



30 September 2020

## **APPENDIX 4G AND CORPORATE GOVERNANCE STATEMENT**

Zip Co Limited (ASX: Z1P) ("**Zip**" or "**the Company**") attaches the following documents following the review and updating of its corporate governance policies:

- Securities Trading Policy.

Release approved by the Chief Executive Office on behalf of the Board.

- ENDS -

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### **About Zip**

ASX-listed Zip Co Limited (Z1P: ASX) or ("Zip") is a leading player in the digital retail finance and payments industry. The company offers point-of-sale credit and digital payment services to the retail, home, health, automotive and travel industries. Zip has operations across Australia, New Zealand and the United Kingdom, with associates in the USA and South Africa. Zip also owns Pocketbook, a leading personal financial management tool and SME lending provider Spotcap. The Company is focused on offering transparent, responsible and fairly priced consumer and SME products. Zip's platform is entirely digital and leverages big data in its proprietary fraud and credit-decisioning technology to deliver real-time responses. Zip is managed by a team with over 100 years' experience in retail finance and payments and is a licensed and regulated credit provider.

For more information, visit: [www.zip.co](http://www.zip.co)



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# **CORPORATE GOVERNANCE AND POLICIES MANUAL**

**LAST REVIEWED AND UPDATED 1 JULY 2020**

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## 8 SECURITIES TRADING POLICY

### 8.1 Introduction

This securities trading policy ("**Policy**") outlines the types of conduct in dealing securities that are prohibited under the *Corporations Act 2001 (Cth)* ("**Act**") and to establish a best practice for Zip Co Limited ("**Zip**") with respect to the Dealing in Securities that protects the Company and its personnel against the misuse or the appearance of misuse of unpublished or confidential information which could materially affect the value of the Company's securities ("**Zip securities**") (otherwise known as *inside information* under the Act).

Zip securities includes shares in Zip, options over those shares and any other financial products of Zip whether traded on ASX or unlisted.

ASX Listing Rule 12.9 requires each entity admitted to the Australian Securities Exchange ("**ASX**") to have a trading policy that regulates trading by its key management personnel during certain prohibited periods and to give a copy of that trading policy to ASX for release to the market. This Policy has been prepared to satisfy ASX Listing Rule 12.9.

The Company's Board of Directors has adopted this Policy (as amended from time to time) which, unless otherwise stated, applies to:

- (a) all employees of Zip and its related companies ("**Group**");
  - (b) all directors, officers, senior management and other senior executive, employee and consultant who has authority and responsibility for planning, directing and controlling the activities of the Company (otherwise referred to as a key management personnel ("**KMP**");
  - (c) staff who work closely with KMP and any other employees, consultants or personnel of the Group considered necessary or appropriate by the Board, as notified from time to time;
  - (d) immediate family members of KMP; and
  - (e) companies, trusts and entities over which KMP or their immediate family members have control, or otherwise are closely connected to,
- (collectively referred to as "**Zip Personnel**").

In order to ensure that Zip Personnel do not inadvertently breach the insider trading provisions of the Act, Zip Personnel are not permitted to deal in Zip securities during certain periods determined by this Policy. These periods are called "**Prohibited Periods**" and are determined by the provisions of this Policy. Times that are outside of a Prohibited Period are called "**Trading Periods**".

During **all periods** (including Trading Periods), a security dealing written clearance request must be submitted to and approved by the Chairman, CEO or their delegates prior to any dealing in Zip securities ("**Approving Officer**").

As a guiding principle, Zip Personnel are discouraged from actively trading in Zip securities. Whilst Zip encourages share ownership by Zip Personnel and accepts that sales of securities by Zip Personnel may be required under certain circumstances, the Approving Officer will use their discretion in considering an application to trade in Zip securities to ensure that the spirit of this Policy is being adhered to by all Zip Personnel.

If this Policy applies to you (as a Zip Personnel), and you do not understand the summary of the law relating to insider trading set out below or this Policy, or if you are confused as to whether the law applies to you, please contact the Approving Officer or the Company Secretary. You may wish to seek your own professional legal advice before dealing in Zip securities.

### 8.2 Prohibited Conduct Under Insider Trading Provisions

#### Zip Co Limited – Corporations Act

- (a) As a matter of law (which includes the Act), all Zip Personnel must not **deal** (meaning any change whatsoever including, but not limited to, any sale, purchase, exercise of options (even if due to expire), discharge of any right or obligation, or transfer) in Zip securities where:
  - They possess information which is not generally available;
  - That information may have a material effect on the price or value of Zip securities; and

- They know or ought reasonably to know that the information is not generally available and if it were it might have a material effect on the price of Zip securities, as such information constitutes inside information.
- (b) Dealing in securities includes:
- applying for, acquiring or disposing of, securities;
  - entering into an agreement to apply for, acquire or dispose of, securities; and
  - granting, accepting, acquiring, disposing, exercising or discharging an option or other right or obligation to acquire or dispose of securities.
- (c) Insider trading is a criminal offence. It is punishable by substantial fines or imprisonment or both. A company may also be liable if an employee or director engages in insider trading. Insider trading may also attract civil penalties. A court may impose substantial pecuniary penalties for insider trading and order payment of compensation to persons who suffer loss or damage because of insider trading.
- (d) Notwithstanding any other provision of this Policy, if a person holds inside information, that person must not buy or sell Company Securities, advise or get others to do so or pass on the inside information to others. This prohibition applies regardless of that person gained knowledge of the information.

### **Other Entities including ASX Companies**

The laws regarding inside information and prohibitions against insider trading extend to dealings in securities of **any** companies about which a person possesses material price sensitive information which is not generally available including for example, companies in a joint venture with Zip.

### **8.3 Policy for Dealing in Securities**

Subject to the overriding restriction that no Zip Personnel shall deal in any securities when they are in possession of inside information, and subject to the right of the Board to impose any “ad hoc” prohibition on trading otherwise permitted under this Policy, trading is not permitted during the following Prohibited Periods:

- (a) The period from 31 December each year, until the commencement of trade of securities on the ASX on the second ASX trading day following the announcement of the Company’s half-year results to the ASX;
- (b) The period from 30 June each year, until the commencement of trade of securities on the ASX on the second ASX trading day following the announcement of the Company’s full-year results to the ASX;
- (c) The period from 31 March each year, until the commencement of trade of securities on the ASX on the second trading day on the ASX following the announcement of the Company’s quarterly results for the period 1 January to 31 March;
- (d) The period from 30 September each year, until the commencement of trade of securities on the ASX on the second trading day on the ASX following the announcement of the Company’s quarterly results for the period 1 July to 30 September; and
- (e) Any other time as determined by the Board of the Company in its sole discretion.

All other times during the financial year are “**Trading Periods**” for the purposes of this Policy. **However**, as noted previously, even during Trading Periods, a security dealing written request must be submitted to and approved by the Approving Officer.

Convertible securities may only be exercised (or converted) in accordance with the terms and conditions of those securities and in accordance with the requirements governing their issue, and, further, in accordance with this Policy. In addition, any dealing of Zip securities acquired upon exercise or conversion of any convertible security must only occur in accordance with this Policy.

Where convertible securities are held by any Zip Personnel and the expiry date of those convertible securities is imminent, special permission for exercise/conversion is required to be obtained from the Approving Officer if the application of this Policy would otherwise prevent exercise/conversion of those convertible securities.

The Approving Officer will determine such request in their absolute discretion.

#### **8.4 Other Prohibited Transactions**

Zip Personnel are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements under any equity based remuneration schemes.

Zip Personnel must not enter into transactions or arrangements which operate to limit the economic risk of their security holding (including holdings of securities which are unvested or subject to a holding lock or other escrow) in the Company without first seeking and obtaining prior written clearance from the Approving Officer.

Zip Personnel must not enter into agreements with lenders with rights over their interests in Zip securities (such as margin loans or other secured financing arrangements) without first seeking and obtaining prior written clearance from the Approving Officer.

Zip Personnel must not put in place a non-discretionary trading plan in respect of their Zip securities without first seeking and obtaining written clearance from the Approving Officer. Zip Personnel must not cancel any such trading plan during a Prohibited Period unless exceptional circumstances exist and the procedure for written clearance has been satisfied.

#### **8.5 Introduction**

Zip Personnel are not permitted to trade in the Company's securities during a Prohibited Period. In exceptional circumstance (as determined by the Approving Officer), Zip Personnel may be permitted to trade during a Prohibited Period.

All Zip Personnel wishing to deal in Zip securities within a Prohibited Period must request written approval. The Chairman or the CEO will determine such request in their absolute discretion.

#### **8.6 Exclusions**

The following dealings are excluded from this Policy:

- (a) Dealings in the Company's securities which do not result in a change to the beneficial interest of the securities;
- (b) Acceptance of a takeover offer;
- (c) Trading under an offer made to all or most shareholders.

If any Zip Personnel possesses inside information that is not generally available, such person is prohibited from procuring any other person to deal in those securities and from directly or indirectly communicating the information to another person who the Zip person believes is likely to deal in, or procure another person to deal in, those securities. To do so runs the risk of the commission of a serious criminal offence.

#### **8.7 Breach of this Policy**

A breach of this Policy by an employee is serious and may lead to disciplinary action, including dismissal in serious cases. It may also be a breach of the law.

#### **8.8 Administration**

This Policy will be administered by the Company Secretary with input from the Approving Officer. The Company Secretary and the Approving Officer will be available to answer any questions you may have in relation to it. However, neither Zip nor the Company Secretary is to be held responsible for any answers or any act or omission by you in reliance on those answers. It is your responsibility to comply with the law so if you are in any doubt you should obtain your own legal advice.

This Policy may be amended by resolution of the Board.

Date of last review: 1 July 2020