

ASX Release

22nd January 2019

Zip Attends Senate Inquiry

Zip Co Limited (ASX: Z1P) ("Zip" or the "Company") appeared before the Senate Inquiry into *credit and financial services targeted at Australians at risk of financial hardship*, held this morning in Brisbane. At the hearing Zip advocated for sector-specific regulation to ensure minimum standards are delivered consistently across the industry.

Zip also released its policy recommendations highlighting that new regulations should support continued industry innovation while ensuring Buy Now Pay Later ("BNPL") products remain a viable alternative to credit cards.

Larry Diamond, Co-Founder and CEO of Zip, commented:

"At Zip, we've worked hard to be one of the most responsible players in market and were delighted to share further insights today on how BNPL regulation should unfold. From inception, we have conducted credit and identity checks on every single applicant and use real-time bank statements to verify income and expenditure."

"We wholeheartedly support ASIC's position that BNPL is a form of credit. Every BNPL provider has a duty of care to ensure their products are suitable, and customers can afford the repayments. Zip encourages this Committee to explore a reasonable and sector-specific regulatory regime for BNPL products."

Zip believes regulation should focus on three key principles:

1. **Responsibility:** Minimum standards for upfront due diligence to ensure customers can afford the repayments;
2. **Transparency:** Customers clearly understand the products they are signing up for; and
3. **Customer Support:** Hardship safeguards must be in place to help customers should their financial circumstances change.

Zip's *Buy Now Pay Later Policy Recommendations* framework can be found here:
http://zipmoneylimited.com.au/files/Zip_Policy_Recommendations_Final.pdf

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About Zip

ASX-listed Zip Co Limited (ASX: Z1P) 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, education, health and travel industries. It operates under the Zip Pay, Zip Money and Pocketbook brands. The Company is focused on offering transparent, responsible and fairly priced consumer products. Zip's platform is entirely digital and leverages big data in its proprietary fraud and credit decisioning technology to deliver real-time consumer responses. Zip is managed by a team with over 50 years' experience in retail finance and payments and is a licensed and regulated credit provider.

For more information, visit: www.zip.co