



# **ZIP CO LIMITED**

ACN 139 546 428

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

TIME: 10:00am (AEST)

DATE: 31 July 2023

ONLINE: <https://meetnow.global/MOONGXA>

# Letter from the Chair

Dear Shareholder,

As announced to the ASX on 8 June 2023, Zip Co Limited (**Zip** or the **Company**) has launched a liability management exercise on its A\$330,000,000 outstanding Zero Coupon Senior Convertible Notes due 2028 (**Convertible Notes**). The exercise includes an incentivised conversion of Convertible Notes into ordinary shares (**Conversion Invitation**) and a consent solicitation to amend the terms and conditions of the existing Convertible Notes (**Consent Solicitation**). Specifically:

1. The Conversion Invitation invited eligible Existing Noteholders to convert their Convertible Notes into Shares at a conversion price of \$12.0567 and receive a cash amount that will be up to \$17.4m in aggregate. Once completed, the conversion will result in the issuance of approximately 3.3m Conversion Shares in late June 2023 and an aggregated cash payment of \$17.4m to converting Existing Noteholders, equating to \$39.8m of the outstanding Convertible Notes being converted at an effective rate of approximately 47.5 cents per dollar.
2. Alongside the Conversion Invitation, Zip undertook a fully underwritten institutional equity placement of 52.5m Shares at an issue price of A\$0.47 per Share to raise A\$24.7m (**Equity Placement**). Proceeds of the Equity Placement were used to fund the Cash Incentive Price and other transaction costs.
3. Concurrent with the Conversion Invitation, Zip initiated a Consent Solicitation process. A consideration ratio of 47.5% was applied to the outstanding Convertible Notes, resulting in the reduction of the notional value of the Convertible Notes to \$137.8m, and certain amendments to the terms and conditions of the Convertible Notes were approved by Existing Noteholders.

Once all elements of the liability management exercise are completed, Zip will have reduced the amount owing on its Convertible Notes by \$192.2m (from \$330m to \$137.8m), strengthening the balance sheet and positioning the Company for growth. The overall transaction will be at a nil cash impact to Zip. Zip intends that the amendments to the Convertible Notes will become effective following its EGM on 31 July 2023.

In summary, the business to be dealt with at this Extraordinary General Meeting (**EGM** or **Meeting**) (detailed on page 5 of this Notice of Meeting), is to enable Shareholders to approve:

- a) certain amendments to the terms and conditions of the Convertible Notes including the physical settlement of the Convertible Notes for the purposes of ASX Listing Rule 7.1; and
- b) the prior issues of Shares by the Company (in relation to the Equity Placement, Zip's December 2022 Equity Placement and the acquisitions of Twisto and Urge) to allow Zip to retain as much flexibility as possible to issue additional equity securities into the future, and for the purposes of ASX Listing Rule 7.4.

Consistent with the approach we have taken for the last three years, this EGM 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 EGM and make participation more easily accessible to most Shareholders.

You may participate in the EGM in the following ways:

- (a) **Online:** Shareholders can access the Computershare EGM platform from their computer, tablet, or mobile device at <https://meetnow.global/MQQNGXA>. Online

registration will open 30 minutes before the EGM 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 this 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](http://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 (AEST) on 29 July 2023 to be valid for the EGM. 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](http://www.investorvote.com.au).
- (d) **Watching a live webcast of the EGM:** The EGM will be available to view at <https://meetnow.global/MOONGXA>.

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 EGM and consider providing an email address to receive communications or notifications directly.

I look forward to updating you further at the EGM.

Yours sincerely,



Diane Smith-Gander AO, Chair

29 June 2023

# Business of the EGM

## 1. APPROVAL OF THE CONVERTIBLE NOTE AMENDMENTS

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

*That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the amendments to the Convertible Notes, on the terms and conditions set out in the Explanatory Notes.*

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

## 2. RATIFICATION OF THE JUNE 2023 PLACEMENT

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 52,479,860 Shares to institutional and sophisticated investors on 15 June 2023, on the terms and conditions set out in the Explanatory Notes.*

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

## 3. RATIFICATION OF THE DECEMBER 2022 PLACEMENT

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 21,956,476 Shares to institutional and sophisticated investors on 19 December 2022, on the terms and conditions set out in the Explanatory Notes.*

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

## 4. RATIFICATION OF THE ISSUE OF SHARES TO THE URGE ACQUISITION SELLERS

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,296,863 Shares, issued to the Urge Acquisition Sellers on 19 December 2022, on the terms and conditions set out in the Explanatory Notes.*

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

## 5. RATIFICATION OF THE ISSUE OF SHARES TO THE TWISTO SELLERS

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

*That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 27,627,408 Shares to the Twisto Sellers on 22 December 2022, on the terms and conditions set out in the Explanatory Notes.*

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

By Order of the Board.



Tai Phan

Company Secretary

29 June 2023



# 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 EGM. Capitalised terms in this Notice of Meeting are defined in the Glossary on page 15.

## DETERMINATION OF ENTITLEMENT TO VOTE

For the purposes of voting at the EGM, the Directors have determined that Zip Shares will be taken to be held by persons registered as Shareholders at 7:00pm (AEST) on 29 July 2023. This means that transfers of Shares registered after that time will be disregarded in determining entitlements to participate at the EGM and vote on the resolutions set out in this Notice of Meeting.

## VOTING ON RESOLUTIONS

The resolution 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 EGM commences. Zip recommends Shareholders log into the online platform at least 15 minutes prior to the scheduled start time for the EGM in accordance with the instructions below.

Enter <https://meetnow.global/MQONGXA> into a web browser on your computer or online device. To participate in the meeting please 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 EGM is in progress.

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

## WEBCAST

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

## 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](http://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](http://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 (AEST) on 29 July 2023. 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](http://www.investorcentre.com), select 'Voting' then click 'Ask a Question', or alternatively by sending your questions to the Company Secretary by email to [tai.phan@zip.co](mailto:tai.phan@zip.co).

To allow time to collate questions and prepare answers, you must submit any questions by 10:00am (AEST) on 29 July 2023.

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](http://www.computershare.com.au/virtualmeetingguide).

## YOUR VOTE IS IMPORTANT

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

## 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](http://www.investorcentre.com/au) and selecting "Printable Forms".

## ENQUIRIES

Shareholders are asked to contact the Company Secretary via email at [tai.phan@zip.co](mailto:tai.phan@zip.co) 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 1** by or on behalf of:

- each holder of the Convertible Notes; or
- their respective Associates.

However, the above does not apply to a vote cast in favour of **ITEM 1** 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.

(b) **ITEMS 2, 3, 4 and 5** by or on behalf of:

- any person who participated in the issue the subject of the applicable Item; or
- their respective Associates.

However, the above does not apply to a vote cast in favour of **ITEMS 2, 3, 4 and 5** 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.



## – BUSINESS OF THE EGM

### ITEM 1 – APPROVAL OF THE CONVERTIBLE NOTE AMENDMENTS

#### BACKGROUND

On 8 June 2023, the Company launched a proposed liability management exercise on its A\$330 million outstanding Zero Coupon Senior Convertible Notes due 2028 (ISIN: XS2330529905 / Common Code: 233052990) (**Convertible Notes**), which on completion, will result a significant improvement on the net debt leverage of ZipCo, with net debt expected to decrease by ~A\$192.2 million.<sup>1</sup>

The proposed liability management exercise invited the holders of the Convertible Notes (**Existing Noteholders**) to convert their Convertible Notes into Shares in the Company under the terms and conditions of the Convertible Notes at a conversion price of A\$12.0576 per Share and receive a cash amount (**Cash Incentive Price**) of up to A\$17.4 million in aggregate (together, the **Conversion Invitation**). Existing Noteholders agreed to convert Convertible Notes with an aggregate face value of A\$39.8 million into 3,300,823 Shares under the Conversion Invitation.

Following the launch of the liability management exercise, the Company announced that it had successfully completed an equity placement (**Equity Placement**). Under the terms of the Equity Placement the Company issued approximately 52.5 million Shares at a fixed price of A\$0.47, representing a 6.9% discount to the Company's last close Share price of A\$0.505 on 7 June 2023.

Payment of the Cash Incentive Price to the Existing Noteholders is cash neutral to the Company as the funds were raised under the Equity Placement. The issue of the Shares under the Conversion Invitation did not require Shareholder approval as the issue of the Convertible Notes was ratified for the purposes of ASX Listing Rule 7.4 at the 2021 Annual General Meeting (**Existing Shareholder Approval**).

Concurrent with the Conversion Invitation, the Company initiated a consent solicitation process (**Consent Solicitation**) to seek the Existing Noteholders' consent to approve certain amendments to the Convertible Notes as described in the consent solicitation statement dated 8 June 2023 (**Consent Solicitation Statement**) prepared by the Company. A summary of the proposed key amendments to the terms of the Convertible Notes is set out in Annexure A to this Notice of Meeting.

Subject to the consent of Existing Noteholders:

- a) the face value of the Convertible Notes (which represents the net debt owing by the Company to the Existing Noteholders) will reduce from A\$330 million to approximately A\$138 million; and
- b) the conversion price of the amended Convertible Notes will be reduced from A\$12.0576 per Share to A\$0.5170 per Share.

At the time the Convertible Notes were originally issued, the Convertible Notes were able to be converted into a maximum of approximately 41.6 million Shares (**Approved Shares**).

Following the amendments to the terms of the Convertible Notes, the Convertible Notes may now be converted into up to 293,287,235 Shares (upon a change of control) or 266,624,759 Shares (in ordinary circumstances, subject to customary adjustment for dilutive events in accordance with the terms and conditions of the Convertible Notes).

The Company seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 so that the Company may issue up to 293,287,235 Shares on conversion of the amended Convertible Notes (**Conversion Shares**).

#### REGULATORY REQUIREMENTS – OVERVIEW OF ASX LISTING RULES

Broadly speaking, and subject to a number of exceptions set out in ASX Listing Rule 7.2, 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.

When the Convertible Notes were originally issued, they were convertible into up to approximately 41.6 million Shares. Shareholder approval is required for the issue of Conversion Shares as it does not fit within any of the exceptions to ASX Listing Rule 7.1 provided for in ASX Listing Rule 7.2.

The total Conversion Shares that may be issued on conversion of the amended Convertible Notes will be up to 293,287,235 Shares (upon a change of control) or 266,624,759 Shares (in ordinary

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<sup>1</sup> The tax impact of the proposed liability management exercise is yet to be determined. Please refer to Key Risk 22 on page 15 of the Investor Presentation released on ASX on 8 June 2023 for further detail.





circumstances, subject to customary adjustment for dilutive events in accordance with the terms and conditions of the Convertible Notes).

The Company seeks approval under ASX Listing Rule 7.1 for the issue of up to 293,287,235 Shares on conversion of the amended Convertible Notes.

#### CONSEQUENCES OF ITEM 1

If Shareholders approve Item 1 of this Notice, the amended Convertible Notes will be convertible into Shares at any time until 10 business days prior to the Final Maturity Date (23 April 2028), unless the Convertible Notes are previously redeemed, converted, or repurchased and cancelled.

If Shareholders do not approve Item 1 of this Notice, the terms of the Convertible Notes will be amended as set out in Annexure A, however the Convertible Notes will be cash settled if a conversion would result in the issue of Conversion Shares in excess of the Approved Shares. If the Convertible Notes are cash settled the Company will be required to pay to the Existing Noteholder a cash amount, which will be calculated with reference to the VWAP of the Company's Shares over a 45-day period, in lieu of the issue of Conversion Shares. If the Convertible Notes are cash settled they may not be converted until after Company's AGM which will take place on or before 30 November 2023.

#### REGULATORY REQUIREMENTS – SPECIFIC INFORMATION REQUIRED BY ASX LISTING RULE 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to approval of the Shareholders for an increase to the number of Shares permitted to be issued on conversion of the amended Convertible Notes:

- (a) **The names of the persons to whom the Company will issue the securities or the basis on which those persons will be identified or selected** – Conversion Shares will be issued to the holders of Convertible Notes.
- (b) **The number and class of securities that the Company will issue** – the amended Convertible Notes are convertible into up to 293,287,235 Shares in the Company (upon a change of control and subject to customary adjustment for dilutive events in accordance with the terms and conditions of the Convertible Notes). The Conversion Shares will be issued on conversion of the amended Convertible Notes.
- (c) **If the securities are not fully paid ordinary securities, a summary of the material terms of the securities** – Refer to Annexure A for a summary of the material terms of the existing Convertible Notes and the proposed amendments. Shares issued on conversion of the Convertible Notes will be fully paid ordinary shares in the Company and will rank equally in all respects with the Company's existing Shares on issue.
- (d) **The date by which the Company will issue the securities** – The Convertible Notes are already on issue. The Conversion Shares will be issued upon conversion of the amended Convertible Notes, and by no later than 23 April 2028.
- (e) **The price or other consideration the Company will receive for the securities** – The Conversion Shares will be issued on conversion of the amended Convertible Notes at an issue price of \$0.5170. The Company received the principal amount of the Convertible Notes in April 2021, and no further amount will be received by the Company on issue of the Conversion Shares.
- (f) **The purpose of the issue, including the intended use of funds** – the Conversion Shares will be issued on conversion of the Convertible Notes. The Company received the principal amount of the Convertible Notes in April 2021, and no further amount will be received by the Company for the Conversion Shares.
- (g) **If the securities are being issued under an agreement, a summary of the material terms of the agreement** – a summary of the material terms of the Convertible Notes and the proposed amendments to the Convertible Notes is in Annexure A.

ASX has confirmed the Company is not required to issue the Conversion Shares within three months of this Meeting.

A voting exclusion statement applies to this Resolution.

#### DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Item 1.

## ITEMS 2, 3, 4 AND 5 – ASX LISTING RULE REQUIREMENTS FOR RATIFICATION OF PRIOR ISSUES OF SHARES

### ASX LISTING RULE 7.4 – APPROVAL OF PRIOR ISSUES

Subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The Company 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.

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.

To this end, Resolution 2, 3, 4, and 5 each seek Shareholder approval for the issue of the Shares the subject of that Resolution under and for the purposes of ASX Listing Rule 7.4.

If Resolution 2, 3, 4 or 5 are passed, the issue of the Shares the subject of that Resolution will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the relevant issue date.

If Resolution 2, 3, 4 or 5 are not passed, the issue of the Shares the subject of that Resolution will continue to be included in calculating the Company's 15% limit under ASX Listing Rule 7.1, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12-month period following the relevant issue date.

The Directors consider that it is appropriate and prudent for approval to be sought in respect of the issue of the Shares contemplated by Resolution 2, 3, 4 and 5, as such approvals will enhance the Company's flexibility to raise further equity capital and/or issue new securities, should the Directors consider that it is in the best interests of the Company to do so.

### ITEM 2 - RATIFICATION OF THE JUNE 2023 PLACEMENT

#### BACKGROUND

On 15 June 2023, the Company issued 52,479,860 Shares (**June 2023 Placement Shares**) at an issue price of A\$0.47 per Share to institutional and sophisticated investors (none of whom were related parties of the Company) identified by or introduced by Goldman Sachs Australia Pty Ltd to the Company during the book build process conducted on 8 June 2023 and completed on 9 June 2023.

The issue of the June 2023 Placement Shares does not fit within any of the exceptions in ASX Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it uses part of the 15% limit under ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue date (until 15 June 2024).

#### ADDITIONAL INFORMATION REQUIRED BY ASX LISTING RULE 7.5

In accordance with ASX Listing Rule 7.5, information is provided in relation to the Placement as follows:

- (a) The June 2023 Placement Shares were issued to new and existing sophisticated and professional investors who were identified by Goldman Sachs Australia Pty Ltd, as lead manager and underwriter to the Placement.
- (b) 52,479,860 Shares were issued on 15 June 2023.
- (c) The June 2023 Placement Shares were fully paid ordinary shares and rank pari passu in all respects with the Company's existing Shares.
- (d) The shares were issued at an issue price of A\$0.47 per Share, representing a total consideration of approximately A\$24.66 million.
- (e) The proposed use of funds raised under the Equity Placement are:
  - i. to make payment of the aggregate Cash Incentive Price under the Conversion Invitation to participating Existing Noteholders; and
  - ii. to fund the transaction costs associated with the Conversion Invitation, Consent Solicitation and Equity Placement.

A voting exclusion statement applies to this Resolution.



## DIRECTORS' RECOMMENDATION

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

### ITEM 3 – RATIFICATION OF THE DECEMBER 2022 PLACEMENT

#### BACKGROUND

On 19 December 2022, the Company issued 21,956,476 Shares (**December 2022 Placement Shares**) at an issue price of A\$0.62 per Share to institutional and sophisticated investors (none of whom were related parties of the Company) identified by or introduced by Jarden Australia Pty Limited and Shaw and Partners Limited to the Company during the book build process conducted on 12 December 2022.

The issue of the December 2022 Placement Shares does not fit within any of the exceptions in ASX Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it uses part of the 15% limit under ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue date (until 19 December 2023).

#### ADDITIONAL INFORMATION REQUIRED BY ASX LISTING RULE 7.5

In accordance with ASX Listing Rule 7.5, information is provided in relation to the December 2022 Placement as follows:

- (a) The December 2022 Placement Shares were issued to new and existing sophisticated and professional investors who were identified by Jarden Australia Pty Limited and Shaw and Partners Limited, as joint lead managers and joint underwriters to the December 2022 Placement.
- (b) 21,956,476 Shares were issued on 19 December 2022.
- (c) The December 2022 Placement Shares were fully paid ordinary shares and rank pari passu in all respects with the Company's existing Shares.
- (d) The December 2022 Placement Shares were issued at an issue price of A\$0.62 per Share, representing a total consideration of A\$13.61 million.
- (e) The funds raised by the issue of the December 2022 Placement Shares were used to fund the Cash Incentive Price and associated transaction costs associated with the incentivized conversion of certain Convertible Notes completed in December 2022.

A voting exclusion statement applies to this Resolution.

## DIRECTORS' RECOMMENDATION

The Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Item 3.

### ITEM 4 – RATIFICATION OF THE ISSUE OF SHARES TO THE URGE ACQUISITION SELLERS

#### BACKGROUND

On 19 December 2022, the Company issued 4,296,863 Shares (**Milestone Consideration Shares**) at an issue price of A\$0.64 per Share to the Urge Acquisition Sellers as milestone consideration for the acquisition by the Company of all the shares in Urge Holdings Pty Ltd as announced on 26 October 2020.

The issue of the Milestone Consideration Shares does not fit within any of the exceptions in ASX Listing Rule 7.1 and, as it has not yet been approved by Shareholders, it uses part of the 15% limit under ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue date (until 19 December 2023).

#### ADDITIONAL INFORMATION REQUIRED BY ASX LISTING RULE 7.5

In accordance with ASX Listing Rule 7.5, information is provided in relation to the issue of the Milestone Consideration Shares as follows:

- (a) The Milestone Consideration Shares were issued to the Urge Acquisition Sellers in connection with the acquisition of all of the shares in Urge Holdings Pty Ltd (**Urge Acquisition**), as announced by the Company on 26 October 2020.
- (b) 4,296,863 Shares were issued on 19 December 2022, with 197,426 Shares subject to a holding lock of 12 months.
- (c) The Milestone Consideration Shares were fully paid ordinary shares and rank pari passu in all respects with the Company's existing Shares.
- (d) The Milestone Consideration Shares were issued at an issue price of A\$0.64 per Share,

representing a total consideration of ~A\$2.75 million.

- (e) The Milestone Consideration Shares were issued to the Urge Acquisition Sellers following achievement of the prescribed milestones under the Urge Acquisition, with such milestones based on the successful implementation, use and commercialization of Urge Holding's existing software into the Zip global platform.
- (f) The Urge Acquisition was undertaken pursuant to an acquisition agreement, the material terms of which were announced on 26 October 2020:
  - i. Upfront consideration of \$3 million to be settled through the issue of 432,516 fully paid Shares of the Company.
  - ii. Payment of further \$5.5 million of deferred consideration payable to the Urge Acquisition Sellers subject to certain performance milestones being achieved before 26 April 2024.

Further information in relation to the Urge Acquisition and the terms of the Milestone Consideration Shares was made available to Shareholders via ASX announcement dated 26 October 2020.

A voting exclusion applies to this Resolution.

#### DIRECTORS' RECOMMENDATION

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

#### ITEM 5 - RATIFICATION OF THE ISSUE OF SHARES TO THE TWISTO SELLERS

##### BACKGROUND


On 22 December 2022, the Company issued 27,627,408 Shares (**Twisto Shares**) at an issue price of A\$0.72 per Share to the Twisto Shareholders as milestone consideration for the acquisition by the Company of shares of Twisto Payments A.S as announced on 24 May 2021 (**Twisto Acquisition**).

The issue of the Twisto Shares does not fit within any of the exceptions in ASX Listing Rule 7.1 outlined above and, as it has not yet been approved by Shareholders, it uses part of the 15% limit under ASX Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under ASX Listing Rule 7.1 for the 12-month period following the issue date (until 22 December 2023).

##### ADDITIONAL INFORMATION REQUIRED BY ASX LISTING RULE 7.5

In accordance with ASX Listing Rule 7.5, information is provided in relation to the issue of the Twisto Shares as follows:

- (a) The Twisto Shares were issued to the Twisto Sellers in connection with the acquisition of the balance 89.94% of the shares of Twisto Payments A.S as announced by the Company on 24 May 2021.
- (b) 27,627,408 Shares were issued on 22 December 2022.
- (c) The Twisto Shares were fully paid ordinary shares and rank pari passu in all respects with the Company's existing Shares.
- (d) The Twisto Shares were issued at an issue price of A\$0.72 per Share, representing a total issue price of approximately A\$19.8 million.
- (e) The Twisto Shares were issued as deferred consideration in connection with the Twisto Acquisition as announced by the Company on 24 May 2021.
- (f) The Twisto Acquisition was undertaken pursuant to an acquisition agreement (**Twisto Acquisition Agreement**) the material terms of which were set out on pages 11 and 12 of the 2021 Notice of Annual General Meeting as follows:
  - i. The consideration payable under the Twisto Acquisition was €89 million (~A\$140 million). Completion occurred in Q4 CY21.
  - ii. The consideration was payable by issue of new Shares in the Company to the Twisto Sellers, with 27,543,898 Shares issued as upfront consideration (**Upfront Consideration**), and up to a maximum of 4,550,000 Shares forming the holdback consideration (**Holdback Consideration Shares**). The Holdback Consideration Shares formed a retention amount for the Company for the purposes of satisfying any claims that may have arisen under the Twisto Acquisition Agreement and will be reduced by any claims arising under the Twisto Acquisition Agreement.
  - iii. The Holdback Consideration Shares were required to be issued at an issue price equal to the Company's 30-day VWAP immediately prior to the date on which the relevant Holdback



Consideration Shares were issued, subject to a 'minimum floor share price' of \$5.00 per Share and an 'exchange rate cap' of A\$1.82 per €1.00.

- iv. The Twisto Acquisition Agreement was subject to conditions precedent (which were subsequently satisfied or waived) including:
- (A) the Company's shareholders approving the issue of the Upfront Consideration Shares;
  - (B) the Company obtaining approval from the Czech National Bank for the Twisto Acquisition;
  - (C) various securities in Twisto being converted, exercised, or extinguished in accordance with the terms of the Twisto Acquisition Agreement; and
  - (D) the Twisto Sellers entering into the Twisto Acquisition Agreement on prescribed terms to sell their shares to the Company.

Further information in relation to the Twisto Acquisition was made available to Shareholders via ASX announcement dated 24 May 2021.

A voting exclusion applies to this Resolution.

#### **DIRECTORS' RECOMMENDATION**

The Directors unanimously recommend that the Shareholders **VOTE IN FAVOUR** of Item 5.

# Glossary

**AEST** means Australian Eastern Standard Time as observed in Sydney, New South Wales.

**Approved Shares** means the 41.6 million Shares as approved under the Existing Shareholder Approval.

**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.

**Board** means the current board of Directors of the Company.

**Cash Incentive Price** has the meaning given to that term in the Explanatory Notes under the heading 'approval of the Convertible Note amendments.'

**Chair** means the person chairing the Meeting.

**Consent Solicitation** has the meaning given to that term in the Explanatory Notes under the heading 'approval of the Convertible Note amendments.'

**Conversion Invitation** has the meaning given to that term in the Explanatory Notes under the heading 'approval to issue Conversion Shares on conversion of Convertible Notes.'

**Conversion Shares** has the meaning given to that term in the Explanatory Notes under the heading 'approval of the Convertible Note amendments.'

**Convertible Notes** has the meaning given to that term in the Explanatory Notes under the heading 'approval of the Convertible Note amendments.'

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

**December 2022 Placement** means the placement of the December 2022 Placement Shares on 19 December 2022.

**December 2022 Placement Shares** means the 21,956,476 Shares issued by the Company on 19 December 2022.

**Director** means a current director of the Company.

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

**EGM** or **Meeting** means the Extraordinary General Meeting of the Company, being the meeting of the Company's members convened by this Notice of Meeting.

**Equity Placement** has the meaning given to that term in the Explanatory Notes under the heading 'approval of the Convertible Note amendments.'

**Existing Noteholders** means the existing holders of Convertible Notes.

**Existing Shareholder Approval** means the shareholder approval obtained at the 2021 AGM.

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

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

**Holdback Consideration Shares** has the meaning provided in Item 5 of the Explanatory Notes.

**June 2023 Placement** means the placement of the June 2023 Placement Shares on 15 June 2023.

**June 2023 Placement Shares** means the 52,479,860 Shares issued by the Company on 15 June 2023.

**Milestone Consideration Shares** means the 4,296,863 Shares issued on 19 December 2022 in respect of the Urge Acquisition.

**Notice of Meeting** means this notice of Extraordinary General Meeting including the Explanatory Notes.

**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.





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

**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.

**Twisto Acquisition** means the acquisition of the balance 89.94% of the existing issued shares in Twisto Payments A.S as undertaken by the Company and notified to the market on 24 May 2021.

**Twisto Acquisition Agreement** means the acquisition agreement between the Twisto Sellers and the Company in respect of the Twisto Acquisition.

**Twisto Sellers** means the original holders of shares in Twisto who transferred their interest in Twisto to the Company pursuant to the Twisto Acquisition Agreement.

**Twisto Shares** means the 27,627,408 Shares issued on 22 December 2022 in respect of the Twisto Acquisition.

**Upfront Consideration** has the meaning provided in Item 5 of the Explanatory Notes.

**Urge Acquisition** means the acquisition of all the shares in Urge Holdings Pty Ltd from the Urge Acquisition Sellers as announced by the Company on 26 October 2020.

**Urge Acquisition Sellers** means the original shareholders of Urge Holdings Pty Ltd who transferred their shares to the Company pursuant to the terms of the Urge Acquisition.

**VWAP** means Volume Weighted Average Price.

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



# Annexure A:

## Material Terms of Convertible Notes and proposed amendments

Key terms	Existing Convertible Notes	Amended Convertible Notes
Face Value	A\$400m (with approximately \$330m outstanding).	The aggregate principal amount of the Convertible Notes following: (i) the conversion of any Convertible Notes pursuant to the Conversion Invitation; and (ii) the cancellation of A\$152,355,000 principal amount of the Convertible Notes.
Coupon	Zero.	5.00% per annum, payable semi-annually in arrears.
Yield to Maturity	1.75 – 2.25% per annum, calculated on a semi-annual basis.	10% per annum, calculated on a semi-annual basis.
Status	Direct, unconditional, unsubordinated, and unsecured obligations of the Company.	No change.
Maturity Date	23 April 2028 (7 years).	No change.
Investor Put Date	23 April 2025 (4 years).	No change.
Put Price	109.36% of the principal amount.	Amended to achieve a yield of 10% of the principal amount.
Redemption Price at Maturity	116.96% of the principal amount.	Amended to achieve a yield of 10% of the principal amount.
Clean Up Call	The Convertible Notes may be redeemed all but not some only of the Convertible Notes at the Early Redemption Amount, if at	The Convertible Notes may be redeemed all but not some only of the Convertible Notes at the Early Redemption Amount, if at



Key terms	Existing Convertible Notes	Amended Convertible Notes
	any time 85% or more in principal amount of the Convertible Notes <u>originally issued</u> has already been converted, redeemed or purchased and/or cancelled.	any time 85% or more in principal amount of the Convertible Notes <u>outstanding as at the Amendment Date</u> has already been converted, redeemed or purchased and/or cancelled.
Early Redemption Amount	The amount that would provide a holder who purchased the Convertible Notes at the issue price on the closing date with a gross compound yield of 2.25% per annum (calculated on a semi-annual basis).	Amended to achieve a yield of 10% of the principal amount.
Conversion Premium	35% premium above the Reference Share Price.	10% over the Reference Share Price.
Conversion Price	A\$12.0576 per Share subject to customary adjustment for dilutive events in accordance with the terms and conditions of the Convertible Notes.	A\$0.5170 per Share subject to customary adjustment for dilutive events in accordance with the terms and conditions of the Convertible Notes.
Reference Share Price	A\$9.18 per Share.	A\$0.47, being the clearing price of the Equity Placement.
Settlement	The conversion of the Convertible Notes will be physically settled by the issuance of new Shares determined by dividing the principal amount of the Convertible Notes to be converted by the applicable conversion price.	<p>The Convertible Notes may be cash settled.</p> <p>If the Shareholders do not approve Item 1 of this Notice, the Company will be required to settle any Convertible Notes subsequently converted by an Existing Noteholder (and which would result in Conversion Shares exceeding the Existing Shareholder approval of 41.6 million) by way of payment in cash and there shall be no conversion of Convertible Notes until the next AGM which will take place on or before 30 November 2023.</p> <p>If the Shareholders approve Item 1 of this Notice, the Convertible Notes will be convertible at any time until 10 business days prior to the Final Maturity Date, unless previously redeemed, converted, or repurchased and cancelled.</p>

Key terms	Existing Convertible Notes	Amended Convertible Notes
Conversion Price Adjustment	Standard anti-dilutive adjustments including a Conversion Price adjustment for all dividends paid by Zip.	Not changed.
Governing Law	English law	Not changed.
Listing	SGX-ST.	Not changed.
Selling Restrictions	Reg S (Cat 1) only. Customary selling restrictions in, among others, the United Kingdom, the EEA, Australia, New Zealand, Hong Kong, Singapore, Switzerland, Japan.	Not changed.



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](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST) on Saturday, 29 July 2023.**

# 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 shareholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

**Joint Holding:** Where the holding is in more than one name, all of the shareholders 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 shareholder 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](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

XX

### Online:

Lodge your vote online at [www.investorvote.com.au](http://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](http://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. Shareholders 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 Chairman  
of the Meeting

OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman 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 Chairman 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 Extraordinary General Meeting of Zip Co Limited to be held as a virtual meeting on Monday, 31 July 2023 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

## Step 2 Item 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
Item 1 Approval of the Convertible Note Amendments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2 Ratification of the June 2023 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3 Ratification of the December 2022 Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4 Ratification of the Issue of Shares to the Urge Acquisition Sellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5 Ratification of the Issue of Shares to the Twisto Sellers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of the items of business. In exceptional circumstances, the Chairman 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 Shareholder(s)

This section must be completed.

Individual or Shareholder 1

Sole Director & Sole Company Secretary

Shareholder 2

Director

Shareholder 3

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

