

NOTICE OF ANNUAL GENERAL MEETING

ZIP CO LIMITED

ACN 139 546 428
Level 5, 126 Phillip Street
Sydney NSW 2000
zip.cohome

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Letter from the Chair



I am pleased to invite you to Zip's 2022 Annual General Meeting of Shareholders.

Date: Thursday 3 November 2022

Time: 10:00am (AEDT)

Online: <https://meetnow.global/MRSGU7F>

Dear Shareholder,

I am pleased to invite you to Zip Co Limited's (**Zip** or the **Company**) 2022 Annual General Meeting (**AGM** or **Meeting**) of Shareholders.

Consistent with the approach we have taken for the last two years, this year's AGM will be held virtually (through the Computershare platform).

Shareholders will be able to vote and submit questions in advance and "live" during the Meeting. Zip considers these measures to be appropriate for the AGM and make participation more easily accessible to most Shareholders.

You may participate in the AGM in the following ways:

- (a) **Online:** Shareholders can access the Computershare AGM platform from their computer, tablet or mobile device at <https://meetnow.global/MRSGU7F>. Online registration will open 30 minutes before the AGM commences. The platform will allow Shareholders to view the Meeting, vote and submit questions in real-time. Instructions on how to do so are included in the Notice of Meeting and further details are published on the Zip website.
- (b) **Lodging a proxy or direct vote in advance of the Meeting:** You can do this online at www.investorvote.com.au. Instructions on how to vote directly or appoint a proxy are detailed on the front of the Voting Form. Voting Forms must be received no later than 10.00am (AEDT) on Tuesday, 1 November 2022 to be valid for the AGM. Voting Forms must be lodged online or by:
 - (i) Fax to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);
 - (ii) Mail to Computershare Investor Services Pty Ltd, GPO BOX 242, Melbourne Victoria 3001, Australia
- (c) **Lodging questions in advance of the Meeting:** Questions can be submitted in advance of the Meeting via Computershare at www.investorvote.com.au/
- (d) **Watching a live webcast of the AGM:** The AGM will be available to view at <https://meetnow.global/MRSGU7F>

BUSINESS OF THE AGM

Larry Diamond, Managing Director & CEO, and I will provide a brief presentation at the AGM before formal Items of business are considered. The most frequently asked questions from Shareholders will be dealt with in these presentations or prior to the resolutions (as appropriate) and as many as possible during the Meeting. However, there may not be sufficient time available at the Meeting to address all the questions raised. Please note that individual responses will not be sent to Shareholders.

The business to be dealt with at the AGM is provided on pages 3 to 5 of the Notice of Meeting.

We ask that Shareholders monitor Zip's website <https://zip.co/investors> and the ASX Markets Announcements Platform for any updates to the arrangements for the AGM and consider providing an email address to receive communications or notifications directly.

I look forward to updating you at the AGM.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Diane Smith-Gander'.

Diane Smith-Gander AO, Chair
22 September 2022

Business of the AGM

1. ANNUAL FINANCIAL REPORT, DIRECTORS' REPORT AND AUDITOR'S REPORT

To receive and to consider the Annual Financial Report of Zip and its consolidated entities and the Reports of the Directors and Auditor for the financial year ended 30 June 2022.

2. REMUNERATION REPORT

To consider and, if thought fit, pass the following as an Ordinary Resolution:

To adopt the Remuneration Report for the financial year ended 30 June 2022, as set out in the Directors' Report in the Annual Financial Report.

Note: the vote on this item is advisory only and does not bind the Directors or Zip.
A voting exclusion applies to this Item. See page 8 for details.

3. ELECTION AND RE-ELECTION OF DIRECTORS

To consider and, if thought fit, pass the following, each as an Ordinary Resolution:

- (a) Election of Ms Meredith Scott as a Director.

That Ms Meredith Scott is elected as a Director of the Company in accordance with clause 22.6 of the Company's Constitution and ASX Listing Rule 14.4.

- (b) Re-Election of Mr Peter Gray as a Director.

That Mr Peter Gray, who retires by rotation in accordance with clause 22.10 of the Company's Constitution, be re-elected as a Director of the Company.

4. RATIFICATION OF PRIOR ISSUES OF SECURITIES IN CONNECTION WITH THE PLACEMENT

To consider and, if thought fit, pass the following as an Ordinary Resolution:

That the allotment and prior issue of 78,285,139 Shares issued to institutional, sophisticated and professional investors on 4 March 2022 under the Placement at the issue price of \$1.90 per Share, as announced on 28 February 2022 and 1 March 2022, be ratified for the purpose of ASX Listing Rule 7.4.

A voting exclusion applies to this Item. See page 8 for details.

Business of the AGM

Cont.

5. APPROVAL FOR THE GRANTING OF RESTRICTED RIGHTS TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, pass the following, each as an Ordinary Resolution:

- (a) Diane Smith-Gander – Issue of Restricted Rights under the ZIPNEP.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of up to \$40,000 worth of Restricted Rights to Diane Smith-Gander (a non-executive Director of the Company) under the ZIPNEP.

- (b) John Batistich – Issue of Restricted Rights under the ZIPNEP.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of up to \$20,000 worth of Restricted Rights to John Batistich (a non-executive Director of the Company) under the ZIPNEP.

- (c) Meredith Scott – Issue of Restricted Rights under the ZIPNEP.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of up to \$16,667 worth of Restricted Rights to Meredith Scott (a non-executive Director of the Company) under the ZIPNEP.

A voting exclusion applies to each of these Items. See page 8 for details.

6. APPROVAL OF EQUITY INCENTIVE PLAN (EIP) AND ISSUE OF SECURITIES

To consider and, if thought fit, to pass the following, each as an Ordinary Resolution:

- (a) Approval of EIP and issue of securities.

That, for the purposes of ASX Listing Rule 7.2 Exception 13(b) and for all other purposes, the EIP and the issue of equity securities under the EIP, be approved.

- (b) Approval of potential termination benefits under EIP.

That the giving of benefits to any current or future holder of a managerial or executive office in the Group to which sections 200B and 200E of the Corporations Act apply in connection with that person ceasing to hold that office be approved.

A voting exclusion applies to each of these Items. See page 8 for details.

7. GRANT OF LONG-TERM EQUITY PERFORMANCE RIGHTS UNDER THE EIP

To consider and, if thought fit, pass the following, each as an Ordinary Resolution:

- (a) Approval of grant of Long Term Equity Performance Rights to Larry Diamond.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of \$255,154 worth of Performance Rights to Larry Diamond (a Director of the Company) under the EIP.

- (b) Approval of grant of Long Term Equity Performance Rights to Peter Gray.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of \$244,854 worth of Performance Rights to Peter Gray (a Director of the Company) under the EIP.

A voting exclusion applies to each of these Items. See page 8 for details.

8. GRANT OF LONG-TERM INCENTIVE PERFORMANCE RIGHTS UNDER THE EIP

To consider and, if thought fit, pass the following, each as Ordinary Resolutions:

- (a) Approval of grant of Long Term Incentive Performance Rights to Larry Diamond.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of 228,326 Performance Rights to Larry Diamond (a Director of the Company) under the EIP.

- (b) Approval of grant of Long Term Incentive Performance Rights to Peter Gray.

That approval is given for the purposes of ASX Listing Rule 10.14 and all other purposes, for the issue of 219,109 Performance Rights to Peter Gray (a Director of the Company) under the EIP.

A voting exclusion applies to each of these Items. See page 8 for details.

By Order of the Board.



David Franks
Joint Company Secretary

22 September 2022



Tai Phan
Joint Company Secretary

Explanatory Notes

These Explanatory Notes form part of this Notice of Meeting and should be read in conjunction with it. The Explanatory Notes have been prepared to provide Shareholders with important information regarding the Items of business proposed for consideration at the AGM. Capitalised terms in this Notice of Meeting are defined in the Glossary on pages 30 to 31.

DETERMINATION OF ENTITLEMENT TO VOTE

For the purposes of voting at the AGM, the Directors have determined that Zip shares will be taken to be held by persons registered as Shareholders at 7:00pm (AEDT) on Tuesday, 1 November 2022. This means that transfers of Shares registered after that time will be disregarded in determining entitlements to participate at the AGM and vote on the resolutions set out in this Notice of Meeting.

VOTING ON RESOLUTIONS

Each of the resolutions set out in this Notice of Meeting will be decided by poll.

ONLINE PLATFORM

Shareholders (or their proxies) will be able to participate in the Meeting (including voting and asking questions), in real time via the Computershare online platform using either a computer, tablet or mobile device with an internet connection.

Online registration will open 30 minutes before the AGM commences. Zip recommends Shareholders log into the online platform at least 15 minutes prior to the scheduled start time for the AGM in accordance with the instructions below.

Enter <https://meetnow.global/MRSGU7F> into a web browser on your computer or online device.

To participate in the meeting follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 prior to the Meeting to obtain their login details.
3. Enter your postcode registered to your holding if you are an Australian Shareholder. If you are an overseas Shareholder select the country of your registered holding from the drop-down list.
4. Accept the Terms and Conditions and click 'Continue'.

You can view the Meeting live, ask questions verbally or via a live text facility and cast votes at the appropriate times while the AGM is in progress.

More information regarding participating in the AGM (including browser requirements) can be found in the Computershare online meeting guide at www.computershare.com.au/virtualmeetingguide.

WEBCAST

You can also view a live webcast of the Meeting at <https://meetnow.global/MRSGU7F>

SHAREHOLDER VOTING AND PROXIES

APPOINTING A PROXY

A Shareholder who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote at the Meeting on their behalf. A proxy does not need to be a Shareholder.

If a Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and specify the percentage or number of votes each proxy can exercise. If the Proxy Form does not specify the percentage or number of the Shareholders' votes that each proxy may exercise, each proxy may exercise half of the Shareholders' votes on a poll. Fractions will be disregarded.

You can vote and appoint a proxy by completing and signing the enclosed Proxy Form and sending or submitting the form as follows:

- **Online:** Lodge the Proxy Form online at www.investorvote.com.au and follow the prompts. Shareholders will need their Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on the front of the Proxy Form.
- **Mobile:** Scan the QR Code on your Proxy Form and follow the prompts.
- **Fax:** 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).
- **Post:** Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001.
- **Custodian Voting:** For intermediary online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Your proxy instruction must be received not later than 48 hours before the commencement of the Meeting, being 10:00am (AEDT) on Tuesday, 1 November 2022. Proxy Forms received after this time will be invalid.

ASKING QUESTIONS

We encourage you to submit questions in advance of the Meeting on any matter that may be relevant to the Meeting. You can do this by logging onto www.investorcentre.com, select 'Voting' then click 'Ask a Question', or alternatively by sending your questions to the Joint Company Secretary by email to david.franks@automicgroup.com.au.

To allow time to collate questions and prepare answers, you must submit any questions by 10:00am (AEDT) on Friday, 28 October 2022.

Shareholders and proxy holders will also have the ability to listen to the discussion at the Meeting and speak and ask questions during the Meeting via the online meeting platform.

ONLINE PLATFORM GUIDE

More information about how to use the online meeting platform (including how to vote and ask questions online during the Meeting) is available at www.computershare.com.au/virtualmeetingguide.

YOUR VOTE IS IMPORTANT

The business of the AGM affects your shareholding and your vote is important. You may vote online, by proxy or personal representative.

Explanatory Notes Cont.

VOTING BY ATTORNEY

If the Proxy Form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the Proxy Form, unless the attorney or Shareholder has already provided it to the Share Registry.

INTERMEDIARY ONLINE

Participating intermediaries can lodge their proxy appointments online through <http://www.intermediaryonline.com>.

VOTING INTENTIONS AND UNDIRECTED PROXIES

If you intend to appoint the Chair of the Meeting as your proxy, you are encouraged to direct the Chair on how to vote by marking a box for those resolutions (for example, if you wish to vote for, or against, or abstain from voting).

If you appoint the Chair as your proxy without directing the Chair how to vote, the Proxy Form authorises the Chair to vote as they decide on such resolutions.

Subject to any voting restrictions and exclusions, where the Chair of the Meeting is appointed as proxy, **the Chair intends to vote in favour of all resolutions set out in this Notice of Meeting.**

CORPORATE REPRESENTATIVES

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide to the Share Registry adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

An appointment of corporate representative form may be obtained from the Share Registry by calling +61 3 9415 4000 or online at www.investorcentre.com/au and selecting "Printable Forms".

ENQUIRIES

Shareholders are asked to contact the Joint Company Secretary via email at david.franks@automicgroup.com.au if they have any queries in respect of the matters set out in these documents.

TECHNICAL DIFFICULTIES

Technical difficulties may arise during the course of the Meeting. The Chair has discretion as to whether and how the Meeting should proceed in the event that a technical difficulty arises. In exercising this discretion, the Chair will have regard to the number of Shareholders impacted and the extent to which participation in the business of the Meeting is affected. Where considered appropriate, the Chair may decide to continue to hold the Meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions.

VOTING EXCLUSIONS

In accordance with the ASX Listing Rules and the Corporations Act, the Company will disregard any votes cast in favour of:

(a) **ITEM 2** by or on behalf of:

- a member of the KMP; or
- any Closely Related Parties of such KMP;

(b) **ITEM 4** by or on behalf of:

- any person who participated in the Placement; or
- an Associate of any of those persons;

(c) **ITEMS 5(a), 5(b) or 5(c)** by or on behalf of:

- Diane Smith-Gander, John Batistich or Meredith Scott or any other person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the ZIPNEP; or
- an Associate of Diane Smith-Gander, John Batistich or Meredith Scott or any other person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the ZIPNEP;

(d) **ITEMS 6(a) and 6(b)** by or on behalf of:

- a person who is eligible to participate in the EIP; or
- an Associate of any of those persons;

(e) **ITEMS 7(a), 7(b), 8(a) or 8(b)** by or on behalf of:

- Larry Diamond and Peter Gray and any other person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP; or
- an Associate of Larry Diamond or Peter Gray or any other person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the EIP.

However, the above does not apply to a vote cast in favour of **ITEMS 4, 5(a), 5(b), 5(c), 6(a), 7(a), 7(b), 8(a) and 8(b)** if it is cast by:

- a person as proxy or attorney for a person who is entitled to vote on the Item, in accordance with directions given to the proxy or attorney to vote on the applicable Item in that way;
- the Chair as proxy or attorney for a person who is entitled to vote on the applicable Item, in accordance with a direction given to the Chair to vote on the applicable Item as the Chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the applicable Item; and
 - the holder votes on the applicable Item in accordance with directions given by the beneficiary to the holder to vote in that way.

Additionally, in accordance with the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment, on **ITEMS 2, 5(a), 5(b), 5(c), 6(a), 6(b), 7(a), 7(b), 8(a) and 8(b)** if:

- the proxy is a KMP or any Closely Related Parties of such KMP; and
- the appointment does not specify the way the proxy is to vote on the Item,

however, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even if the Item is connected directly or indirectly with remuneration of a member of the Company's KMP.

Explanatory Notes Cont.

BUSINESS OF THE AGM

ITEM 1 – ANNUAL FINANCIAL REPORT, DIRECTORS’ REPORT AND AUDITOR’S REPORT

The Annual Financial Report for the financial year ended 30 June 2022 can be found on Zip’s website (and on the ASX Announcements Platform) and has been sent to those Shareholders who have requested a copy.

During the discussion of this Item, there will be an opportunity for the Shareholders to ask questions about, or comment on, the Annual Financial Report and the management and performance of Zip. You may also submit questions in advance of the AGM via the process outlined in the Explanatory Notes.

Zip’s auditor, Deloitte Touche Tohmatsu, will be available at the AGM to answer questions from Shareholders on the audit, Zip’s accounting policies, their Auditor’s Report and independence.

ITEM 2 – REMUNERATION REPORT

BACKGROUND

Zip is required under the Corporations Act to include, in the business of its AGM, a resolution that its Remuneration Report for the financial year ended 30 June 2022 be adopted (**Remuneration Report**). The Remuneration Report is set out in the Annual Financial Report. During discussion of this Item, there will be an opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report.

The Remuneration Report explains the Board’s policies in relation to the nature and level of remuneration paid to KMP and sets out remuneration details, service agreements and the details of any share-based compensation.

The vote on Item 2 is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the AGM when reviewing the Company’s remuneration policies.

If 25% or more of the votes are cast against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a Spill Resolution that a Spill Meeting be held within 90 days, at which all of the Directors who were in office when the latest Directors’ Report was approved (other than the Managing Director) will cease to hold office unless re-elected at that Spill Meeting.

DIRECTORS’ RECOMMENDATION

The Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Item 2.

ITEM 3 – ELECTION AND RE-ELECTION OF DIRECTORS

(A) ELECTION OF MS MEREDITH SCOTT AS A DIRECTOR

BACKGROUND

Under Item 3(a), Ms Meredith Scott seeks election as a Director of the Company at the AGM for the purposes of Clause 22.6 of the Company's Constitution and ASX Listing Rule 14.4. Ms Meredith Scott was appointed as an additional Director of the Company effective from 1 September 2022. Clause 22.6 of the Company's Constitution requires that a Director appointed as an addition to the existing Directors must retire at the Company's next annual general meeting, and is then eligible for re-election at that meeting (clause 22.7(b)). ASX Listing Rule 14.4 also provides that each additional director appointed during the year is to hold office until the next annual general meeting and is then eligible for election as a Director of the Company.

The Company confirms that it has conducted appropriate checks into Ms Scott's background and experience.

Qualifications: BEC, FCA, GAICD.

Term: Non-Executive Director appointed effective from 1 September 2022.

Independent: Yes. The Board is not aware of any interest, position or relationship that might influence, or might reasonably be perceived to influence, Ms Scott's capacity to bring independent judgement to bear on issues before the Board or otherwise act in the best interests of the Company as a whole.

Committees: Chair of the Audit & Risk Committee and member of each of the Remuneration, People & Culture Committee and Nominations Committee.

Other directorships: Payton Capital Limited.

Experience: Meredith is a business leader and board member with over 35 years' experience.

Meredith has been the Chief Executive Officer of Opportunity International Australia (**Opportunity**) from 2018 to 2021. She was Chair of Opportunity's Indian subsidiary, Dia Vikas Capital.

Previously she was with Ernst & Young for 32 years, including 19 years as an audit partner, and an Ernst & Young Governing body member at national, Asian and Global levels. Throughout her time as a Partner at Ernst & Young she had signing responsibilities for clients ranging across the Technology, Publishing, Telecommunications, Not for Profit, Movie Production and Education sectors. She was the first female to be appointed to the Oceania Executive team.

Ms Scott's extensive professional and governance experience provides her with a detailed understanding of a range of finance, accounting, audit and risk matters across multiple industries.

For these reasons the Directors support the election of Ms Meredith Scott as a Director.

Ms Scott will be offered the opportunity to address the Meeting to speak to her election.

DIRECTORS' RECOMMENDATION

The Directors (excluding Ms Scott) recommend that the Shareholders **VOTE IN FAVOUR** of Item 3(a).

Explanatory Notes Cont.

(B) RE-ELECTION OF MR PETER GRAY AS A DIRECTOR

BACKGROUND

Under Item 3(b), Mr Gray has agreed to retire by rotation, and being eligible, seeks re-election as a Director of the Company at the AGM for the purposes of Clause 22.10 of the Company's Constitution. Mr Gray was appointed as a Director of the Company on 11 September 2015 and was last re-elected at the 2020 annual general meeting.

Clause 22.10(a) of the Company's Constitution provides that there must be an election of Directors (other than the Managing Director) each year. Further, clause 22.10(d) provides that if there is no director who is required to submit for re-election pursuant to clause 22.10(b) (i.e., which provides that a Director must not hold office for more than three years or beyond the third annual general meeting of the Company following that Director's last election or appointment (whichever is longer)), the Director to retire by rotation is the Director who has been in office the longest (calculated from that Director's last election). A Director who retires under clause 22.10 is eligible for re-election.

Qualifications: Diploma of Finance.

Term: Executive Director appointed on 11 September 2015.

Independent: No.

Committees: None.

Directorships: None.

Experience: Mr Gray co-founded Zip with Larry Diamond in 2013. Under his co-leadership, the Company has grown to become a leading global player in digital retail finance and payments industry.

An operations and consumer credit expert, Mr Gray has underwritten over 3 million customers, \$11 billion in transaction volume and \$2 billion in loan receivables in Australia alone since the Company was founded. Mr Gray was the chief architect in developing Zip's market-leading credit and decisioning technology platform and the launch of Zip's Master Trust receivables funding program.

Mr Gray oversees Zip's global operations including credit and risk management. He has over 25 years' experience spanning regulated consumer credit, operations, risk, legal, compliance and publicly listed companies.

DIRECTORS' RECOMMENDATION

The Directors (excluding Mr Gray) recommend that the Shareholders **VOTE IN FAVOUR** of Item 3(b).

ITEM 4 – RATIFICATION OF PRIOR ISSUE OF SHARES IN CONNECTION WITH THE PLACEMENT

BACKGROUND

On 28 February 2022 and 1 March 2022, the Company announced that it had secured commitments to raise A\$148.7 million (before costs) via a fully underwritten institutional placement of 78,285,139 Shares (the **Placement Shares**) to existing institutional, sophisticated and professional investors (the **Placement**).

The issue price for the Placement Shares was \$1.90 per share, which represented a 14% discount to the last traded price of the Company's Shares on the ASX on Friday, 25 February 2022 before announcement of the Placement.

Zip successfully completed the Placement on 4 March 2022, and issued the Placement Shares in accordance with ASX Listing Rule 7.1 on that date.

The issue of the Placement Shares did not require Shareholder approval at that time as the number of Shares issued was within the Company's 15% limit under ASX Listing Rule 7.1.

REGULATORY REQUIREMENTS – OVERVIEW OF ASX LISTING RULES

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Placement Shares does not fit within any of the exceptions to ASX Listing Rule 7.1 and, as the issue has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in ASX Listing Rule 7.1, reducing Zip's capacity to issue further equity securities without shareholder approval under ASX Listing Rule 7.1 for the 12 month period following 28 February 2022.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

Zip wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Item 4 seeks Shareholder approval for the issue of the Placement Shares under and for the purposes of ASX Listing Rule 7.4.

If Item 4 is passed, the issue of the Placement Shares will be excluded in calculating Zip's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following 28 February 2022.

If Item 4 is not passed, the issue of the Placement Shares will be included in calculating Zip's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following 28 February 2022.

The Directors consider that it is appropriate and prudent for approval to be sought in respect of the issue of all of the Placement Shares, as this approval will enhance Zip's flexibility to raise further equity capital and/or issue new securities, should the Directors consider that it is in the best interests of Zip to do so.

Explanatory Notes

Cont.

REGULATORY REQUIREMENTS – INFORMATION REQUIRED BY ASX LISTING RULE 7.4 AND 7.5

For the purposes of ASX Listing Rule 7.4 and 7.5, the following information is provided to Shareholders:

INFORMATION REQUIRED BY ASX LISTING RULE 7.5	DETAILS
The names of the persons to whom Zip issued the securities or the basis upon which those persons were identified or selected	Certain institutional, sophisticated and professional investors determined by the joint lead managers to the Placement, being Jarden Australia Pty Ltd and Merrill Lynch Equities (Australia) Limited, with agreement from Zip, having regard to the outcome of the bookbuild undertaken in respect of the Placement, the prospects of success of the Placement, and the stability of the market for the Placement Shares after completion of the Placement.
The number and class of securities Zip issued	78,285,139 Shares.
If the securities are not fully paid ordinary securities, a summary of the material terms of the securities	The Placement Shares were fully paid ordinary shares in the capital of Zip which ranked, from the date of their issue, equally with all existing issued Shares.
The date on which the securities were issued	4 March 2022.
The price or other consideration Zip has received for the issue	A\$1.90 per Share.
The purpose of the issue, including the use or intended use of the funds raised by the issue	The funds from the Placement were ultimately raised to strengthen Zip's balance sheet and position Zip for sustainable growth by providing more capital runway to support Zip's path to cash flow profitability.
If the securities were being issued under an agreement, a summary of the material terms of the agreement	Other than as disclosed above, there were no other material terms in agreements entered into with investors in respect of the subscription of the Placement Shares.

A voting exclusion statement is included towards the front of this Notice of Meeting.

DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Item 4.

ITEM 5 – APPROVAL FOR THE GRANTING OF RESTRICTED RIGHTS TO NON-EXECUTIVE DIRECTORS

BACKGROUND

Items 5(a), 5(b) and 5(c) seek Shareholder approval to grant to:

- Diane Smith-Gander, a Non-Executive Director, up to \$40,000 worth of Restricted Rights under the Zip Co Limited NED Equity Plan (**ZIPNEP**);
- John Batistich, a Non-Executive Director, up to \$20,000 worth of Restricted Rights under the ZIPNEP; and
- Meredith Scott, a Non-Executive Director, up to \$16,667 worth of Restricted Rights under the ZIPNEP,

as set out below, under an arrangement involving an exchange of future cash remuneration for the future grant of Restricted Rights for the financial year ended 30 June 2023.

Following the Company's annual review of non-executive Directors' remuneration (which included benchmarking against similar sized and market valued listed entities) the Board approved a reduced remuneration package for each of the non-executive Directors and that the reduced remuneration package includes an equity-based remuneration portion. Accordingly, the Board has adopted the ZIPNEP as a new equity plan for the Company's non-executive Directors. Under the ZIPNEP, participants can elect to receive part of their 'director fees' in the form of equity that will be held long term, but subject to certain disposal restrictions as described below (**Specified Disposal Restrictions**) that aim to facilitate long-term holding of equity interests. If a participant does not elect to receive the relevant part of their 'director fees' in the form of equity, the amount that would otherwise have been paid in equity will not be paid to the participant.

The ZIPNEP has been designed to facilitate the Company aligning remuneration structures for non-executive Directors with the interests of Shareholders, and reducing cash remuneration costs in relation to non-executive Directors, while preserving their independence.

REGULATORY REQUIREMENTS – OVERVIEW OF ASX LISTING RULES

The grant of Restricted Rights to Ms Smith-Gander, Mr Batistich and Ms Scott falls within ASX Listing Rule 10.14.1 and therefore requires approval of the Shareholders in accordance with Items 5(a), 5(b) and 5(c).

If Items 5(a), 5(b) and/or 5(c) are passed, the Company will be able to invite Ms Smith-Gander, Mr Batistich and Ms Scott (as applicable) to apply for the Restricted Rights, and if they accept the invitation, proceed with the grant of the Restricted Rights to them. Approval will not be required under ASX Listing Rule 7.1 (the effect of which is described in Item 4 above), and the grant of the Restricted Rights to Ms Smith-Gander, Mr Batistich and/or Ms Scott (as applicable) will not count towards the Company's existing placement capacity under ASX Listing Rule 7.1. Separate approval will also not be required under ASX Listing Rule 10.11. For the avoidance of doubt, if Items 5(a), 5(b) and/or 5(c) are passed, but Ms Smith-Gander, Mr Batistich and/or Ms Scott do not accept the invitation to participate in the grant, Zip will not issue the Restricted Rights contemplated in items 5(a), 5(b) and/or 5(c) (as applicable) and Ms Smith-Gander, Mr Batistich and/or Ms Scott (as applicable) will not be entitled to be paid the relevant part of their 'director fees'.

If Items 5(a), 5(b) and/or 5(c) are not passed, the Company will not be able to grant the relevant Restricted Rights, and the relevant amounts that would otherwise have been paid in equity may be paid in cash.

Explanatory Notes

Cont.

REGULATORY REQUIREMENTS – INFORMATION REQUIRED BY ASX LISTING RULE 10.14 AND 10.15

The following information is provided to Shareholders in relation to the grant of Performance Rights under Items 5(a), 5(b) and 5(c) for the purposes of ASX Listing Rule 10.14 and 10.15 for the year ended 30 June 2023:

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS		
Name of person being issued the securities	Ms Diane Smith-Gander (Item 5(a))	Mr John Batistich (Item 5(b))	Meredith Scott (Item 5(c))
Category in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 the person falls within	Chair and Non-Executive Director.	Non-Executive Director.	Non-Executive Director.
Securities to be issued (on an annualised basis)	Up to \$40,000 worth of Restricted Rights. Each Restricted Right represents an entitlement, upon exercise, to receive a Share or a Restricted Share.	Up to \$20,000 worth of Restricted Rights. Each Restricted Right represents an entitlement, upon exercise, to receive a Share or a Restricted Share.	Up to \$16,667 worth of Restricted Rights. Each Restricted Right represents an entitlement, upon exercise, to receive a Share or a Restricted Share.
Summary of material terms of the securities	<p>(a) Term: Each Restricted Right has a term ending 15 years after the grant date, and if not exercised before the end of the term, the Restricted Rights will lapse.</p> <p>(b) Maximum number of Restricted Rights to be granted: It is proposed that Ms Smith-Gander, Mr Batistich and Ms Scott will be invited to apply for the number of Restricted Rights, calculated as follows:</p> $\text{Number of Restricted Rights} = \text{Cash Fee Sacrifice} \div \text{Right Value}$ <p>Where</p> $\text{Cash Fee Sacrifice} = \text{Up to \$40,000 (in the case of Ms Smith-Gander), \$20,000 (in the case of Mr Batistich) and \$16,667 (in the case of Ms Scott)}$ $\text{Right Value} = \$0.9698 \text{ based on the 10-day VWAP following the release of Zip's FY22 financial results.}$		

**INFORMATION REQUIRED
BY ASX LISTING RULE 10.15**

DETAILS

Summary of material
terms of the securities
(continued)

- (c) **Vesting:** Restricted Rights are fully vested at grant and are not subject to risk of forfeiture in order to ensure non-executive Director independence is not compromised by the equity interest structure.
- (d) **Exercise of Restricted Rights and settlement:** Restricted Rights may be exercised at any time between the lapsing of 'Exercise Restrictions' (as defined below) and the end of their term, by the participant submitting an 'exercise notice', otherwise they will lapse. Restricted Rights will be settled in Shares only. Such Shares will generally be Restricted Shares subject to Specified Disposal Restrictions.
- (e) **Exercise Restrictions:** An exercise restriction applies to the Restricted Rights for 90 days from the grant date (Exercise Restriction).
- (f) **Specified Disposal Restrictions:** A Specified Disposal Restriction applies to the Restricted Shares that are acquired by the participant on exercise of the Restricted Rights, such that the Restricted Shares may not be disposed of until the earlier of: (i) the participant ceasing to hold office and any employment with the Company, and (ii) the lapsing of 15 years from the grant date of the Restricted Rights.
- (g) **Specific Disposal Restriction release on taxing point:** In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions (as applicable) have not elapsed, then they will cease to apply to 50% of the taxable Restricted Rights and Restricted Shares. This aims to ensure that unreasonable tax outcomes are avoided.
- (h) **Ceasing to hold office:** If a participant ceases to hold the office of non-executive Director and is not immediately re-appointed, Exercise Restrictions and Specified Disposal Restrictions (as applicable) attaching to Restricted Shares will cease to apply at the date of cessation of holding the office and the Company will remove any CHESS holding lock. Vested Restricted Rights that are subject to Exercise Restrictions and held by the participant will cease to be so restricted at the date of the cessation. Disposal restrictions may remain in-force due to the requirements of the Corporations Act, either to do with the insider trading restrictions in the Corporations Act, or the 12-month-on-sale restrictions when new Shares are issued without disclosure to the extent they apply.
- (i) **Fraud, gross misconduct, etc:** In the event that the Board forms the opinion that a participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the participant will forfeit all unexercised Restricted Rights.

Explanatory Notes Cont.

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS		
Current total remuneration package	Annual salary of \$260,000 inclusive of statutory superannuation (and inclusive of the \$40,000 that Ms Smith-Gander has agreed to forgo under the fee sacrifice arrangement contemplated in this Item 5(a)).	Annual salary of \$150,000 inclusive of statutory superannuation (and inclusive of the \$20,000 that Mr Batistich has agreed to forgo under the fee sacrifice arrangement contemplated in this Item 5(b)).	Annual salary of \$160,000 inclusive of statutory superannuation (and inclusive of the \$20,000 that Ms Scott has agreed to forgo under the fee sacrifice arrangement contemplated in this Item 5(c)). Note: Ms Scott's appointment as a director was effective on 1 September 2022 and the value of Restricted Rights in this Item 5(c) has been reduced accordingly.
Number of securities previously issued under the ZIPNEP	No securities have yet been issued under the ZIPNEP.		
Explanation of why the type of securities have been issued and the value attributed to the securities	<p>As noted above, the ZIPNEP has been designed, and the Restricted Rights are proposed to be issued, to facilitate the Company aligning remuneration structures for non-executive Directors with the interests of Shareholders, and reducing cash remuneration costs in relation to non-executive Directors, while preserving their independence.</p> <p>The value of the Restricted Rights is as calculated above under the heading 'Summary of material terms of the securities'. The value of the Restricted Rights, when added to the other remuneration elements, will produce a main board package that is intended to be market competitive and reasonable given the Company's circumstances. Because the grant is calculated on a cash fee sacrifice basis, the total value of the fees payable and cost to the Company will not change as a result of the grant of securities contemplated in items 5(a), 5(b) and 5(c). The Board reviews remuneration quantum and structure annually.</p> <p>It should be noted that the actual value of the Restricted Rights can only be determined for accounting purposes, as at the grant date.</p>		
Date or dates by which securities will be issued by the Company	If Items 5(a), 5(b) and/or 5(c) are approved, the Company intends to issue the Restricted Rights to Ms Smith-Gander, Mr Batistich and Ms Scott no later than 1 July 2023.		

**INFORMATION REQUIRED
BY ASX LISTING RULE 10.15****DETAILS**

Price for the securities being issued under the ZIPNEP	No amount will be payable by the participant for the Restricted Rights as they are the subject of a fee sacrifice arrangement, whereby the participant has agreed to forego up to \$40,000 (in respect of Ms Smith-Gander), \$20,000 (in respect of Mr Batistich) and \$16,667 (in respect of Ms Scott) in annual 'director fees' in respect for the financial year ending 30 June 2023. The exercise price of the Restricted Rights is nil, to ensure the independence of non-executive Directors is not compromised by the equity interest structure.
Summary of the material terms of the ZIPNEP	The material terms of the ZIPNEP are set out in Annexure A.
Summary of the material terms of any loan that will be made available in relation to the allotment of the securities	No loans are being provided to either Ms Smith-Gander, Mr Batistich or Ms Scott in relation to the grant of the Restricted Rights.
Voting exclusion statement	Details of the voting exclusion which applies to Items 5(a), 5(b) and 5(c) can be found earlier in the Notice of Meeting.

Details of any securities issued under the ZIPNEP will be published in the Company's annual financial report relating to the period in which the securities are issued, along with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the ZIPNEP after Items 5(a), 5(b) and 5(c) are approved (and who were not named in this Notice of Meeting) will not participate in the ZIPNEP until approval is obtained for them under ASX Listing Rule 10.14.

DIRECTORS' RECOMMENDATION

The executive Directors unanimously recommend that Shareholders **VOTE IN FAVOUR** of Items 5(a), 5(b) and 5(c).

ITEM 6 – APPROVAL OF EQUITY INCENTIVE PLAN (EIP)**BACKGROUND**

The Company has established a new incentive plan named the 'Equity Incentive Plan' (EIP). A summary of the key terms of the EIP is set out in Annexure B. A copy of the rules of the EIP is available upon request from the Company.

It is noted that the Company has previously operated an employee incentive plan named the 'Employee Incentive Plan' which was last approved at the Company's annual general meeting held 4 November 2021. The Board has decided to establish the new EIP to (among other things) address significant changes to the Corporations Act regarding 'employee share schemes', which come into effect on 1 October 2022.

Subject to the approval of this Item 6(a), the Company intends to cease using the old Employee Incentive Plan and commence using the new EIP as the framework terms and conditions under which the Company will reward and incentivise eligible participants (including without limitation, employees, executive directors, contractors and consultants of the Group) with equity securities such as performance rights, options and/or restricted shares.

Explanatory Notes Cont.

The Company seeks Shareholder approval for the adoption of the EIP and for issues of equity securities under the EIP for all purposes including for Exception 13(b) of ASX Listing Rule 7.2.

The Board is asking Shareholders to approve the new EIP for the purpose of Exception 13(b) of ASX Listing Rule 7.2 for the following reasons:

- Given that the Board has approved the new EIP, and no longer intends to make offers under the old Employee Incentive Plan, the Company seeks Shareholder approval so that the issue of any equity securities under the new EIP will be excluded in calculating the Company's 15% limit for the purposes of ASX Listing Rule 7.1 (subject to the maximum cap described below).
- In light of the changes to the macroeconomic and market conditions since the Company's previous Employee Incentive Plan was approved at the Company's 2021 annual general meeting, the Company believes it is prudent to obtain approval for the EIP to ensure that the Company is able to continue to attract, retain and incentivise its employees and personnel.

REGULATORY REQUIREMENTS – OVERVIEW OF ASX LISTING RULES

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the number of equity securities that a listed company can issue or agree to issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

Exception 13(b) of ASX Listing Rule 7.2 provides that ASX Listing Rule 7.1 does not apply to an issue of equity securities under an employee incentive scheme if within 3 years before the issue date, a company's shareholders have approved the issue of equity securities under the scheme as an exception to that rule.

If Item 6(a) is approved by Shareholders, the securities issued by the Company under the EIP during the next 3 year period will be excluded in calculating the Company's 15% limit for the purposes of ASX Listing Rule 7.1, subject to the maximum cap described below.

If Item 6(a) is not passed, the Company will be able to proceed with the issue of securities under the EIP to eligible participants, but any issues will reduce the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue of the securities. In those circumstances, the Company may also elect to make offers under the old Employee Incentive Plan, as last approved by Shareholders at the Company's 2021 annual general meeting.

REGULATORY REQUIREMENTS – INFORMATION REQUIRED BY ASX LISTING RULE 7.2 (EXCEPTION 13(B))

Pursuant to and in accordance with ASX Listing Rule 7.2 (Exception 13(b)), the following information is provided in relation to Item 6(a):

- no securities have yet been issued under the EIP;
- the maximum number of securities which may be issued as an exclusion to calculating the Company's 15% limit for the purposes of ASX Listing Rule 7.1 is 34,924,177 (being 5% of the Company's issued share capital). This maximum number is not intended to be a prediction of the actual number of securities to be issued by the Company under the EIP; and
- details of the voting exclusion which applies to this Item 6(a) can be found earlier in the Notice of Meeting.

REGULATORY REQUIREMENTS – CORPORATIONS ACT

The Company is seeking approval to give certain termination benefits in connection with a person ceasing to hold a managerial or executive office in the Company or a related body corporate for the purposes of sections 200B and 200E of the Corporations Act and for all other purposes.

Part 2D.2, Division 2 of the Corporations Act provides that a listed company must not permit a person in a managerial or executive office (including the office of Director) to receive a benefit in connection with their retirement or removal from office or employment (Termination Benefit), except when certain statutory exceptions apply, over the applicable 'base salary amount' without Shareholder approval. The 'base salary amount' is calculated as 12 months of the applicable person's base salary plus any short-term benefits not dependent on performance conditions paid during the relevant period. This division of the Corporations Act, and in particular the meaning of a Termination Benefit has wide operation and is subject to a broad interpretation.

Under the terms and conditions of the EIP, the Board may, for example, determine that an option will 'early' vest upon the occurrence of any event as determined by the Board in its absolute discretion. Circumstances in which the early vesting or exercise of options may be permitted at the Board's discretion could include (without limitation), termination of a participant's employment, engagement or office with the Company without cause, or in other circumstances where the Board exercises its discretion to allow early vesting as well as change of control events.

Item 6(b) therefore seeks Shareholder approval for the exercise of the Board's discretion in relation to termination benefits (if any) that may be awarded to current or future participants in the EIP and, does not of itself, guarantee that any such participant will receive such termination benefits.

The value of the potential termination benefits that may be given to an eligible participant in connection with ceasing to hold managerial or executive office cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the precise value of a particular benefit will depend on factors such as the prevailing Share price at the time of vesting and the number of options or other equity securities that will 'early' vest or otherwise be affected. The following additional factors may also affect the benefit's value:

- the date when, the reasons for and the circumstances in which the person ceases employment; and
- the number of equity securities held by the person prior to cessation of employment or office.

If approval of Item 6(b) is obtained, it will have effect in relation to benefits given between the conclusion of this Meeting and the conclusion of the third annual general meeting of the Company after this Meeting.

DIRECTORS' RECOMMENDATION

Each of the executive Directors are potential participants under the EIP and therefore, in the interest of good governance, make no recommendation. The non-executive Directors are not eligible to participate in the EIP and recommend that Shareholders **VOTE IN FAVOUR** of Items 6(a) and 6(b).

Explanatory Notes Cont.

ITEMS 7 AND 8 – GRANT OF PERFORMANCE RIGHTS UNDER THE EIP

Items 7(a), 7(b), 8(a) and 8(b) seek Shareholder approval to grant to:

- Mr Larry Diamond, a Director, \$255,154 worth of Performance Rights under the EIP as part of the Long Term Equity (**LTE**) plan;
- Mr Peter Gray, a Director, \$244,854 worth of Performance Rights under the EIP as part of the LTE plan;
- Mr Larry Diamond, a Director, 228,326 Performance Rights under the EIP as part of the Long Term Incentive (**LTI**) plan; and
- Mr Peter Gray, a Director, 219,109 Performance Rights under the EIP as part of the LTI plan.

REASONS FOR GRANT OF PERFORMANCE RIGHTS

As stated in the FY22 Remuneration Report, the Zip LTE plan is designed to supplement the modest cash fixed remuneration for Mr Diamond and Mr Gray which are sitting well below the median of Zip's market comparator set. This allows Zip to conserve cash while at the same time attracting and retaining talent. Therefore, LTE is seen as part of fixed remuneration helping to offset modest cash remuneration. For this reason, the performance rights granted under the LTE plan are only subject to continued service and do not have any performance related vesting conditions.

The LTI aligns executive accountability and remuneration outcomes with the delivery of sustained group performance and Shareholder interests over the long term. It is designed to vary remuneration outcomes in line with the extent of longer-term (three year) performance achievement focused on Shareholder returns. The LTI measures the Company's performance on TSR as a clear alignment with Shareholder's long term interests.

REGULATORY REQUIREMENTS – OVERVIEW OF ASX LISTING RULES

The grant of Performance Rights to Mr Diamond and Mr Gray falls within ASX Listing Rule 10.14.1 and therefore requires approval of the Shareholders in accordance with Items 7(a), 7(b), 8(a) and 8(b).

If Items 7(a), 7(b), 8(a) and 8(b) are passed, the Company will be able to proceed with the grant of the Performance Rights to Mr Diamond and/or Mr Gray. Approval will not be required under ASX Listing Rule 7.1 (the effect of which is described in Item 4 above), and the grant of the Performance Rights to Mr Diamond and/or Mr Gray (as applicable) will not count towards the Company's existing placement capacity under ASX Listing Rule 7.1. Separate approval will also not be required under ASX Listing Rule 10.11.

If Items 7(a), 7(b), 8(a) and 8(b) are not passed, the Company will not be able to grant the Performance Rights. The Company will thereafter need to discuss and negotiate the remuneration packages of Mr Diamond and Mr Gray to reflect the intent of their employment agreements and may consider alternative deferred remuneration arrangements such as deferred cash awards. If deferred cash awards are granted, this may diminish the alignment of Mr Diamond and Mr Gray's interests with those of the rest of the senior leadership team and shareholders.

REGULATORY REQUIREMENTS – INFORMATION REQUIRED BY ASX LISTING RULE 10.14 AND 10.15

The following information is provided to Shareholders in relation to the grant of Performance Rights under Items 7(a) and 7(b) for the purposes of ASX Listing Rule 10.14 and 10.15 for the financial year ended 30 June 2023:

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS	
Name of person being issued the securities	Mr Larry Diamond (Item 7(a))	Mr Peter Gray (Item 7(b))
Category in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 the person falls within	Managing Director and Chief Executive Officer.	Executive Director and Global Chief Operations Officer.
Securities to be issued	Being \$255,154 divided by the Conversion Price (as defined in the row below).	Being \$244,854 divided by the Conversion Price (as defined in the row below).
	Each LTE Performance Right represents an entitlement, upon vesting and exercise, to receive a Share.	Each LTE Performance Right represents an entitlement, upon vesting and exercise, to receive a Share.
Summary of material terms of the securities	<p>(a) Maximum number of rights to be granted: The number of LTE Performance Rights to be granted to Mr Diamond and Mr Gray will be calculated by dividing the relevant amount, being \$255,154 for Mr Diamond and \$244,854 for Mr Gray, by the 30-day VWAP of the Shares up to and including the date of announcement of the Company's half year results as at 31 December 2022 (the Conversion Price).</p> <p>(b) Exercise Price: The LTE Performance Rights will each have a nil exercise price.</p> <p>(c) Vesting Condition: Under the EIP, LTE Performance Rights granted can vest subject to the achievement (or waiver) of specific vesting conditions. The vesting condition set by the Board for the LTE Performance Rights is a time-based vesting condition that provides the LTE Performance Rights will vest in 4 separate and equal tranches annually after the date of the grant, and will automatically lapse if they are not exercised within 6 years after the date of the grant, subject to Mr Diamond and Mr Gray (as applicable) having not resigned as employees of the Company before each vesting date (or the vesting condition is otherwise waived by the Board).</p> <p>(d) Exercise of LTE Performance Right: Each LTE Performance Right will be deemed to be exercised on, or the business day following, the date on which the LTE Performance Right vests (or, if the participant is not permitted to exercise that LTE Performance Right under the Company's 'Code of Conduct for Dealing with Securities', the first subsequent day that they are permitted to exercise the LTE Performance Right).</p>	

Explanatory Notes

Cont.

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS								
Summary of material terms of the securities (continued)	<p>(e) Cash settlement of LTE Performance Rights: The Board may in its discretion determine to settle an LTE Performance Right with a cash equivalent amount equal to the VWAP of a Share for the 10 trading days up to and including the date that the LTE Performance Right vests.</p> <p>(f) Malus and Clawback: The Board retains the overriding power to forfeit any unvested LTE Performance Rights (i.e. malus) and/or seek to recover any vested LTE Performance Rights and/or resulting Shares (i.e. clawback) in certain circumstances (including, without limitation, in the event of serious misconduct, material misstatement of financial statements and material reputational damage).</p>								
Current total remuneration package	<table> <tr> <td data-bbox="493 943 927 1025">(a) Annual salary of \$535,600 inclusive of statutory superannuation.</td><td data-bbox="975 943 1417 1025">(a) Annual salary of \$515,000 inclusive of statutory superannuation.</td></tr> <tr> <td data-bbox="493 1041 927 1124">(b) Eligible for a maximum annual performance-based bonus of \$255,154.</td><td data-bbox="975 1041 1417 1124">(b) Eligible for a maximum annual performance-based bonus of \$244,854.</td></tr> <tr> <td data-bbox="493 1140 927 1196">(c) LTE Performance Rights to the value of \$255,154.</td><td data-bbox="975 1140 1417 1196">(c) LTE Performance Rights to the value of \$244,854.</td></tr> <tr> <td data-bbox="493 1211 927 1294">(d) LTI Performance Rights to the value of \$255,154. Please refer to Item 9(a) for further details.</td><td data-bbox="975 1211 1417 1294">(d) LTI Performance Rights to the value of \$244,854. Please refer to Item 9(b) for further details.</td></tr> </table>	(a) Annual salary of \$535,600 inclusive of statutory superannuation.	(a) Annual salary of \$515,000 inclusive of statutory superannuation.	(b) Eligible for a maximum annual performance-based bonus of \$255,154.	(b) Eligible for a maximum annual performance-based bonus of \$244,854.	(c) LTE Performance Rights to the value of \$255,154.	(c) LTE Performance Rights to the value of \$244,854.	(d) LTI Performance Rights to the value of \$255,154. Please refer to Item 9(a) for further details.	(d) LTI Performance Rights to the value of \$244,854. Please refer to Item 9(b) for further details.
(a) Annual salary of \$535,600 inclusive of statutory superannuation.	(a) Annual salary of \$515,000 inclusive of statutory superannuation.								
(b) Eligible for a maximum annual performance-based bonus of \$255,154.	(b) Eligible for a maximum annual performance-based bonus of \$244,854.								
(c) LTE Performance Rights to the value of \$255,154.	(c) LTE Performance Rights to the value of \$244,854.								
(d) LTI Performance Rights to the value of \$255,154. Please refer to Item 9(a) for further details.	(d) LTI Performance Rights to the value of \$244,854. Please refer to Item 9(b) for further details.								
Number of securities previously issued under EIP	<p>No securities have yet been issued under the EIP.</p> <p>LTE Performance Rights have previously been issued to Mr Diamond and Mr Gray under the Company's old Employee Incentive Plan, the details of which are included in the Company's notice of meeting for its 2021 annual general meeting.</p>								
Explanation of why the type of securities have been issued and the value attributed to the securities	<p>The proposed grant of LTE Performance Rights is seen by the Board as a means of ensuring that Mr Diamond and Mr Gray's remuneration packages align with those received by senior executives in peer ASX listed companies and reducing the cash payments that would otherwise be payable to Mr Diamond and Mr Gray during the relevant period, as part of the Company's initiatives to reduce cash outflows. In addition, the Board considers that the LTE Performance Rights are an appropriate form of incentive on the basis that:</p> <p>(a) Mr Diamond and Mr Gray will only obtain the value of the LTE Performance Rights upon the satisfaction of the relevant Vesting Conditions; and</p> <p>(b) Performance Rights are simple to understand, likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives.</p>								

**INFORMATION REQUIRED
BY ASX LISTING RULE 10.15**

DETAILS

Explanation of why the type of securities have been issued and the value attributed to the securities (continued)	<p>The LTE Performance Rights will be accounted for using the principles set out in Australian Accounting Standards Board AASB2 <i>Share Based Payments</i>. The calculated value of the LTE Performance Rights at the time of grant will be amortised over the relevant vesting periods. The estimated value of each LTE Performance Right pursuant is \$255,154 for Mr Diamond's proposed LTE Performance Rights and \$244,854 for Mr Gray's proposed LTE Performance Rights.</p> <p>The Board has determined this valuation on the basis of historic valuation advice obtained from PricewaterhouseCoopers New Zealand. The LTE grants do not have attached performance conditions and have a zero exercise price. Based on the fact that Zip is not expected to pay dividends over the life of the grants, risk neutral valuation principles imply that the value of the grant is value of the share price at the date of issue. The calculated value to be amortised is therefore equal to the value of the securities to be issued detailed in the table above.</p> <p>As required under AASB2 <i>Share Based Payments</i>, the final valuation will be required at the actual grant date of the LTE Performance Rights.</p>
Date or dates by which securities will be issued by the Company	If Items 7(a) and 7(b) are approved, the Company intends to issue the LTE Performance Rights to Mr Diamond and Mr Gray within one (1) month of the Company announcing its half year results and in any event no later than 12 months from the date of this Meeting.
Price for the securities being issued under the EIP	The LTE Performance Rights will be granted for no consideration. Following exercise of the LTE Performance Rights, the Company must issue, allocate or procure the transfer of one Share for every LTE Performance Right, unless settled in cash at the Board's overriding discretion in accordance with their terms. The Shares will be issued for no consideration. No funds will be raised by the Company from the grant of the LTE Performance Rights.
Summary of the material terms of the EIP	The material terms of the EIP are set out in Annexure B.
Summary of the material terms of any loan that will be made available in relation to the allotment of the securities	No loans are being provided to either Mr Diamond or Mr Gray in relation to the grant of the Performance Rights.
Voting exclusion statement	Details of the voting exclusion which applies to Items 7(a) and 7(b) can be found earlier in the Notice of Meeting.

Explanatory Notes

Cont.

The following information is provided to Shareholders in relation to the grant of LTI Performance Rights under Items 8(a) and 8(b) for the purposes of ASX Listing Rule 10.14 and 10.15:

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS															
Name of person being issued the securities	Mr Larry Diamond (Item 8(a))	Mr Peter Gray (Item 8(b))														
Category in ASX Listing Rules 10.14.1, 10.14.2 or 10.14.3 the person falls within	Managing Director and Chief Executive Officer	Executive Director and Global Chief Operations Officer														
Securities to be issued	228,326 Performance Rights. Each LTI Performance Right represents an entitlement, upon vesting and exercise, to receive a Share.	219,109 Performance Rights. Each LTI Performance Right represents an entitlement, upon vesting and exercise, to receive a Share.														
Summary of material terms of the securities	<p>(a) Exercise Price: The LTI Performance Rights will each have a nil exercise price.</p> <p>(b) Vesting Condition: Under the EIP, LTI Performance Rights granted can vest subject to the achievement (or waiver) of specific vesting conditions. The vesting conditions set by the Board for the LTI Performance Rights are as follows (noting that the Board has discretion to waive any vesting conditions that apply in respect of the LTI Performance Rights):</p> <p>(i) Vesting Period: The LTI Performance Rights will vest 3 years from the date of grant of the LTI Performance Rights (the Testing Date), subject to the achievement (or waiver) of the below Vesting Conditions;</p> <p>(ii) Vesting Condition (Employment): Mr Diamond and Mr Gray (as applicable) must remain continuously employed by the Company or its subsidiary in substantially the same capacity during the Vesting Period (unless otherwise determined by the Board).</p> <p>(iii) Vesting Condition (TSR): In order to vest, Zip’s TSR will be compared against the TSR of the ASX 300 Accumulation Index, as follows (unless waived by the Board):</p> <table><tr><td>= Index movement + 10%</td><td>100% vesting</td></tr><tr><td>> Index movement + 5% & < index movement + 10%</td><td>Pro-rata vesting between 50% and 100%</td></tr><tr><td>= Index movement + 5%</td><td>50% vesting</td></tr><tr><td>< Index movement + 5%</td><td>0% vesting</td></tr><tr><td>TSR Gate</td><td>Zip’s TSR over the vesting period must be positive for any of the rights to vest</td></tr><tr><td>Baseline share price to calculate TSR</td><td>\$1.1175 (being the volume weighted average price of the Company’s Shares on the ASX in the 30 trading days prior to release of the Company’s FY22 results)</td></tr><tr><td>Testing Date share price to calculate TSR</td><td>20-day VWAP of the Company’s shares on the ASX, being 10 days before, to 10 days after, the lodgement of the Appendix 4E for the year ended 30 June 2025</td></tr></table>		= Index movement + 10%	100% vesting	> Index movement + 5% & < index movement + 10%	Pro-rata vesting between 50% and 100%	= Index movement + 5%	50% vesting	< Index movement + 5%	0% vesting	TSR Gate	Zip’s TSR over the vesting period must be positive for any of the rights to vest	Baseline share price to calculate TSR	\$1.1175 (being the volume weighted average price of the Company’s Shares on the ASX in the 30 trading days prior to release of the Company’s FY22 results)	Testing Date share price to calculate TSR	20-day VWAP of the Company’s shares on the ASX, being 10 days before, to 10 days after, the lodgement of the Appendix 4E for the year ended 30 June 2025
= Index movement + 10%	100% vesting															
> Index movement + 5% & < index movement + 10%	Pro-rata vesting between 50% and 100%															
= Index movement + 5%	50% vesting															
< Index movement + 5%	0% vesting															
TSR Gate	Zip’s TSR over the vesting period must be positive for any of the rights to vest															
Baseline share price to calculate TSR	\$1.1175 (being the volume weighted average price of the Company’s Shares on the ASX in the 30 trading days prior to release of the Company’s FY22 results)															
Testing Date share price to calculate TSR	20-day VWAP of the Company’s shares on the ASX, being 10 days before, to 10 days after, the lodgement of the Appendix 4E for the year ended 30 June 2025															

**INFORMATION REQUIRED BY
ASX LISTING RULE 10.15**

DETAILS

Summary of material terms of the securities (continued)	<p>Any LTI Performance Rights meeting the vesting criteria at the Testing Date will be able to be exercised and converted into Shares at any time up until the sixth anniversary of the date of grant of the LTI Performance Rights, after which time they will expire.</p> <p>(c) Good Leaver treatment: If Mr Diamond or Mr Gray (as applicable) ceases employment with the Group in 'Good Leaver' circumstances (which include redundancy, retirement, death and permanent incapacity), their vested LTI Performance Rights may be exercised during the 30 day period (or such longer period as is specified in the applicable documentation) following the date of cessation of employment, after which those LTI Performance Rights will automatically lapse and their unvested LTI Performance Rights will not automatically lapse but rather will be at the discretion of the Board.</p> <p>(d) Cash settlement of Performance Rights: The Board retains an overriding discretion to determine that the exercise of any Performance Rights will be satisfied by the Company making a cash payment in lieu of an issue of new Shares.</p> <p>(e) Malus and Clawback: The Board retains the overriding power to forfeit any unvested LTI Performance Rights (i.e. malus) and/or seek to recover any vested LTI Performance Rights and/or resulting Shares (i.e. clawback) in certain circumstances (including, without limitation, in the event of serious misconduct, material misstatement of financial statements and material reputational damage).</p>
Current total remuneration package	Refer to disclosures provided in connection with Items 7(a) and 7(b) above.
Number of securities previously issued under EIP	<p>No securities have yet been issued under the EIP.</p> <p>LTI Performance Rights have previously been issued to Mr Diamond and Mr Gray under the Company's old Employee Incentive Plan, the details of which are included in the Company's notice of meeting for its 2021 annual general meeting.</p>
Explanation of why the type of securities have been issued and the value attributed to the securities	<p>As noted above, the proposed grant of LTI Performance Rights is seen by the Board as a means of ensuring that Mr Diamond and Mr Gray's remuneration packages align with those received by senior executives in peer ASX listed companies and reducing the cash payments that would otherwise be payable to Mr Diamond and Mr Gray during the relevant period, as part of the Company's initiatives to reduce cash outflows. In addition, the Board considers that the LTI Performance Rights are an appropriate form of incentive on the basis that:</p> <p>(a) the LTI Performance Rights retain and reward Mr Diamond and Mr Gray for the achievement of long-term business objectives;</p> <p>(b) the LTI Performance Rights create alignment between Mr Diamond and Mr Gray with shareholders but do not provide them with the full benefits of share ownership (such as voting and dividends) unless and until they vest and are exercised; and</p> <p>(c) Performance Rights are simple to understand, likely to be highly valued by executives (and therefore retentive and incentivising) and are designed to attract, retain and reward quality executives.</p>

Explanatory Notes

Cont.

INFORMATION REQUIRED BY ASX LISTING RULE 10.15	DETAILS
Explanation of why the type of securities have been issued and the value attributed to the securities (continued)	<p>The LTI Performance Rights will be accounted for using the principles set out in Australian Accounting Standards Board AASB2 <i>Share Based Payments</i>. The calculated value of the LTI Performance Rights at the time of grant will be amortised over the relevant vesting periods. The estimated value of the LTI Performance Rights is \$128,319 for Mr Diamond's proposed LTI Performance Rights and \$123,139 for Mr Gray's proposed LTI Performance Rights.</p> <p>The Board has determined this valuation on the basis of an independent indicative valuation obtained from PricewaterhouseCoopers New Zealand, using Monte Carlo simulation methodology, where the LTI Performance Rights are considered zero exercise price options and are valued under risk neutral principles.</p> <p>Assumptions used in deriving the valuation are:</p> <ul style="list-style-type: none"> (a) closing Share price on the ASX as at 15 September 2022 of \$0.86; (b) zero exercise price; (c) risk free rate used was the 3-month AUD swap curve of 3.74%; (d) assumption that no dividends are expected to be announced or paid by the Company during the term of the LTI Performance Rights; and (e) assumed volatility factors for the Company's Shares based on historical estimates to 15 September 2022 of 86.6%. <p>As required under AASB2 <i>Share Based Payments</i>, the final valuation will be required at the actual grant date of the LTI Performance Rights.</p>
Date or dates by which securities will be issued by the Company	If Items 8(a) and 8(b) are approved, the Company intends to issue the LTI Performance Rights to Mr Diamond and Mr Gray within one (1) month of the Annual General Meeting and in any event no later than 12 months from the date of this Meeting.
Price for the securities being issued under the EIP	The LTI Performance Rights will be granted for no consideration. Following exercise of the LTI Performance Rights, the Company must issue, allocate or procure the transfer of one Share for every LTI Performance Right, unless settled in cash at the Board's overriding discretion in accordance with their terms. The Shares will be issued for no consideration. No funds will be raised by the Company from the grant of the LTI Performance Rights.
Summary of the material terms of the EIP	The material terms of the EIP are set out in Annexure B.
Summary of the material terms of any loan that will be made available in relation to the allotment of the securities	No loans are being provided to either Mr Diamond or Mr Gray in relation to the grant of the LTI Performance Rights.
Voting exclusion statement	Details of the voting exclusion which applies to Items 8(a) and 8(b) can be found earlier in the Notice of Meeting.

Details of any securities issued under the EIP will be published in the Company's annual financial report relating to the period in which securities are issued, along with a statement that approval for the issue of securities was obtained under ASX Listing Rule 10.14.

Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in the EIP after Items 7(a), 7(b), 8(a) and 8(b) are approved (and who were not named in this Notice of Meeting) will not participate in the EIP until approval is obtained under ASX Listing Rule 10.14.

REGULATORY REQUIREMENTS – CORPORATIONS ACT

The non-conflicted non-executive Directors of the Company (being Ms Diane Smith-Gander, Mr John Batistich and Ms Meredith Scott) carefully considered the grant of the LTE and LTI Performance Rights to Mr Diamond and Mr Gray (or their nominees), and formed the view that the giving of this financial benefit as part of their remuneration would be reasonable, given the circumstances of the Company, the quantum and terms of the Performance Rights, and the responsibilities held by both Mr Diamond and Mr Gray in the Company. The non-executive Directors consider that the grant of the Performance Rights is a more cost-effective way to remunerate Mr Diamond and Mr Gray, as opposed to other forms of remuneration, such as additional cash bonuses.

Accordingly, the non-executive Directors of the Company believe that the grant of the LTE and LTI Performance Rights to Mr Diamond and Mr Gray under Items 7(a), 7(b), 8(a) and 8(b) fall within the "reasonable remuneration" exception in section 211 of the Corporations Act, and rely on this exception for the purposes of these Items.

DIRECTORS' RECOMMENDATION

The non-executive Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Items 7(a), 7(b), 8(a) and 8(b).

Glossary

AEDT means Australian Eastern Daylight Time as observed in Sydney, New South Wales.

Annual Financial Report means the 2022 Annual Report to Shareholders for the period ended 30 June 2022 as lodged by the Company with ASX on 28 September 2022.

AGM or **Meeting** means the 2022 Annual General Meeting of the Company, being the meeting of the Company's members convened by this Notice of Meeting.

Associate has the meaning given to it by the ASX Listing Rules.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

ASX Listing Rules means the official ASX Listing Rules of the ASX as amended or replaced from time to time.

Auditor's Report means the auditor's report of 30 June 2022 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the KMP means:

- (i) a spouse or child of the member;
- (ii) a child of the member's spouse;
- (iii) a dependant of the member or of the member's spouse;
- (iv) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (v) a company the member controls; or
- (vi) a person prescribed by the Corporation Regulations 2001 (Cth).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

Director means a current director of the Company.

Directors' Report means the report of Directors as included in the Annual Financial Report.

Dollar or "**\$**" or "**A\$**" means Australian dollars.

Explanatory Notes means the Explanatory Notes accompanying this Notice of Meeting.

EIP or **Equity Incentive Plan** means the Zip Co Limited Equity Incentive Plan, the material terms of which are summarised in Annexure B.

Group means the Company and each subsidiary of the Company and **Group Company** means any of them.

Key Management Personnel or **KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

Notice of Meeting means this notice of annual general meeting including the Explanatory Notes.

Option means an option which, subject to its terms, could be exercised into a Share.

Ordinary Resolution means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the Meeting.

Performance Right means an Option granted under the EIP for which the exercise price is zero.

Placement has the meaning given to that term in the Explanatory Notes under the heading 'Ratification of prior issues of securities'.

Placement Shares has the meaning given to that term in the Explanatory Notes under the heading 'Ratification of prior issues of securities'.

Proxy Form means the proxy form attached to this Notice of Meeting.

Remuneration Report means the remuneration report as set out in the 2022 Annual Financial Report.

Restricted Right means an entitlement, when exercised, to a Share, which may be subject to Specific Disposal Restrictions under the ZIPNEP.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Computershare Investor Services Pty Limited.

Spill Meeting means the meeting that will be convened within 90 days of the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2023 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2023 AGM.

STIP Shares means Short Term Incentive Plan Shares, which are issued pursuant to the EIP.

TSR means Total Shareholder Return and is calculated by taking into account the change in a company's share price over the relevant measurement period as well as the dividends received (and assumed to be reinvested back into the company's shares) during that period.

VWAP means, in relation to a period, the volume weighted average price of a Share on the ASX over that period.

Zip or the **Company** means Zip Co Limited (ACN 139 546 428).

ZIPNEP means the Zip Co Limited NED Equity Plan, the material terms of which are summarised in Annexure A.

Annexure A: ZIPNEP

TERM	DETAILS
Instrument	<p>The ZIPNEP uses restricted rights which are entitlements, when exercised, to a Share (ordinary fully paid shares in the Company that may be subject to Specified Disposal Restrictions) (Rights or Restricted Rights, as applicable).</p> <p>Grants of Rights under the ZIPNEP are intended to be a component of 'director fees' that are part of the remuneration of non-executive Directors, as an alternative to director fees being paid in cash only. The value that will be realised is a function of the Share price at the time of disposal of the Shares.</p>
Terms and conditions	<p>Under the rules of the ZIPNEP, the Board has the discretion to set the terms and conditions on which it will offer Rights, including the modification of the terms and conditions as appropriate to ensuring the ZIPNEP operates as intended.</p> <p>The terms and conditions of the ZIPNEP include those aspects legally required as well as the treatment of Rights in a range of circumstances such as a change of control, a major return of capital to shareholders or in relation to cessation of holding office with the Company.</p> <p>The ZIPNEP contains customary and usual terms having regard to Australian law for dealing with winding up, administration, variation, suspension and termination of the ZIPNEP.</p>
Variation of terms and conditions	<p>To the extent permitted by the ASX Listing Rules, the Board retains the discretion to vary or amend the terms and conditions of the ZIPNEP.</p>
Eligibility	<p>Eligible persons selected by the Board will be invited to participate in the ZIPNEP. Eligible persons includes non-executive Directors, and excludes executives.</p>
Term	<p>Each invitation to participate in the ZIPNEP (an Invitation) will specify the term of the Rights, as determined by the Board, and if not exercised within the term, the Rights will lapse. The maximum term allowable is 15 years under the ZIPNEP, which is based on the maximum tax deferral period in Australia.</p>
Number of Rights	<p>The number of Rights specified in an Invitation will be at the discretion of the Board. It is intended that the number of Rights to be granted will be determined annually with regard to the participant's 'director fees', generally an election to exchange cash for equity in settlement of those fees, an appropriate VWAP, relevant market practices and the relevant policies of the Company regarding the remuneration of participants.</p>
Vesting	<p>Restricted Rights are fully vested at grant and are not subject to risk of forfeiture in order to ensure non-executive Director independence is not compromised by the equity interest structure. Therefore, grants will be made at a time when the participant has already served the period earning the remuneration, or when the Board takes the view that it is reasonable to expect that the full financial year will be served by the participant.</p>
Cost of Rights and exercise price	<p>No amount is payable by participants for Rights unless otherwise determined by the Board. Rights are intended to form part of the annual remuneration package appropriate to each participant.</p> <p>The exercise price is nil.</p>

TERM	DETAILS
Exercise of Rights	<p>Rights may be exercised at any time between the elapsing of Exercise Restrictions and the end of their term by the participant submitting an exercise notice, otherwise they will lapse. Rights will be settled in Shares only. Such Shares will generally be restricted Shares, which are Shares that are subject to disposal restrictions which may include Specified Disposal Restrictions (Restricted Shares).</p> <p>For participants outside of Australia, if applicable, the Invitation may specify an automatic exercise date, to comply with local regulatory and tax conditions.</p>
Exercise Restrictions	<p>An Invitation will specify a period of 'exercise restrictions' during which Rights may not be exercised, which must not be less than 90 days from the grant date (Exercise Restrictions).</p>
Dealing and disposal restrictions	<p>Rights may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, except by force of law.</p> <p>Shares acquired from the exercise of vested Rights will be subject to disposal restrictions due to:</p> <ul style="list-style-type: none"> (a) the Company's securities trading policy; (b) the insider trading provisions of the Corporations Act; (c) 12-month-on-sale restrictions under the Corporations Act; and (d) Specified Disposal Restrictions included in the Invitation. <p>Shares resulting from the exercising of Rights that may not be traded due to the foregoing will be Restricted Shares while they are so restricted. Zip will ensure that such restrictions are enforced due to the presence of CHESS holding locks or alternatively by any trustee of an employee share trust that may be engaged in connection with the ZIPNEP.</p>
Specified Disposal Restrictions	<p>Invitations may include Specified Disposal Restrictions that apply for a specified period to Restricted Shares that result from the exercising of Rights. The Board will decide whether to include such conditions and the period for which they will apply.</p> <p>Initially, grants will be subject to a Specified Disposal Restriction until the earlier of:</p> <ul style="list-style-type: none"> (a) the participant ceasing to hold office and any employment with the Company; and (b) the elapsing of 15 years from the grant date. <p>For international participants, an earlier date may be specified to ensure appropriate tax outcomes for the Participant.</p>
Disposal and exercise restriction release at taxing point	<p>In the event that a taxing point arises in relation to Restricted Rights or Restricted Shares and the Exercise Restrictions or Specified Disposal Restrictions have not elapsed then they will cease to apply to 50% of the taxable Rights and Shares. This aims to ensure that unreasonable tax outcomes are avoided.</p>
Cessation of holding the office of director	<p>If a participant ceases to hold the office of non-executive Director and is not immediately re-appointed, Exercise Restrictions and Specified Disposal Restrictions attaching to Restricted Shares will cease to apply at the date of cessation of holding the office of non-executive Director and the Company will remove any CHESS holding lock, except in respect of Shares issued less than 12 months prior to the cessation, which will continue to be the subject of disposal restrictions until the elapsing of 12 months from their date of issue (unless the on-sale provisions in the Corporations Act do not apply to such disposal).</p>

Annexure A: ZIPNEP

Cont.

TERM	DETAILS
Delisting	In the event that a delisting of the Company's Shares becomes imminent, Exercise Restrictions and Specified Disposal Restrictions will cease on the date determined by the Board, except in respect of Shares issued less than 12 months prior to the cessation, which will continue to be the subject of disposal restrictions until the elapsing of 12 months from their date of issue (unless the on-sale provisions in the Corporations Act do not apply to such Disposal).
Fraud, gross misconduct etc.	In the event that the Board forms the opinion that a participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company, the participant will forfeit all unexercised Rights.
Bonus issues, rights issues, voting and dividend entitlements	<p>The number of Rights held by participants will be proportionately adjusted to reflect any bonus issue of Shares (including, for example, a rights issue) so that no advantage or disadvantage arises for the participant. Rights holders will not participate in Shareholder rights issues.</p> <p>Rights do not carry voting or dividend entitlements. Shares (including Restricted Shares) issued when Rights are exercised carry all entitlements of Shares, including voting and dividend entitlements.</p>
Quotation	Rights will not be quoted on the ASX. The Company will apply for official quotation of any Shares issued under the ZIPNEP, in accordance with the ASX Listing Rules.
Issue or acquisition of Shares	Shares allocated to a participant when Rights are exercised under the Plan may be issued by the Company or acquired on or off market by a trustee whose purpose is to facilitate the operation of the plan.
Cost and administration	The Company will pay all costs of issuing and acquiring Shares for the purposes of satisfying exercised Rights, as well as any brokerage on acquisitions of Shares for this purpose and all costs of administering the ZIPNEP.
Hedging	The ZIPNEP prohibits the hedging of Rights, or Shares subject to dealing restrictions by participants.

Annexure B: EIP

TERM	DETAILS
Eligibility	Employees (full-time, part-time or casual), executive directors, contractors, and consultants engaged by the Group.
Grant	<p>Under the EIP, invitations may be made to eligible participants of the Company from time to time, subject to the absolute discretion of the Board.</p> <p>Unless the Board specifically permits, participants will not be able to nominate a family member or family entity to receive the grant of an Equity Instrument (as defined below) under the Equity Incentive Plan.</p>
Form of equity	<p>The EIP provides flexibility for the Board to offer and grant one or more of the following types of equity instruments, subject to the terms of individual offers:</p> <ul style="list-style-type: none"> (a) options; (b) performance rights; and (c) restricted shares (Restricted Shares), <p>(each an Equity Instrument).</p> <p>Options are an entitlement to receive Shares upon the satisfaction (or waiver) of the applicable vesting and/or exercise conditions and payment of an applicable exercise price (which may, for the avoidance of doubt, be nil). Performance rights are an entitlement to receive a Share for no consideration upon the satisfaction (or waiver) of the applicable vesting and/or exercise conditions. Options and performance rights (together, Awards) will not be quoted on the ASX.</p> <p>Restricted Shares are Shares which may be subject to vesting conditions and/or other restrictions or conditions as determined by the Board. If those conditions or restriction are not complied with the Restricted Shares may be compulsorily acquired.</p> <p>The Board has the discretion to determine the number or value of Equity Instruments to be granted.</p>
Terms and conditions	<p>The Board has discretion to set the terms and conditions (including conditions in relation to vesting, exercise, cash settlement, forfeiture, compulsory acquisition and disposal restrictions) on which it will make invitations under and accordance with the EIP and may set different terms and conditions which apply to different participants.</p> <p>The Board also has the discretion to waive vesting, exercise, forfeiture, compulsory acquisition or disposal conditions in relation to a particular participant or in relation to participants generally.</p>
Consideration for the grant of Equity Instruments	<p>Unless the Board determines otherwise, no consideration is required to be paid by a participant in respect of the grant of Equity Instruments under the EIP. If consideration is payable, the Board has the discretion to set the terms and conditions on which the consideration is required.</p>

Annexure B: EIP

Cont.

TERM	DETAILS
Vesting	<p>The Board has the discretion to determine the vesting conditions (if any) that must be met before an Equity Instrument will vest.</p> <p>The Board has the discretion to waive a vesting condition or exercise condition attached to an Equity Instrument. A vesting condition or exercise condition may also be waived, amended or replaced if the Board decides that the original condition is no longer appropriate or applicable, provided that the interests of the participant are not (in the opinion of the Board) materially advantaged or prejudiced relative to the position reasonably anticipated at the time of the grant.</p> <p>An Equity Instrument will vest once all vesting conditions (specified in the invitation related to that Equity Instrument) have been satisfied (or waived) and the Company has given (or is deemed to have given) a vesting notice (in physical or electronic form) to the participant, informing them that all relevant vesting conditions are satisfied (or waived).</p>
Exercise (applicable to Awards only)	<p>An Award may only be exercised when it has vested, any applicable exercise conditions specified in the invitation related to that Award have been satisfied (or waived), and the Company has given (or is deemed to have given) the relevant participant a confirmation notice (in physical or electronic form) informing them that all relevant exercise conditions are satisfied or waived. If an Award is not subject to any exercise conditions, a participant may exercise the Award after having been given (or being deemed to have given) a vesting notice in relation to that Award.</p> <p>The manner in which an Award may be exercised will be specified by the Board in the relevant invitation (which may provide that a vested Award will be automatically exercised).</p> <p>The Board may permit the cashless exercise of some or all of a participant's Awards in any manner it considers appropriate.</p>
Settlement of Shares	<p>Shares to be delivered to (or on behalf of) participants upon the grant of Restricted Shares or upon the exercise of vested Awards may be issued, acquired on or off market and transferred, and/or allocated from within an employee share trust or other trust or custodian arrangement established by the Company for the purposes of the EIP.</p> <p>Notwithstanding the above, if a participant is a Director (or an associate of a Director for the purposes of the ASX Listing Rules), any Shares to be delivered to that participant upon vesting and (if applicable) exercise of an Award must be acquired on market, unless shareholder approval is not required under the ASX Listing Rules in respect of the grant of the relevant Awards to that Director, or shareholder approval has been obtained to the extent required under the ASX Listing Rules to grant the relevant Awards to that Director.</p> <p>In addition to the above, the Company may also, but is not obliged to, otherwise limit the manner in which it delivers Shares to a participant who has accepted a grant of Restricted Shares or who has exercised a vested Award.</p> <p>If specifically permitted to do so in an invitation to a participant, the Board may determine to settle Awards with a cash equivalent payment.</p>
Ranking of Shares	<p>All Shares issued under the EIP will rank equally in all respect with other Shares for the time being on issue by the Company (except as regards to any rights attaching to such other Shares by reference to a record date prior to the date of their allocation or transfer).</p>

TERM	DETAILS
Dividend and voting entitlements	<p>Awards will not carry any voting or dividend rights. However, the Board may incorporate dividend equivalent payments within the terms of Awards.</p> <p>Shares issued, allocated or transferred to (or on behalf of) participants (including upon exercise of vested Awards) will carry dividend and voting entitlements.</p>
Disposal restrictions	<p>Any dealing in respect of unvested and (if applicable) unexercised Equity Instruments is prohibited unless:</p> <ul style="list-style-type: none"> (a) the Board determines otherwise; (b) the dealing is required by law; or ® in accordance with the rules of the EIP (EIP Rules) or a participant's invitation. <p>The Board may, at its discretion, impose restrictions on dealing in respect of any Restricted Shares and any Shares granted upon vesting and exercise under the EIP.</p> <p>The Board may implement any procedures it deems appropriate to ensure a participant's compliance with applicable disposal restrictions in respect of a Share granted under the EIP. This may include imposing a holding lock on relevant Shares or procuring that a trustee hold the relevant Shares for part or all of the applicable disposal restriction period.</p> <p>Any dealing in Shares is also subject at all times to Zip's Securities Trading Policy.</p>
Forfeiture/ divestiture of Equity Instruments	<p>The EIP Rules contain provisions concerning the treatment of Equity Instruments (including Shares granted on vesting and exercise of Awards) including (without limitation) in the event that:</p> <ul style="list-style-type: none"> (a) a participant ceases employment or engagement with a member of the Zip group, or has given or been given notice of cessation of employment or engagement; (b) the vesting conditions or exercise conditions (if applicable) attaching to the relevant Equity Instrument are not satisfied or the Board forms the view they cannot be satisfied; (c) a participant becomes insolvent; (d) a participant materially breaches (without remedy) the obligations it owes the Company in respect of the EIP or under the participant's engagement arrangement; or (e) in respect of Awards, they are not exercised before the applicable expiry date (the expiry date in respect of Awards will be specified in a participant's invitation, or if no date is specified the expiry date will be the business day prior to the 15 year anniversary of the grant date). <p>Notwithstanding the terms set out in the EIP Rules, the Board has the discretion to set out in a participant's invitation, specific information on how an Equity Instrument will be treated in connection with the above events.</p>

Annexure B: EIP

Cont.

TERM	DETAILS
Change of control and other circumstances which may trigger early vesting	<p>If a 'Change of Control Event' in relation to Zip occurs or is likely to occur (as determined by the Board), the Board may determine in its absolute discretion the treatment of the participants' Equity Instruments (whether vested or unvested) and any resulting shares and the timing of such treatment. A Change of Control Event includes (without limitation):</p> <ul style="list-style-type: none"> (a) in connection with a scheme of arrangement which will, upon becoming effective, result in a person (together with its associates) owning more than 50% of the issued capital of Zip (but does not include a scheme which does not involve a change in the ultimate beneficial ownership of Zip); (b) where a takeover bid is made, the takeover becomes unconditional and the bidder (together with its associates) has a relevant interest in more than 50% of the issued capital of Zip; or (c) any other transaction, event or state of affairs which the Board determines (in good faith) is likely to result in, or otherwise be treated as, a change in 'control' of Zip for the purposes of the EIP. <p>If Zip divests a business or a subsidiary designated by the Board as "material", the Board may in good faith make special rules that apply to some or all of a participant's Equity Instruments. This may include varying vesting conditions, exercise conditions and deeming that a participant remains an eligible participant under the Equity Incentive Plan notwithstanding that they may not be an eligible participant at the relevant time.</p> <p>If a company becomes a holding company of Zip (Substituted Company) following commencement of the EIP, a participant may be required by the Board to substitute their Equity Incentives with securities or financial products issued by the Substituted Company.</p>
Malus and clawback	<p>Where, in the opinion of the Board, certain 'malus and clawback' circumstances' have occurred, the Board may take any actions it considers appropriate in respect of the participant's Equity Instrument, any Shares granted on vesting and exercise of the participant's Awards, and the proceeds any of cash settlement of Awards to address any undue benefit or unfair advantage that has arisen.</p> <p>'Malus and clawback circumstances' include (without limitation):</p> <ul style="list-style-type: none"> (a) a participant's fraud, dishonesty, material breach of their obligations to the Zip group, gross negligence or misconduct, acting in a manner which could reasonably be regarded to have brought Zip or a subsidiary into disrepute, or having made a material misstatement on behalf of Zip; (b) an Equity Instrument has vested or may vest and would not otherwise have vested but for the fraud, dishonesty or breach of obligations of another person; (c) financial misstatements have occurred which result in an undue benefit being provided under the EIP; and (d) any other adverse event/circumstance that unfairly advantages participants in connection with their participation in the EIP.

TERM	DETAILS
Malus and clawback (continued)	The actions that the Board may take in ‘malus and clawback circumstances’ include (but are not restricted to) to the Board requiring the forfeiture or compulsory divestiture of an Equity Instrument, adjusting the terms and conditions of an Equity Instrument, or if any Restricted Shares or shares granted on vesting and exercise of an Award have been sold by the participant – requiring the participant to pay or repay some or all of the net proceeds of sale to or as directed by Zip.
Trust or custodian arrangement	<p>The Company may establish, administer, operate and fund an employee share trust, custodian or other trust arrangement (Trust) for the purposes of holding and/or delivering shares under the EIP.</p> <p>Participants that have shares held in a Trust on an allocated basis are entitled to dividends paid on those Shares and are also entitled to instruct the trustee how to exercise votes attaching to those shares.</p>
Other terms	<p>The EIP Rules contain customary and usual terms having regard to Australian law for dealing with the administration, variation and termination of the EIP (including in relation to the treatment of Awards in the event of a reorganisation of the Company's share capital structure, a rights issue or bonus share issue).</p> <p>The Board also has the discretion to set out in a participant's invitation such terms, conditions or information as the Board considers is necessary for the purposes of Schedule 4 of the Treasury Laws Amendment (<i>Cost of Living Support and Other Measures</i>) Act 2022 (Cth).</p>





Zip Co Limited
ABN 50 139 546 428

ZIP

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Tuesday, 1 November 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of Zip Co Limited.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Zip Co Limited hereby appoint



the Chair of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Zip Co Limited to be held as a virtual meeting via <https://meetnow.global/MRSGU7F> on Thursday, 3 November 2022 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

The Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default) and I/we have not directed the Chair how to vote on an Item (see step 2), I/we expressly authorise the Chair to vote in favour of all Items, including Items 2, 5(a), 5(b), 5(c), 6(a), 6(b), 7(a), 7(b), 8(a) and 8(b), even though those Items may be connected directly or indirectly with the remuneration of a member of key management personnel of Zip Co Limited, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 2, 5(a), 5(b), 5(c), 6(a), 6(b), 7(a), 7(b), 8(a) and 8(b) by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an Item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain				
2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	APPROVAL OF EQUITY INCENTIVE PLAN (EIP) AND ISSUE OF SECURITIES		
						For	Against
							Abstain
ELECTION AND RE-ELECTION OF DIRECTORS				6(a)	Approval of EIP and issue of securities	<input type="checkbox"/>	<input type="checkbox"/>
3(a)	Election of Ms Meredith Scott as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6(b)	Approval of potential termination benefits under EIP	<input type="checkbox"/>
3(b)	Re-Election of Mr Peter Gray as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	GRANT OF LONG-TERM EQUITY PERFORMANCE RIGHTS UNDER THE EIP		
						For	Against
4	Ratification of prior issues of securities in connection with the Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7(a)	Approval of grant of Long Term Equity Performance Rights to Larry Diamond	<input type="checkbox"/>
				7(b)	Approval of grant of Long Term Equity Performance Rights to Peter Gray	<input type="checkbox"/>	<input type="checkbox"/>
APPROVAL FOR THE GRANTING OF RESTRICTED RIGHTS TO NON-EXECUTIVE DIRECTORS							
5(a)	Diane Smith-Gander – Issue of Restricted Rights under the ZIPNEP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	GRANT OF LONG-TERM INCENTIVE PERFORMANCE RIGHTS UNDER THE EIP		
						For	Against
5(b)	John Batistich – Issue of Restricted Rights under the ZIPNEP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8(a)	Approval of grant of Long Term Incentive Performance Rights to Larry Diamond	<input type="checkbox"/>
5(c)	Meredith Scott – Issue of Restricted Rights under the ZIPNEP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8(b)	Approval of grant of Long Term Incentive Performance Rights to Peter Gray	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director & Sole Company Secretary

Director

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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Computershare

