

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Zip Co Limited

ACN/ARSN 139 546 428

1. Details of substantial holder (1)

Name Zip Co Limited (**ZIP**)

ACN/ARSN (if applicable) 139 546 428

The holder became a substantial holder on 31 / 08 / 2020

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	84,474,850	84,474,850	16.6%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of
Zip Co Limited	On 7 November 2019, ZIP completed the acquisition of PartPay Limited (PartPay Acquisition). On 1 September 2020, ZIP completed the acquisition of QuadPay Inc. (QuadPay Acquisition). Pursuant the terms of the PartPay Acquisition and QuadPay Acquisition, ZIP has entered voluntary escrow deeds (see Annexure A and B respectively) with respect to fully paid ordinary shares held by the holders listed in Annexure C. These voluntary escrow deeds restrict the disposal of those shares by the holders listed in Annexure B. This gives ZIP a technical "relevant interest" in its own shares under section 608(1)(c) of the <i>Corporations Act 2001</i> (Cth). However, the voluntary escrow deeds do not restrict the exercise of the voting rights attached to these shares.	84,474,850 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number
Zip Co Limited	The holders listed in Annexure C	The holders listed in Annexure C	84,474,850 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Zip Co Limited	PartPay Acquisition – 7 November 2019 QuadPay Acquisition – 1 September 2020	Not applicable	84,474,850 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
Not applicable	Not applicable

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Zip Co Limited	Level 14, 10 Spring Street, Sydney NSW 2000
Holders listed in Annexure C with shares under voluntary escrow in relation to the PartPay Acquisition	PartPay Limited, Level 3, 33-45 Hurstmere Road, Takapuna, Auckland 0622
Holders listed in Annexure C with shares under voluntary escrow in relation to the QuadPay Acquisition	Fortis Advisors, LLC, 12526 High Bluff Drive, Suite 280, San Diego, California 92130, USA

Signature

print name **David Franks**

capacity Company Secretary

sign here



Date 1 September 2020

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - a. any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - b. any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

ANNEXURE A TO FORM 603

This is Annexure A of 9 pages referred to in Form 603 – Notice of Initial Substantial Holder lodged by Zip Co Limited.

This includes the form of the voluntary escrow deed executed in relation to the Part Pay Acquisition.

Signed by and on behalf of Zip Co Limited

David Franks
Company Secretary
1 September 2020

A handwritten signature in black ink, appearing to read 'D. Franks', written over a horizontal line.

Escrow Deed

relating to

shares in the capital of Zip Co Limited

Zip Co Limited (ACN 139 546 428)

Company

and

The parties listed in Schedule 1 to this Deed

each a **Holder**, and together the **Holders**

Date

BELL GULLY

AUCKLAND VERO CENTRE, 48 SHORTLAND STREET
PO BOX 4199, AUCKLAND 1140, DX CP20509, NEW ZEALAND
TEL 64 9 916 8800 FAX 64 9 916 8801

This **Escrow Deed** is made on

2019

between (1) **Zip Co Limited (ACN 139 546 428) (Company)**

and (2) **The parties listed in Schedule 1 to this Deed** (each a **Holder**, and together the **Holders**)

Introduction

A. In connection with the sale by the Vendors to the Purchaser of the Shares pursuant to the SPA, the Company will issue the Restricted Shares to the Vendors in accordance with the SPA.

B. Each Holder agrees to hold the Restricted Shares on the terms of this deed and the SPA.

It is agreed

1. Definitions and interpretation

1.1 Definitions

In this deed, unless the context otherwise requires:

Company Shares means fully paid ordinary shares in the capital of the Company listed and as quoted on the ASX under the ticker code "Z1P";

Controller means, in respect of each Holder, any person who, directly or indirectly, through one or more intermediaries controls that Holder (and for the purposes of this definition "control" as used with respect to any person means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise);

Controller Interest means, in respect of each Holder, any legal or beneficial interest, whether direct or indirect, in that Holder, including any securities in that Holder or one or more intermediaries;

Deal means to:

- (a) sell, assign, transfer or otherwise dispose of;
- (b) agree or offer to sell, assign, transfer or otherwise dispose of;
- (c) enter into any option which, if exercised, enables or requires the relevant security holder to sell, assign, transfer or otherwise dispose of;
- (d) create or agree or offer to create or permit to be created any Encumbrance; or
- (e) do any of the things in paragraphs (a) to (d) in respect of the voting or distribution rights attaching to the relevant security,

and **Dealing** has a corresponding meaning;

First Tranche Restricted Shares means, in respect of each Management Shareholder, $\frac{2}{3}$ of the number of Restricted Shares issued to that Management Shareholder (rounded up to the nearest whole number);

First Tranche Restricted Period means the period commencing on 20 August 2019 and ending on the 12 month anniversary of that date;

Good Leaver means an employee of the Purchaser Group who gives or receives notice to terminate their employment with, or otherwise ceases to be an employee of, the Purchaser Group:

- (a) by reason of:
 - (i) such employee's death; or
 - (ii) such employee's permanent illness or incapacity or disability; or
- (b) who the directors of the Purchaser (acting reasonably) designate as a "Good Leaver";

Other Shareholder means each Holder other than the Management Shareholders;

Other Shareholder Restricted Period means the period commencing on 20 August 2019 and ending on the six month anniversary of that date;

Restricted Shares means, in respect of a Holder, the number of Company Shares set out against that Holder's name in Schedule 1;

Second Tranche Restricted Shares means, in respect of each Management Shareholder, $\frac{1}{3}$ of the number of Restricted Shares issued to that Management Shareholder (rounded up to the nearest whole number);

Second Tranche Restricted Period means the period commencing on 20 August 2019 and ending on the 24 month anniversary of that date;

SPA means the share sale and purchase agreement dated 20 August 2019 between (among others) each Holder and the Purchaser relating to the sale and purchase of the Shares; and

Transferee has the meaning given to that term in clause 4.1(f).

1.2 Other defined terms

Capitalised terms which are not defined in this deed have the meaning given to them in the SPA.

1.3 Interpretation

Clauses 1.2 and 1.3 of the SPA shall be incorporated into and apply to this deed (*mutatis mutandis*).

1.4 Compliance with ASX Listing Rules

For so long as the Company Shares are listed and quoted on the ASX:

- (a) notwithstanding anything contained in this deed, if the ASX Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this deed prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);

- (d) if the ASX Listing Rules require this deed to contain a provision and it does not contain such a provision, this deed is deemed to contain that provision;
- (e) if the ASX Listing Rules require this deed not to contain a provision and it contains such a provision, this deed is deemed not to contain that provision; and
- (f) if any provision of this deed is or becomes inconsistent with the ASX Listing Rules this deed is deemed not to contain that provision to the extent of the inconsistency.

2. Restrictions applicable to Restricted Shares

2.1 Management Shareholders

Subject to clauses 1.4, 4 and 7.1, each Management Shareholder unconditionally and irrevocably undertakes to the Company that it will not:

- (a) during the First Tranche Restricted Period:
 - (i) Deal with any part or all of the First Tranche Restricted Shares that it holds; or
 - (ii) Deal in any legal and beneficial interest in any part or all of the First Tranche Restricted Shares that it holds; or
 - (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any part or all of the First Tranche Restricted Shares that it holds; and
- (b) during the Second Tranche Restricted Period:
 - (i) Deal with any part or all of the Second Tranche Restricted Shares that it holds; or
 - (ii) Deal in any legal and beneficial interest in any part or all of the Second Tranche Restricted Shares that it holds; or
 - (iii) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any part or all of the Second Tranche Restricted Shares that it holds.

2.2 Other Shareholders

Subject to clauses 1.4, 4 and 7.1, each Other Shareholder unconditionally and irrevocably undertakes to the Company that it will not, for the Other Shareholder Restricted Period:

- (a) Deal with any part or all of the Restricted Shares that it holds; or
- (b) Deal in any legal and beneficial interest in any part or all of the Restricted Shares that it holds; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any part or all of the Restricted Shares that it holds.

2.3 Holders

Subject to clauses 1.4, 4 and 7.1, each Holder unconditionally and irrevocably undertakes to the Company that it will procure that its Controller does not:

- (a) Deal with any part or all of the Controller Interests relating to the Restricted Shares that it holds; or
- (b) Deal in any legal and beneficial interest in any part or all of the Controller Interests relating to the Restricted Shares that it holds; or
- (c) do, or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of any part or all of the Controller Interests relating to the Restricted Shares that it holds,

in each case, for so long as the restrictions under clauses 2.1 and 2.2 apply to Dealing in the relevant Restricted Shares.

2.4 Dealing in Restricted Shares after relevant restriction period

Subject to clause 1.4, the restrictions on Dealing in the relevant Restricted Shares under clauses 2.1, 2.2 and 2.3 cease to apply at the end of the relevant restriction period and the relevant Holders will be free to Deal in the relevant Restricted Shares after such time.

3. Obligations on Company

- 3.1 The Company must apply a Holding Lock to the Restricted Shares and each Holder consents to the Company entering the Restricted Shares on Company's issuer sponsored subregister for the purpose of the Company applying a Holding Lock to the Restricted Shares.
- 3.2 On the date the restrictions under clauses 2.1, 2.2 and 2.3 cease to apply to Dealing in the relevant Restricted Shares, the Company must immediately take all such steps and actions which are necessary or required to facilitate the release of the Restricted Shares from the restrictions under this deed, including in relation to any Holding Lock applied under clause 3.1.

4. Exceptions

4.1 Exceptions

Notwithstanding clause 2, each Holder may Deal in the Restricted Shares that it holds:

- (a) **(Good Leaver)** if they or any of their Related Parties is a Good Leaver;
- (b) **(buy-back or return of capital)** to the extent the Restricted Shares are subject to a buy-back, redemption or return of capital and that is available to all shareholders of the Company on a pro rata basis;
- (c) **(takeover bid)** if a takeover bid (as defined in the Corporations Act) is made for any part or all of the Restricted Shares and at least 50% of the bid class securities that are not Restricted Shares and to which offers under the bid relate have accepted the bid;
- (d) **(merger by way of scheme)** for the purposes of participating in an amalgamation, merger, restructure under a scheme of arrangement, trust scheme or similar transaction in relation to Company;
- (e) **(court order)** to the extent necessary to comply with an order of a court of competent jurisdiction; or

- (f) **(transfer)** if the Dealing constitutes a disposal of, but not the creation of an Encumbrance in, any part or all of the Restricted Shares to:
 - (i) a company wholly-owned by that Holder; or
 - (ii) a trust in relation to which that Holder is the beneficiary;
 (each a **Transferee**) provided that:
 - (iii) the Transferee also enters into an escrow deed with Company in respect of the relevant Restricted Shares on substantially the same terms as this deed;
 - (iv) the Controller agrees not to dispose of any Controller Interests; and
 - (v) the Controller retains its full economic interest in the relevant Restricted Shares after completion of the transfer to the Transferee.

4.2 Entitlement to vote and dividends

Notwithstanding anything else in this deed, no provision of this deed shall be taken to:

- (a) grant to the Company any holding or control of voting rights attaching to the Restricted Shares; or
- (b) restrict a Holder from exercising in full the voting entitlements or any rights of that Holder to receive or participate in dividends and distributions, any rights issue, bonus issue or other distributions in respect of any part or all of the Restricted Shares.

4.3 Reinstatement of no Dealing undertaking

If a takeover bid contemplated by clause 4.1(c) is unsuccessful or a merger by way of a scheme contemplated by clause 4.1(d) does not take effect or if for any other reason any or all Restricted Shares are not transferred or cancelled in accordance with any transaction described in clauses 4.1(b), 4.1(c) or 4.1(d), the no Dealing obligations in clause 2 regarding the Restricted Shares of each Holder will be reinstated.

4.4 Contravention of this deed

If a Holder contravenes this deed, the Company may (in addition to its rights and remedies at common law or in equity) refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of any part or all of the relevant Restricted Shares or any interest or right in respect of the any part or all of the relevant Restricted Shares.

5. Representations and warranties

Representations and warranties

Each party represents and warrants that:

- (a) **(power)** it has full legal capacity and power to enter into and perform its obligations under this deed;
- (b) **(binding obligations)** this deed constitutes a valid and legally binding obligation of it in accordance with its terms (except to the extent limited by equitable principles and laws affecting creditors' rights generally);

- (c) **(no contravention)** the entry into and performance of this deed does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the party or its assets are bound;
- (d) **(body corporate)** if the party is a body corporate, it:
 - (i) it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this deed;
- (e) **(trust)** if the party is entering this deed as trustee of a trust:
 - (i) the relevant trust is duly constituted under the Laws of the relevant jurisdiction;
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this deed;
 - (iii) it has the right to be fully indemnified out of the relevant trust fund in respect of its obligations under this deed and that right has not been restricted or limited in any way;
 - (iv) is not in breach of any of its obligations as trustee of the relevant trust; and
 - (v) it has not taken any action, and does not propose, to terminate the relevant trust and no other person has taken or proposes to take any action to terminate the trust.

6. Notices

All notices, requests, demands, consents, approvals, offers, agreements or other communications (**Notice**) given by a party under or in connection with this deed must be in accordance with clause 17.1 of the SPA.

7. General

- 7.1 This deed will terminate and be void and of no effect on the date on which the Company Shares cease to be listed and quoted on ASX or, if earlier:
 - (a) in respect the Other Shareholders, immediately after the date on which the Other Shareholder Restricted Period ends; and
 - (b) in respect of the Management Shareholders, immediately after the date on which the Second Tranche Restricted Period ends.
- 7.2 Each Holder acknowledges and agrees that damages alone would be an inadequate remedy for breach of its obligations under this deed and the appropriate remedies for such a breach will include orders for specific performance, injunctive relief, any other equitable relief and/or damages.
- 7.3 The provisions of this deed are for the benefit of, and are intended to be enforceable by the Company.

- 7.4 If any provision of this deed is found by a court or other competent authority to be void or unenforceable, such provision will be deemed to be deleted from this deed and the remaining provisions of this deed will continue in full force and effect.
- 7.5 This deed may not be varied, modified, amended or cancelled unless such variation, modification, amendment or cancellation is expressly agreed in writing by the Vendors' Representative and the Company.
- 7.6 This deed is governed by and construed in accordance with the laws of New South Wales, Australia and the parties agree to submit to the jurisdiction of the courts New South Wales, Australia.
- 7.7 The parties may execute a counterpart copy of this deed by executing an electronic copy of this deed. The transmission by email by each party of a signed counterpart copy of this deed to the other parties shall be deemed proof of signature of the original and the signed email copy so transmitted shall be deemed an original for the purposes of this deed.
- 7.8 If there is any inconsistency between the terms of this deed and the terms of the SPA, the terms of this deed shall prevail.

EXECUTED as a DEED

EXECUTED by ZIP CO LIMITED (ACN 139 546 428) in accordance with section 127 of the Corporations Act)
)

Signature of director

Signature of director / company secretary
(delete as applicable)

Name of director (print)

Name of director / company secretary (print)

EXECUTED by SIL UNLISTED LIMITED)
)

Signature of director

Signature of director / company secretary
(delete as applicable)

Name of director (print)

Name of director / company secretary (print)

EXECUTED on behalf of **STURT CAPITAL**)
PTY LIMITED AS TRUSTEE OF EACH OF)
THE PARTPAY INVESTMENT FUND, THE
STURT CAPITAL ALTERNATIVE LENDING
FUND and THE STURT CAPITAL
INVESTMENT TRUST, by their duly
appointed attorney in the presence of:

Attorney

Print Name

Witness Signature

Print Name

Occupation

Address

EXECUTED on behalf of each of the)
HOLDERS (other than SIL Unlisted Limited)
and Sturt Capital Pty Limited as the trustee of
each of the PartPay Investment Fund, The
Sturt Capital Alternative Lending Fund and
The Sturt Capital Investment) by their duly
appointed attorney in the presence of:

Attorney

Print Name

Witness Signature

Print Name

Occupation

Address

ANNEXURE B TO FORM 603

This is Annexure B of 33 pages referred to in Form 603 – Notice of Initial Substantial Holder lodged by Zip Co Limited.

This includes the forms of the voluntary escrow deed executed in relation to the QuadPay Acquisition by employees and non-employees.

Signed by and on behalf of Zip Co Limited

David Franks
Company Secretary
1 September 2020

A handwritten signature in black ink, appearing to read 'D Franks', written over a horizontal line.

Investor Escrow Agreement

Employees

Zip Co Limited
ACN 139 546 428

The party listed as the Security Holder in Part 1 of Schedule 1



Arnold Bloch Leibler

Level 21, 333 Collins Street
Melbourne Victoria 3000 Australia

Level 24, Chifley Tower, 2 Chifley Square
Sydney NSW 2000 Australia

Investor Escrow Agreement

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Investor Escrow Agreement

Date	_____ 2020		
Parties	Zip Co Limited		
	ACN 139 546 428 of Level 5, 126 Phillip Street, Sydney NSW Australia 2000		(Company)
	The party listed as the Security Holder in Part 1 of Schedule 1		(Security Holder)

Background	A	The Company is listed on the official list of the ASX.
	B	The Company has agreed to either: (i) issue the Voluntary Escrowed Shares to the Security Holder on the Closing Date; or (ii) issue the Voluntary Escrowed Shares to the Escrow Agent on the Closing Date, and procure the subsequent transfer of those Voluntary Escrowed Shares to the Security Holder after the Closing Date in accordance with the terms of the Sale Agreement, as the context requires.
	C	The Security Holder has agreed with the Company to place its Voluntary Escrowed Shares in voluntary escrow for the Escrow Period in accordance with the terms and conditions set out in this Agreement.

The parties agree as follows:

1 Definitions and interpretation

1.1 Definitions

In this Agreement, unless expressly provided otherwise:

Agreement	means this investor escrow agreement.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange market operated by the ASX, as the context requires.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
Business Day	means a day on which banks are open for general banking business in Sydney, Australia, excluding Saturdays, Sundays and public holidays in Sydney.
Closing Date	has the meaning given to the term in the Sale Agreement.

Control	means in respect of a Security Holder, any person who, directly, or indirectly, through one or more intermediaries controls that Security Holder, which includes the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting securities, by agreement or otherwise, and " Controlled " has the correlative meaning.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Deal	means to: (a) sell, assign, transfer or otherwise dispose of; (b) agree or offer to sell, assign, transfer or otherwise dispose of; (c) enter into any option which, if exercised, enables or requires a Security Holder to sell, assign, transfer or otherwise dispose of; or (d) create or agree or offer to create or permit to be created any mortgage, charge, pledge, lien or other security interest; and (e) do any of the things in paragraphs (a) to (d) in respect of the voting or distribution rights attaching to the relevant security, and " Dealing " has a corresponding meaning.
Escrow Agent	has the meaning given to the term in the Sale Agreement.
Escrow Period	means, in respect of the Security Holder: (a) the First Escrow Period; or (b) the Second Escrow Period, as the context requires.
Execution Date	means 1 June 2020, being the date of the Sale Agreement.
First Escrow Period	means the period commencing on the Initial Conditions Date and ending on the 12-month anniversary of the Execution Date.
First Tranche Escrowed Shares	means, in respect of a Security Holder, 50% of all Voluntary Escrowed Shares issued or transferred to that Security Holder in accordance with the terms of the Sale Agreement.
Holding Lock	has the meaning given to that term in section 2 of the Settlement Operating Rules.
Initial Conditions Date	means, the date of issue to or transfer of the Voluntary Escrowed Shares to the Security Holder (as applicable, in accordance with the terms of the Sale Agreement).

Issuer Sponsored Subregister	means the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertified holdings of Shares.
Law	means a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market and is a reference to that law as amended, consolidated or replaced.
Sale Agreement	means the agreement and plan of merger dated on or about the date of this Agreement between the Company, James Merger Sub Inc., QuadPay Inc. and the Sellers' Representative relating to the acquisition by James Merger Sub Inc. of the issued capital of QuadPay Inc.
Second Escrow Period	means the period commencing on the Initial Conditions Date and ending on the 24-month anniversary of the Execution Date.
Second Tranche Escrowed Shares	means, in respect of a Security Holder, 20% of all Voluntary Escrowed Shares issued or transferred to that Security Holder in accordance with the terms of the Sale Agreement.
Security Interest	means an interest or power: (a) reserved in or over an interest in any securities including, but not limited to, any retention of title; (b) created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and (c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.
Sellers' Representative	Fortis Advisors, LLC, a Delaware limited liability company.
Settlement Operating Rules	means the operating rules of ASX Settlement.
Shares	means ordinary shares in the capital of the Company.
Voluntary Escrowed Shares	means any and all Shares issued or transferred to the Security Holder in accordance with the terms of the Sale Agreement, as set out in Part 2 of Schedule 1.

1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) a reference to this Agreement or another agreement or instrument includes any variation or replacement of either of them;

- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements by any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (f) words and expressions defined in the ASX Listing Rules, and not in this Agreement, have the meanings given to them in the ASX Listing Rules;
- (g) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (h) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (i) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate.

1.3 Compliance with ASX Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this Agreement, if the ASX Listing Rules prohibit an act being done, that act must not be done;
- (b) nothing contained in this Agreement prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Listing Rules require this Agreement to contain a provision and it does not contain such a provision, this Agreement is deemed to contain that provision;
- (e) if the ASX Listing Rules require this Agreement not to contain a provision and it contains such a provision, this Agreement is deemed not to contain that provision; and
- (f) if any provision of this Agreement is or becomes inconsistent with the ASX Listing Rules, this Agreement is deemed not to contain that provision to the extent of the inconsistency.

2 Escrow

2.1 Escrow Period

In consideration for receiving the Voluntary Escrowed Shares under the Sale Agreement, the Security Holder must not, and unconditionally and irrevocably undertakes to the Company that it will not:

- (a) during the First Escrow Period:
 - (i) Deal in any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder;
 - (ii) Deal in any interest or right in respect of any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder; or
 - (iii) do, or omit to do, any act or omission which would have the effect of transferring effective ownership or Control of any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder;
 - (b) during the Second Escrow Period:
 - (i) Deal in any part of the Second Tranche Escrowed Shares held by the Security Holder;
 - (ii) Deal in any interest or right in respect of any part of the Second Tranche Escrowed Shares held by the Security Holder; or
 - (iii) do, or omit to do, any act or omission which would have the effect of transferring effective ownership or control of any part of the Second Tranche Escrowed Shares held by the Security Holder,
- other than as permitted under this Agreement.

2.2 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Voluntary Escrowed Shares to the Security Holder (as applicable, in accordance with the terms of the Sale Agreement), the Voluntary Escrowed Shares will be registered and held for the Security Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Voluntary Escrowed Shares as soon as practicable after registration of the Voluntary Escrowed Shares on the Issuer Sponsored Subregister, and the Security Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:

- (i) to the extent necessary to permit Dealings in Voluntary Escrowed Shares permitted by this Agreement;
- (ii) at the expiry of the relevant Escrow Period for the relevant Voluntary Escrowed Shares; and
- (iii) in full at the conclusion of the relevant Escrow Period,

including notifying ASX that the Voluntary Escrowed Shares will be released from the Holding Lock, in accordance with the timing requirements set out in ASX Listing Rule 3.10A.

3 Escrow exceptions

- (a) During the Escrow Period, the Security Holder may Deal in any of its Voluntary Escrowed Shares if the Dealing arises solely as a result of:
 - (i) the acceptance a bona fide third party takeover bid made under Chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow arrangement, and to which the offers under the bid relate, have accepted the bid; or
 - (ii) a merger, acquisition, compromise, arrangement, transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including all such necessary court and shareholder approvals,

provided, in each case, that if for any reason any or all Voluntary Escrowed Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Security Holder agrees that the restrictions applying to the Voluntary Escrowed Shares under this Agreement will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Voluntary Escrowed Shares not so transferred or cancelled.

- (b) During the Escrow Period, the Security Holder may Deal in any of its Voluntary Escrowed Shares if the Dealing:
 - (i) is required by applicable Law (including an order of a court of competent jurisdiction);
 - (ii) with the prior written approval of the board of directors of the Company, in their absolute discretion; or
 - (iii) constitutes a disposal of, but not the creation of a Security Interest in, some or all of its Voluntary Escrowed Shares to:
 - (A) a company wholly-owned by the Security Holder; or
 - (B) a trust in relation to which the Security Holder is a sole beneficiary,

(each a **Transferee**), provided that the Transferee also enters into:

- (C) an escrow arrangement with the Company in respect of those Voluntary Escrowed Shares on the same terms as this Agreement for the remainder of the Escrow Period applicable to those Voluntary Escrowed Shares; and
- (D) any other documents required by the Company to give effect to and/or secure:
 - (1) the Security Holder's obligations and liabilities under or in connection with the Sale Agreement; and/or
 - (2) the rights of the Company against the Security Holder under or in connection with the Sale Agreement,including in each case (without limitation) in connection with section 9.12 of the Sale Agreement and/or the power of attorney granted by the Security Holder to the Company and its officers and directors in connection with the Sale Agreement.

3.2 Contravention of this Agreement

If the Security Holder contravenes this Agreement, the Company may, in addition to its rights and remedies at common law or in equity, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the Voluntary Escrowed Shares held by the Security Holder or any part thereof or any interest or right in respect of those Voluntary Escrowed Shares or any part thereof that are the subject of such contravention.

3.3 Entitlement to vote and dividends

No provision of this clause 3 or any other provision of this Agreement shall be taken to:

- (a) grant to the Company any holding or control of voting rights attaching to the Voluntary Escrowed Shares; or
- (b) restrict the Security Holder from exercising in full the voting entitlements or any rights of that Security Holder to receive or participate in dividends, any rights issue, bonus issue or other distributions in respect of the Voluntary Escrowed Shares held by that Security Holder.

4 Warranties and undertaking

4.1 Giving of warranties

The Security Holder gives the warranties and representations in favour of the Company as at:

- (a) the date of this Agreement; and
- (b) at all times until expiry of the Escrow Period.

4.2 Warranties

The Security Holder represents and warrants that:

- (a) it has the power to enter into and perform this Agreement and to perform and observe all of its terms and has obtained all necessary consents to enable it to do so;
- (b) it has duly executed this Agreement and this Agreement is a legal, valid and binding obligation enforceable against it in accordance with the terms of this Agreement;
- (c) the entry into and performance of this Agreement does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the Security Holder or its assets are bound;
- (d) where the Security Holder is a body corporate:
 - (i) it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this Agreement; and
- (e) where the Security Holder is entering into this Agreement as a trustee of a trust:
 - (i) the trust is duly constituted under relevant laws and no action has been taken or proposed to terminate the trust;
 - (ii) the Security Holder has full legal capacity and power under the trust deed of the trust to:
 - (A) own the assets of the trust and carry on the trust's business as now conducted or contemplated; and
 - (B) enter into and perform the party's obligations under this Agreement;
 - (iii) the Security Holder is the sole trustee of the trust and no action has been taken or proposed to remove the party as trustee of the trust or to appoint an additional trustee;
 - (iv) the Security Holder has the right to be fully indemnified out of the assets of the trust in respect of its obligations under this Agreement and that right has not been restricted or limited in any way;
 - (v) the assets of the trust are sufficient to satisfy that right of indemnity in full and all other obligations in respect of which the Security Holder has a right to be indemnified out of the assets of the trust;
 - (vi) the Company's rights under this Agreement rank in priority to the interests of the beneficiaries under the trust; and
 - (vii) the Security Holder enters into this Agreement as part of the due and proper administration of the trust and for the benefit of the beneficiaries of the trust.

4.3 Undertaking

The Security Holder undertakes to the Company:

- (a) to comply in all respects with this Agreement; and
- (b) not to seek any waiver or variation of this Agreement without the prior written consent of the Company.

5 Notices

5.1 Method

All notices, requests, demands, consents, approvals, offers, agreements or other communications (**Notice**) given by a party under or in connection with this Agreement must be:

- (a) in legible writing and in English;
- (b) signed by the sender or a person duly authorised by the sender or, where transmitted by email, sent by the sender or a person duly authorised by the sender; and
- (c) either:
 - (i) hand delivered;
 - (ii) sent by express post (or by airmail, if a party is outside Australia); or
 - (iii) transmitted by email,

to the intended recipient at the postal address or email address of the intended recipient, as specified in Part 1 of Schedule 1 or as varied by any Notice in accordance with this clause 5 (as applicable).

5.2 Receipt

A Notice given in accordance with this clause is taken as having been given by the sender and received by the recipient:

- (a) if hand delivered, on delivery;
- (b) if sent from a place within Australia by airmail to an address outside Australia, 12 Business Days after the date of posting;
- (c) if sent from a place outside Australia by airmail to an address within or outside Australia, 12 Business Days after the date of posting;
- (d) if transmitted by email, when the email (including any attachment) is transmitted,

but if the delivery or transmission is not on a Business Day or is after 5.00 pm on a Business Day, the Notice is taken to be received at 9.00 am on the next Business Day.

5.3 Address of parties

Unless varied by Notice in accordance with this clause 5, the parties' addresses and other details are as set out in Part 1 of Schedule 1.

6 General

6.1 Attorneys

If a party (**Appointing Party**) appoints a person under a power of attorney to execute this Agreement on the Appointing Party's behalf, the Appointing Party warrants to each other party that the Appointing Party has not issued a notice of revocation of that power and that there is no other fact or circumstance that might affect its attorney's authority to execute this Agreement under that power.

6.2 Variation

This Agreement may not be amended or varied unless the amendment or variation is in writing signed by the Company and the Sellers' Representative.

6.3 Further assurances

Each party (including the Security Holder) must do or cause to be done all things necessary or reasonably desirable to give full effect to this Agreement and the transactions contemplated by it (including the execution of documents).

6.4 Counterparts

This Agreement may be executed in any number of counterparts and all counterparts taken together will constitute one document.

6.5 Electronic exchange of Agreement

A party may exchange an executed counterpart of this Agreement with another party by sending it by email to the other party or that other party's legal representative. In such an instance:

- (a) the exchange email will be deemed to be an effective exchange of an originally executed counterpart; and
- (b) whilst the party that provided this Agreement by email is still required to provide an originally executed counterpart to each other party either by hand or post as soon as possible, the failure or delay in doing so will not affect the validity or effectiveness of this Agreement or the exchange.

6.6 Governing law and jurisdiction

- (a) This Agreement is governed by and construed in accordance with the laws in force in the State of New South Wales.
- (b) Each party:

- (i) submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts that may hear appeals from those courts; and
- (ii) waives any right it might have to object to an action being brought in those courts including on the basis that those courts are an inconvenient forum.

6.7 Service of process on a foreign party

The Security Holder appoints the Sellers' Representative of 12526 High Bluff Drive, Suite 280, San Diego, California 92130, USA in relation to proceedings in Australia as its agent to receive service of any legal process on its behalf without excluding any other means of service permitted by the law of Australia.

6.8 Specific performance

The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which the parties are entitled at law or in equity.

6.9 Assignment

The Security Holder may not assign its rights under this Agreement without the prior written consent of the Company.

6.10 Inconsistency

If there is any inconsistency between the terms of this Agreement and the terms of the Sale Agreement, the terms of this Agreement shall prevail.

6.11 Entire agreement

This Agreement constitutes the entire agreement of the parties in relation to its content and supersedes all prior discussions, undertakings and agreements.

Schedule 1 Party and Notice details and Voluntary Escrowed Shares

Part 1 – Party and Notice details

Party	Contact details
Company	Name: Zip Co Limited
	ACN 139 546 428
	Contact name: Tommy Mermelshtayn, Chief Strategy Officer
	Postal address: Level 5, 126 Phillip Street, Sydney NSW Australia, 2000
	Email address: Tommy.Mermelshtayn@zip.co
	With a copy to: Jeremy Leibler and Gavin Hammerschlag Arnold Bloch Leibler jleibler@abl.com.au and ghammerschlag@abl.com.au
Security Holder	Name: _____
	Contact name: Ryan Simkin Managing Director c/- Fortis Advisors, LLC
	Postal address: 12526 High Bluff Drive, Suite 280, San Diego, California 92130, USA
	Email address: notices@fortisrep.com

Part 2 - Voluntary Escrowed Shares

Voluntary Escrowed Shares _____



Signing page

EXECUTED as an AGREEMENT

EXECUTED by ZIP CO LIMITED ACN 139 546)
428 in accordance with section 127 of the)
Corporations Act 2001)

Signature of director

Signature of director/company secretary
(delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Individual

SIGNED by [INSERT] in the presence of:)
)
)

Signature of witness

Signature of [INSERT]

Full name of witness (print)

Power of Attorney

SIGNED for and on behalf of [INSERT] by)
[his/her/its] attorney under power of attorney)
dated [date] in the presence of:)
)
)

Signature of witness

Signature of attorney

Full name of witness (print)

Full name of attorney (print)

By signing this agreement, the attorney confirms that, at the date of signing this agreement, the attorney has no notice of revocation of the power of attorney specified above.

Company with two directors



EXECUTED by [INSERT] by:)
)
)

Signature of director

Signature of director/company secretary
(delete as applicable)

Full name of director (print)

Full name of director/company secretary (print)
(delete as applicable)

Company with sole director

EXECUTED by [INSERT] by its sole director)
and sole company secretary:)
)

Signature of sole director and sole company
secretary

Full name of sole director and sole company
secretary (print)

Investor Escrow Agreement

Non-employees

Zip Co Limited
ACN 139 546 428

The party listed as the Security Holder in Part 1 of Schedule 1



Arnold Bloch Leibler

Level 21, 333 Collins Street
Melbourne Victoria 3000 Australia

Level 24, Chifley Tower, 2 Chifley Square
Sydney NSW 2000 Australia

Non-employees

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Non-employees

Date	_____ 2020		
Parties	Zip Co Limited		
	ACN 139 546 428 of Level 5, 126 Phillip Street, Sydney NSW Australia 2000		(Company)
	The party listed as the Security Holder in Part 1 of Schedule 1		(Security Holder)

Background	A	The Company is listed on the official list of the ASX.
	B	The Company has agreed to either: (i) issue the Voluntary Escrowed Shares to the Security Holder on the Closing Date; or (ii) issue the Voluntary Escrowed Shares to the Escrow Agent on the Closing Date, and procure the subsequent transfer of those Voluntary Escrowed Shares to the Security Holder after the Closing Date in accordance with the terms of the Sale Agreement, as the context requires.
	C	The Security Holder has agreed with the Company to place its Voluntary Escrowed Shares in voluntary escrow for the Escrow Period in accordance with the terms and conditions set out in this Agreement.

The parties agree as follows:

1 Definitions and interpretation

1.1 Definitions

In this Agreement, unless expressly provided otherwise:

Agreement	means this investor escrow agreement.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange market operated by the ASX, as the context requires.
ASX Listing Rules	means the listing rules of the ASX, as amended from time to time.
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
Business Day	means a day on which banks are open for general banking business in Sydney, Australia, excluding Saturdays, Sundays and public holidays in Sydney.
Closing Date	has the meaning given to the term in the Sale Agreement.

Control	means in respect of a Security Holder, any person who, directly, or indirectly, through one or more intermediaries controls that Security Holder, which includes the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of an entity, whether through the ownership of voting securities, by agreement or otherwise, and " Controlled " has the correlative meaning.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Deal	means to: (a) sell, assign, transfer or otherwise dispose of; (b) agree or offer to sell, assign, transfer or otherwise dispose of; (c) enter into any option which, if exercised, enables or requires a Security Holder to sell, assign, transfer or otherwise dispose of; or (d) create or agree or offer to create or permit to be created any mortgage, charge, pledge, lien or other security interest; and (e) do any of the things in paragraphs (a) to (d) in respect of the voting or distribution rights attaching to the relevant security, and " Dealing " has a corresponding meaning.
Escrow Agent	has the meaning given to the term in the Sale Agreement.
Escrow Period	means, in respect of the Security Holder: (a) the First Escrow Period; or (b) the Second Escrow Period, as the context requires.
Execution Date	means 1 June 2020, being the date of the Sale Agreement.
Financial Investors	means all Security Holders other than the Management Security Holders.
First Escrow Period	means: (a) in respect of a Security Holder which is a Management Security Holder, the period commencing on the Initial Conditions Date and ending on the 12-month anniversary of the Execution Date; and (b) in respect of a Security Holder which is a Financial Investor, the period commencing on the Initial Conditions Date and ending on the 6-month anniversary of the Execution Date.

First Tranche Escrowed Shares	means, in respect of a Security Holder, 50% of all Voluntary Escrowed Shares issued or transferred to that Security Holder in accordance with the terms of the Sale Agreement.
Holding Lock	has the meaning given to that term in section 2 of the Settlement Operating Rules.
Initial Conditions Date	means, the date of issue to or transfer of the Voluntary Escrowed Shares to the Security Holder (as applicable, in accordance with the terms of the Sale Agreement).
Issuer Sponsored Subregister	means the part of the Company's register for shares that is administered by the Company (and not ASX Settlement) and records uncertified holdings of Shares.
Law	means a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law, judgment, rule of common law or equity or a rule of an applicable financial market and is a reference to that law as amended, consolidated or replaced.
Management Security Holders	means: (a) the 'Management Stockholders' (as that term is defined in the Sale Agreement); and (b) Sirius Enterprises Pty Ltd ACN 619 137 254.
Sale Agreement	means the agreement and plan of merger dated on or about the date of this Agreement between the Company, James Merger Sub Inc., QuadPay Inc. and the Sellers' Representative relating to the acquisition by James Merger Sub Inc. of the issued capital of QuadPay Inc.
Second Escrow Period	means: (a) in respect of a Security Holder which is a Management Security Holder, the period commencing on the Initial Conditions Date and ending on the 24-month anniversary of the Execution Date; and (b) in respect of a Security Holder which is a Financial Investor, the period commencing on the Initial Conditions Date and ending on the 12-month anniversary of the Execution Date.
Second Tranche Escrowed Shares	means, in respect of a Security Holder, 20% of all Voluntary Escrowed Shares issued or transferred to that Security Holder in accordance with the terms of the Sale Agreement.
Security Interest	means an interest or power: (a) reserved in or over an interest in any securities including, but not limited to, any retention of title; (b) created or otherwise arising in or over any interest in any securities under a bill of sale, mortgage, charge, lien, pledge, trust or power, and

	(c) any agreement to grant or create any interest or power referred to in paragraphs (a) or (b) of this definition.
Sellers' Representative	Fortis Advisors, LLC, a Delaware limited liability company.
Settlement Operating Rules	means the operating rules of ASX Settlement.
Shares	means ordinary shares in the capital of the Company.
Voluntary Escrowed Shares	means any and all Shares issued or transferred to the Security Holder in accordance with the terms of the Sale Agreement, as set out in Part 2 of Schedule 1.

1.2 Interpretation

In this Agreement, unless the context requires otherwise:

- (a) a reference to this Agreement or another agreement or instrument includes any variation or replacement of either of them;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements by any of them;
- (c) the singular includes the plural and vice versa;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and assigns;
- (f) words and expressions defined in the ASX Listing Rules, and not in this Agreement, have the meanings given to them in the ASX Listing Rules;
- (g) if a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (h) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (i) a reference to a time is a reference to Australian Eastern Standard Time or Australian Eastern Daylight Time, whichever is appropriate.

1.3 Compliance with ASX Listing Rules

For so long as the Company is listed on the official list of the ASX:

- (a) notwithstanding anything contained in this Agreement, if the ASX Listing Rules prohibit an act being done, that act must not be done;

- (b) nothing contained in this Agreement prevents an act being done that the ASX Listing Rules require to be done;
- (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be);
- (d) if the ASX Listing Rules require this Agreement to contain a provision and it does not contain such a provision, this Agreement is deemed to contain that provision;
- (e) if the ASX Listing Rules require this Agreement not to contain a provision and it contains such a provision, this Agreement is deemed not to contain that provision; and
- (f) if any provision of this Agreement is or becomes inconsistent with the ASX Listing Rules, this Agreement is deemed not to contain that provision to the extent of the inconsistency.

2 Escrow

2.1 Escrow Period

In consideration for receiving the Voluntary Escrowed Shares under the Sale Agreement, the Security Holder must not, and unconditionally and irrevocably undertakes to the Company that it will not:

- (a) during the First Escrow Period:
 - (i) Deal in any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder;
 - (ii) Deal in any interest or right in respect of any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder; or
 - (iii) do, or omit to do, any act or omission which would have the effect of transferring effective ownership or Control of any part of the First Tranche Escrowed Shares or Second Tranche Escrowed Shares held by the Security Holder;
- (b) during the Second Escrow Period:
 - (i) Deal in any part of the Second Tranche Escrowed Shares held by the Security Holder;
 - (ii) Deal in any interest or right in respect of any part of the Second Tranche Escrowed Shares held by the Security Holder; or
 - (iii) do, or omit to do, any act or omission which would have the effect of transferring effective ownership or control of any part of the Second Tranche Escrowed Shares held by the Security Holder,

other than as permitted under this Agreement.

2.2 Escrow restrictions

The parties acknowledge and agree that:

- (a) as soon as practicable following the issue or transfer of the Voluntary Escrowed Shares to the Security Holder (as applicable, in accordance with the terms of the Sale Agreement), the Voluntary Escrowed Shares will be registered and held for the Security Holder on the Issuer Sponsored Subregister;
- (b) the Company will apply a Holding Lock to the Voluntary Escrowed Shares as soon as practicable after registration of the Voluntary Escrowed Shares on the Issuer Sponsored Subregister, and the Security Holder hereby agrees to the application of the Holding Lock; and
- (c) the Company will do all things necessary to ensure that the Holding Lock is released:
 - (i) to the extent necessary to permit Dealings in Voluntary Escrowed Shares permitted by this Agreement;
 - (ii) at the expiry of the relevant Escrow Period for the relevant Voluntary Escrowed Shares; and
 - (iii) in full at the conclusion of the relevant Escrow Period,including notifying ASX that the Voluntary Escrowed Shares will be released from the Holding Lock, in accordance with the timing requirements set out in ASX Listing Rule 3.10A.

3 Escrow exceptions

- (a) During the Escrow Period, the Security Holder may Deal in any of its Voluntary Escrowed Shares if the Dealing arises solely as a result of:
 - (i) the acceptance a bona fide third party takeover bid made under Chapter 6 of the Corporations Act in respect of the Shares, provided that the holders of at least half of the Shares that are not subject to any voluntary escrow arrangement, and to which the offers under the bid relate, have accepted the bid; or
 - (ii) a merger, acquisition, compromise, arrangement, transfer or cancellation of the Shares in the Company as part of a scheme of arrangement under Part 5.1 of the Corporations Act, provided that the scheme of arrangement has received all necessary approvals, including all such necessary court and shareholder approvals,

provided, in each case, that if for any reason any or all Voluntary Escrowed Shares are not transferred or cancelled in accordance with such a takeover bid or scheme of arrangement, then the Security Holder agrees that the restrictions applying to the Voluntary Escrowed Shares under this Agreement will continue to apply and without limiting the foregoing, the Holding Lock will be reapplied to all Voluntary Escrowed Shares not so transferred or cancelled.

- (b) During the Escrow Period, the Security Holder may Deal in any of its Voluntary Escrowed Shares if the Dealing:
- (i) is required by applicable Law (including an order of a court of competent jurisdiction);
 - (ii) with the prior written approval of the board of directors of the Company, in their absolute discretion; or
 - (iii) constitutes a disposal of, but not the creation of a Security Interest in, some or all of its Voluntary Escrowed Shares to:
 - (A) a company wholly-owned by the Security Holder; or
 - (B) a trust in relation to which the Security Holder is a sole beneficiary,(each a **Transferee**), provided that the Transferee also enters into:
 - (C) an escrow arrangement with the Company in respect of those Voluntary Escrowed Shares on the same terms as this Agreement for the remainder of the Escrow Period applicable to those Voluntary Escrowed Shares; and
 - (D) any other documents required by the Company to give effect to and/or secure:
 - (1) the Security Holder's obligations and liabilities under or in connection with the Sale Agreement; and/or
 - (2) the rights of the Company against the Security Holder under or in connection with the Sale Agreement,including in each case (without limitation) in connection with section 9.12 of the Sale Agreement and/or the power of attorney granted by the Security Holder to the Company and its officers and directors in connection with the Sale Agreement.

3.2 Contravention of this Agreement

If the Security Holder contravenes this Agreement, the Company may, in addition to its rights and remedies at common law or in equity, refuse to acknowledge, deal with, accept or register any sale, assignment or transfer of the Voluntary Escrowed Shares held by the Security Holder or any part thereof or any interest or right in respect of those Voluntary Escrowed Shares or any part thereof that are the subject of such contravention.

3.3 Entitlement to vote and dividends

No provision of this clause 3 or any other provision of this Agreement shall be taken to:

- (a) grant to the Company any holding or control of voting rights attaching to the Voluntary Escrowed Shares; or
- (b) restrict the Security Holder from exercising in full the voting entitlements or any rights of that Security Holder to receive or participate in dividends, any rights

issue, bonus issue or other distributions in respect of the Voluntary Escrowed Shares held by that Security Holder.

4 Warranties and undertaking

4.1 Giving of warranties

The Security Holder gives the warranties and representations in favour of the Company as at:

- (a) the date of this Agreement; and
- (b) at all times until expiry of the Escrow Period.

4.2 Warranties

The Security Holder represents and warrants that:

- (a) it has the power to enter into and perform this Agreement and to perform and observe all of its terms and has obtained all necessary consents to enable it to do so;
- (b) it has duly executed this Agreement and this Agreement is a legal, valid and binding obligation enforceable against it in accordance with the terms of this Agreement;
- (c) the entry into and performance of this Agreement does not constitute a breach of any obligation (including any statutory, contractual or fiduciary obligation), or default under any agreement or undertaking, by which the Security Holder or its assets are bound;
- (d) where the Security Holder is a body corporate:
 - (i) it is a body corporate duly incorporated under laws of the jurisdiction of its incorporation; and
 - (ii) it has taken all necessary corporate action to authorise the execution and performance of this Agreement; and
- (e) where the Security Holder is entering into this Agreement as a trustee of a trust:
 - (i) the trust is duly constituted under relevant laws and no action has been taken or proposed to terminate the trust;
 - (ii) the Security Holder has full legal capacity and power under the trust deed of the trust to:
 - (A) own the assets of the trust and carry on the trust's business as now conducted or contemplated; and
 - (B) enter into and perform the party's obligations under this Agreement;

- (iii) the Security Holder is the sole trustee of the trust and no action has been taken or proposed to remove the party as trustee of the trust or to appoint an additional trustee;
- (iv) the Security Holder has the right to be fully indemnified out of the assets of the trust in respect of its obligations under this Agreement and that right has not been restricted or limited in any way;
- (v) the assets of the trust are sufficient to satisfy that right of indemnity in full and all other obligations in respect of which the Security Holder has a right to be indemnified out of the assets of the trust;
- (vi) the Company's rights under this Agreement rank in priority to the interests of the beneficiaries under the trust; and
- (vii) the Security Holder enters into this Agreement as part of the due and proper administration of the trust and for the benefit of the beneficiaries of the trust.

4.3 Undertaking

The Security Holder undertakes to the Company:

- (a) to comply in all respects with this Agreement; and
- (b) not to seek any waiver or variation of this Agreement without the prior written consent of the Company.

5 Notices

5.1 Method

All notices, requests, demands, consents, approvals, offers, agreements or other communications (**Notice**) given by a party under or in connection with this Agreement must be:

- (a) in legible writing and in English;
- (b) signed by the sender or a person duly authorised by the sender or, where transmitted by email, sent by the sender or a person duly authorised by the sender; and
- (c) either:
 - (i) hand delivered;
 - (ii) sent by express post (or by airmail, if a party is outside Australia); or
 - (iii) transmitted by email,

to the intended recipient at the postal address or email address of the intended recipient, as specified in Part 1 of Schedule 1 or as varied by any Notice in accordance with this clause 5 (as applicable).

5.2 Receipt

A Notice given in accordance with this clause is taken as having been given by the sender and received by the recipient:

- (a) if hand delivered, on delivery;
- (b) if sent from a place within Australia by airmail to an address outside Australia, 12 Business Days after the date of posting;
- (c) if sent from a place outside Australia by airmail to an address within or outside Australia, 12 Business Days after the date of posting;
- (d) if transmitted by email, when the email (including any attachment) is transmitted,

but if the delivery or transmission is not on a Business Day or is after 5.00 pm on a Business Day, the Notice is taken to be received at 9.00 am on the next Business Day.

5.3 Address of parties

Unless varied by Notice in accordance with this clause 5, the parties' addresses and other details are as set out in Part 1 of Schedule 1.

6 General

6.1 Attorneys

If a party (**Appointing Party**) appoints a person under a power of attorney to execute this Agreement on the Appointing Party's behalf, the Appointing Party warrants to each other party that the Appointing Party has not issued a notice of revocation of that power and that there is no other fact or circumstance that might affect its attorney's authority to execute this Agreement under that power.

6.2 Variation

This Agreement may not be amended or varied unless the amendment or variation is in writing signed by the Company and the Sellers' Representative.

6.3 Further assurances

Each party (including the Security Holder) must do or cause to be done all things necessary or reasonably desirable to give full effect to this Agreement and the transactions contemplated by it (including the execution of documents).

6.4 Counterparts

This Agreement may be executed in any number of counterparts and all counterparts taken together will constitute one document.

6.5 Electronic exchange of Agreement

A party may exchange an executed counterpart of this Agreement with another party by sending it by email to the other party or that other party's legal representative. In such an instance:

- (a) the exchange email will be deemed to be an effective exchange of an originally executed counterpart; and
- (b) whilst the party that provided this Agreement by email is still required to provide an originally executed counterpart to each other party either by hand or post as soon as possible, the failure or delay in doing so will not affect the validity or effectiveness of this Agreement or the exchange.

6.6 Governing law and jurisdiction

- (a) This Agreement is governed by and construed in accordance with the laws in force in the State of New South Wales.
- (b) Each party:
 - (i) submits to the non-exclusive jurisdiction of the courts of New South Wales and any courts that may hear appeals from those courts; and
 - (ii) waives any right it might have to object to an action being brought in those courts including on the basis that those courts are an inconvenient forum.

6.7 Service of process on a foreign party

The Security Holder appoints the Sellers' Representative of 12526 High Bluff Drive, Suite 280, San Diego, California 92130, USA in relation to proceedings in Australia as its agent to receive service of any legal process on its behalf without excluding any other means of service permitted by the law of Australia.

6.8 Specific performance

The parties agree that irreparable damage would occur if any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which the parties are entitled at law or in equity.

6.9 Assignment

The Security Holder may not assign its rights under this Agreement without the prior written consent of the Company.

6.10 Inconsistency

If there is any inconsistency between the terms of this Agreement and the terms of the Sale Agreement, the terms of this Agreement shall prevail.

6.11 Entire agreement

This Agreement constitutes the entire agreement of the parties in relation to its content and supersedes all prior discussions, undertakings and agreements.

SAMPLE

Schedule 1 Party and Notice details and Voluntary Escrowed Shares

Part 1 – Party and Notice details

Party	Contact details
Company	Name: Zip Co Limited
	ACN 139 546 428
	Contact name: Tommy Mermelshtayn, Chief Strategy Officer
	Postal address: Level 5, 126 Phillip Street, Sydney NSW Australia, 2000
	Email address: Tommy.Mermelshtayn@zip.co
	With a copy to: Jeremy Leibler and Gavin Hammerschlag Arnold Bloch Leibler jleibler@abl.com.au and ghammerschlag@abl.com.au
Security Holder	Name: _____
	Contact name: Ryan Simkin Managing Director c/- Fortis Advisors, LLC
	Postal address: 12526 High Bluff Drive, Suite 280, San Diego, California 92130, USA
	Email address: notices@fortisrep.com

Part 2 - Voluntary Escrowed Shares

Voluntary Escrowed Shares _____



Signing page

EXECUTED as an AGREEMENT

EXECUTED by ZIP CO LIMITED ACN 139 546)
428 in accordance with section 127 of the)
Corporations Act 2001)

Signature of director

Signature of director/company secretary
(delete as applicable)

Name of director (print)

Name of director/company secretary (print)

Individual

SIGNED by [INSERT] in the presence of:)
)
)

Signature of witness

Signature of [INSERT]

Full name of witness (print)

Power of Attorney

SIGNED for and on behalf of [INSERT] by)
[his/her/its] attorney under power of attorney)
dated [date] in the presence of:)
)
)

Signature of witness

Signature of attorney

Full name of witness (print)

Full name of attorney (print)

By signing this agreement, the attorney confirms that, at the date of signing this agreement, the attorney has no notice of revocation of the power of attorney specified above.

Company with two directors



EXECUTED by [INSERT] by:)
)
)

Signature of director

Signature of director/company secretary
(delete as applicable)

Full name of director (print)

Full name of director/company secretary (print)
(delete as applicable)

Company with sole director

EXECUTED by [INSERT] by its sole director)
and sole company secretary:)
)

Signature of sole director and sole company
secretary

Full name of sole director and sole company
secretary (print)

ANNEXURE C TO FORM 603

This is Annexure C of 3 pages referred to in Form 603 – Notice of Initial Substantial Holder lodged by Zip Co Limited.

Signed by and on behalf of Zip Co Limited

David Franks
Company Secretary
1 September 2020



REGISTERED HOLDER	ORDINARY SHARES SUBJECT TO ESCROW
Shares under voluntary escrow in relation to the PartPay Acquisition	
John O'Sullivan, Ms A Luxton and Young & Carrington Trustees	1,164,157
Samuel Murray James McGoldrick	148,663
JTW Consulting Limited	18,735
Shares under voluntary escrow in relation to the QuadPay Acquisition	
A C Michael Investments No.2 Pty Ltd	1,098,265
AB2C Investments Pty Ltd ATF AB2C Trust	156,273
Adam Ezra	3,792,405
AJE Company Pty Ltd	15,171,825
Alceon Group Pty Ltd as Trustee for Alceon Secured Debt Fund No.5	1,890,487
Alexander D. Lee	23,439
Anstey Street Pty Ltd	171,900
Arcmond Pty Ltd ATF Klug Family Superannuation Fund	11,719
Merrill Lynch (Australia) Nominees Pty Limited as sub-custodian for Bank of America, National Association as custodian to Regal Funds Management Pty Ltd in its capacity as trustee for each of the Regal Emerging Companies Fund, the Regal Emerging Companies Funds II and the Regal Emerging Companies Fund III	6,961,566
Barbarinos Holdings Pty Ltd ATF The Barbarinos Superannuation Fund	138,487
Beecon Pty Ltd ATF Ben Kohn Family Trust	53,096
Bleeker Street Nominees Pty Limited ATF the Bleeker Street Trust	14,714,383
Brad Lindenberg	4,249,846
Chimes Nominees Pty Ltd ATF Chimes Superannuation Fund	15,626
Christopher P. Lee	1,136,392
Circlestar Pty Ltd	2,094,883
D & J Redelman Pty Ltd ATF David and Judi Redelman Super Fund	269,199
Daniel Foggo	111,872
David and Elizabeth Sykes	440,058
David H. Lee	23,439
Dewpath Pty Ltd	111,788
DKM Nominees Pty Ltd ATF Derek Keith Miller Family Trust	78,136
Dorado First Mortgage 45 Pty Ltd ATF Dorado Quad Holdings Trust	195,342
Dovira Assets Pty Ltd ATF Dovira Family Trust	78,136
Eastfind Pty Ltd	53,522
Evan John Litis	111,872

Evan John Litis ATF Chipenbere Trust	483,473
Flocolo 1 Pty Ltd	892,618
Gangus Pty Ltd	2,235,785
GFC Global Founders GmBH	390,086
Gideon Caplan Testamentary Trust	189,925
Global Founders Capital GmBH & Co. Beteiligungs KG Nr. 1	1,238,428
Greg Ruddock	195,342
Gregory Kaplan	19,532
Hanave Pty Ltd	97,671
Harrison Dimon	5,588
Howard Schwartz	27,346
Ian Lazarus	38,941
Ian Yamey	198,609
Iro Investments P/L as Trustee for the Glaser Superannuation Fund	253,276
Ivany Family Investments Pty Ltd ATF the Ivany Family Trust	390,685
J Plate Investments Pty Ltd	54,694
JUSTFINE INVESTMENTS PTY LTD	443,020
Liber Family Pty Ltd ATF Liber Family Trust	6,108
Liquidity Group Pty Ltd ACN 137 960 340 ATF The Liquidity Trust	68,368
Lowan Investments Pty Ltd	111,872
Magicana Holdings Pty Ltd	78,136
Marc Ariedl Schwartz as trustee for the MASE Schwartz Investment Trust	425,011
Memorare Pty Ltd ATF the Eid Family Trust	78,136
Michael H. Lee	26,212
Mons Investments, LLC	218,464
Morris Capital Pty Ltd	19,532
Mountain Capital Partners Ltd	189,925
Moutier Pty Ltd	326,107
NAAM US LLC	967,946
NDM Sylvania Pty LTD ATF NDM Sylvania Unit Trust	108,977
Paul Sauer	15,468
Profitous Pty Ltd	685,395
Rainfall Ventures I, LP	1,917,369
Ravere Pty Ltd	1,321,843
Redlilly Enterprises Pty Ltd	78,136
Rena Assets Pty Ltd ATF Ye Family Super Fund	164,087
Rocket Internet Capital Partners (Euro) SCS	2,377,634
Rocket Internet Capital Partners SCS	4,136,433
Romberg Ventures Pty Ltd ATF Michael Rom Family Venture Trust	704,457

Ryan Gnesin	78,136
Sandbar Investments Pty Limited	214,877
Lord of W Holdings Pty Ltd ATF Schebesta Family Trust	100,160
Schack Homewares P/L ATF Dasei Trust	449,687
Sirius Enterprises Pty Ltd	7,585,912
Tabachnik Super Pty Ltd ATF Tabachik Super Fund	117,205
Two Tops Pty Ltd	111,872
Yehudi Gaffen & Pam Gaffen ATF the Gaffen Family Trust	111,788
YJPD Pty Ltd ATF Danady Family Trust	39,067
TOTAL	84,474,850