign company. Accordingly, the Company is not subject to certain aspects of Australian company law, including, without limitation, the financial reporting requirements as set out in Chapter 2M of the <i>Corporations Act 2001</i> (Cth).</p> <p>Notwithstanding this, the Audit and Risk Committee Charter provides that the Audit and Risk Committee will ensure that the Company receives a declaration from the Company's CEO or Chief Financial Officer 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. Such declaration will be provided to the Sezzle Board on a similar foundational basis to a declaration provided by the CEO or CFO of an entity who is required to provide such a declaration pursuant to s.295A of the <i>Corporations Act 2001</i> (Cth.).</p>
<p>4.3 A listed entity that has an AGM should ensure that its external auditor attends it AGM and is available to answer questions from security holders relevant to the audit.</p>	Compliant	<p>The Audit and Risk Committee Charter provides that the Audit and Risk Committee will arrange for and ensure that the Company's external auditor attends the Company's annual general meeting to answer any questions from security holders relevant to the audit.</p>

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		This requirement is also set out in the Company's Shareholder Communication Policy.
Principle 5 – Make timely and balanced disclosure A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.		
5.1 A listed entity should: <ul style="list-style-type: none"> (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it. 	Compliant	<p>The Board has adopted a Shareholder Communication Policy that sets out the Company's commitment to ensuring shareholders have access to appropriate information about the Company, its governance and matters affecting the Company's performance in order to allow them to effectively exercise their rights.</p> <p>The Shareholder Communication Policy is available on the Website.</p>
Principle 6 – Respect the rights of security holders A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.		
6.1 A listed entity should provide information about itself and its governance to investors via its website.	Compliant	The Company provides all relevant information about itself, the Board and the governance of the Company generally, including all relevant policies and charters on the Website.

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<p>6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>Compliant</p>	<p>The Company has adopted a Shareholder Communication Policy which promotes two-way communication with the Company's shareholders by attendance at the Company's general meetings, through publication of policies and announcements on the Website and by direct electronic communication.</p>
<p>6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Compliant</p>	<p>The Company invites all security holders to attend the Company's annual general meetings, either in person, electronically or by representative.</p> <p>Security holders also have an opportunity to submit questions to the Board or the Company's external auditor.</p> <p>These rights and opportunities are outlined in the Company's Shareholder Communication Policy.</p>
<p>6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>Compliant</p>	<p>The Company's Shareholder Communication provides that shareholders may elect to send and receive communications electronically and the Company circulates information to shareholders via electronic means in formats that are easily accessible, readable and printable.</p>
<p>Principle 7 – Recognise and manage risk</p> <p>A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.</p>		

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<p>7.1 The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(i) has at least three members, a majority of whom are independent directors; and</p> <p>(ii) is chaired by an independent director, and disclose:</p> <p>(iii) the charter of the committee;</p> <p>(iv) the members of the committee; and</p> <p>(v) 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>Compliant</p>	<p>The Board has established the Audit and Risk Committee to oversee and review the effectiveness of the Company's risk management framework.</p> <p>As outlined in relation to Recommendation 4.1, the Audit and Risk Committee is comprised of Paul Lahiff as chair and Paul Purcell and Kathleen Pierce-Gilmore as members who the Company considers all 3 to be independent directors.</p> <p>The Company will provide details as to the number of times the Audit and Risk Committee meets and the individual attendance of the members at those meetings in its future annual reports.</p> <p>The Audit and Risk Committee charter is available on the Website.</p>
<p>7.2 The board or a committee of the board should:</p>	<p>Compliant</p>	<p>The Audit and Risk Committee Charter provides that the Audit and Risk Committee will prepare a risk profile that described all material business</p>

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<p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>		<p>risks facing the Company and developing policies to identify, manage, mitigate and transfer risk where possible and as they arise and regularly review and update that framework from time to time.</p> <p>The Audit and Risk Committee will review and report to the Board at least once annually and otherwise as necessary</p>
<p>7.3 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 risk management and internal control processes.</p>	Compliant	<p>The Audit and Risk Committee Charter provides that the Company may undertake internal audits and sets out who the process and procedure of any internal audit.</p> <p>The Company currently does not operate an internal audit, however the Audit and Risk Committee does prepare a risk management framework and reports to the board at least once annually on the effectiveness of the Company's internal systems and processes for identifying, managing and monitoring material business risks.</p>
<p>7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	Compliant	<p>The Audit and Risk Committee is responsible for assessing all material risks to the Company's operations, regularly updating that risk profile from time to time and implementing processes and procedures to manage those risks.</p> <p>The Company will provide details to any material exposure to economic, environmental and social sustainability risks, if any arise, from time to time and in its future annual reports.</p>

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<p>Principle 8 – Remunerate fairly and responsibly</p> <p>A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.</p>		
<p>8.1 The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ul style="list-style-type: none"> (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, <p>and disclose:</p> <ul style="list-style-type: none"> (iii) the charter of the committee; (iv) the members of the committee; and (v) 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>(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</p>	<p>Compliant</p>	<p>The Board has established a Remuneration and Nomination Committee that is responsible for providing recommendations to the Board for the appropriate remuneration of the Company's executive directors, non-executive directors and executives.</p> <p>The Remuneration and Nomination Committee is governed by the Remuneration and Nomination Committee Charter, which is available on the Website.</p> <p>The Remuneration and Nomination Committee will consist of:</p> <ul style="list-style-type: none"> • Paul Purcell; • Kathleen Pierce-Gilmore; and • Paul Lahiff as chair of the committee. <p>The Company considers that all 3 members are independent directors.</p> <p>The Company will provide details as to the number of times the Remuneration and Nomination Committee meets and the individual attendance of the members at those meetings in its future annual reports.</p>

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and ensuring that such remuneration is appropriate and not excessive.		
<p>8.2 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>	Compliant	<p>The Company's policies and practices regarding the remuneration of non-executive directors and executive directors and other executives is set out in the Company's Remuneration and Nomination Committee Charter.</p> <p>Details of the current remuneration of the Company's executive directors, non-executive directors and executives is available in the Company's prospectus dated 24 June 2019 and will be set out in the Remuneration Report contained in future annual reports.</p>
<p>8.3 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>	Compliant	<p>The Company's Securities Trading Policy provides, among other things, that the Company's directors, officers and employees must not enter into arrangements or transactions which would have the effect of limiting the economic risk related to the Company's securities without first obtaining prior written clearance from the Audit and Risk Committee.</p> <p>The Securities Trading Policy is available on the Website.</p>