

Zip Co Limited

Level 14, 10 Spring Street,
Sydney,
NSW 2000
ACN: 139 546 428

<http://zipmoneylimited.com.au/>



Zip Co Limited

Notice of 2019 Annual General Meeting

Explanatory Statement | Proxy Form

29 November 2019

10:00AM AEDT

Address

Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square,
Sydney NSW 2000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 10:00AM AEDT on Friday, 29 November 2019 at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

Voting in person

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

Voting by proxy

A Shareholder who 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 of the Company.

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

To appoint a proxy online, go to www.investorvote.com.au. You will need your HIN (Holder Identification Number) or SRN (Shareholder Reference Number) to log in.

Alternatively, you can appoint a proxy by completing and signing the enclosed Proxy Form and sending the form by:

- a) post to Computershare Investor Services Pty Ltd at GPO Box 242, Melbourne, VIC 3001; or
- b) fax to Computershare Investor Services Pty Ltd at (+61 3) 9473 2555.

The deadline for receipt of proxy appointments is 10:00AM AEDT on Wednesday, 27 November 2019. **Proxy Forms received later than this time will be invalid.**

If you intend to appoint the Chair of the Meeting as your proxy, you are encouraged to direct him how to vote by marking a box for the Resolutions (for example if you wish to vote for, or against, or to abstain from voting). If you appoint the Chair as your proxy without directing him how to vote, the proxy form authorises him to vote as he decides on the Resolutions (even though the Resolution is connected with the remuneration of a member of the Key Management Personnel of the Company).

The Chair of the Meeting intends to vote in favour of all Resolutions (where permissible).

Power of 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 power of attorney has already provided it to the Share Registry.

Corporate Representatives

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

For personal use only

Notice of Annual General Meeting

Notice is hereby given that an Annual General Meeting of Shareholders of Zip Co Limited ACN 139 546 428 will be held at 10:00AM AEDT on Friday, 29 November 2019 at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 (**Meeting**).

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form form part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm AEDT on Wednesday, 27 November 2019.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

Agenda

Ordinary business

Financial Statements and Reports

"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30th June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."

Note: This item of ordinary business is **for discussion only and is not a resolution**.

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

Resolutions

Remuneration Report

1. **Resolution 1 – Adoption of Remuneration Report**

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

"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30th June 2019."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company's Key Management Personnel (including the Directors), whose remuneration details are included in the Remuneration Report, or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to for the purpose of this voting exclusion as a **Restricted Voter**). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

Re-election of Director

2. **Resolution 2 – Re-election of Philip Crutchfield as Director**

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

"That Philip Crutchfield, a Director of the Company, who retires by rotation in accordance with the Company's Constitution and ASX Listing Rule 14.4 and being eligible offers himself for re-election as a Director of the Company, effective immediately."

Issue of STIP Shares under Employee Incentive Plan

3. Resolution 3 – Approval of Issue of STIP Shares to Larry Diamond, Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 44,643 STIP Shares under the Employee Incentive Plan to Larry Diamond (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 3 by a member of the Company's Key Management Personnel, or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to for the purpose of this voting exclusion as a Restricted Voter) if the Restricted Voter is appointed as a proxy and the Proxy Form does not specify the way the proxy is to vote on Resolution 3. However, the Company need not disregard a vote if it is cast by the Chair as a proxy and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If you appoint the Chair, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 3 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 3. If you do not want your vote exercised in favour of Resolution 3, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

In addition, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

4. **Resolution 4** – Approval of Issue of STIP Shares to Peter Gray, Director of the Company

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

"That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 44,643 STIP Shares under the Employee Incentive Plan to Peter Gray (or his nominee), a Director of the Company, and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting."

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 4 by a member of the Company's Key Management Personnel, or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to for the purpose of this voting exclusion as a Restricted Voter) if the Restricted Voter is appointed as a proxy and the Proxy Form does not specify the way the proxy is to vote on Resolution 4. However, the Company need not disregard a vote if it is cast by the Chair as a proxy and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company.

If you appoint the Chair, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 4. If you do not want your vote exercised in favour of Resolution 4, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

In addition, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Maximum Aggregate Amount of Non-Executive Directors' Fees

5. Resolution 5 – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees

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

"That, for the purposes of ASX Listing Rule 10.17, Article 6.5 of the Company's Constitution and for all other purposes, the maximum aggregate amount of directors' fees that may be paid to the Company's non-executive Directors in any financial year is increased by \$400,000, from \$600,000 to \$1,000,000 effective immediately."

Voting Exclusion Statement: In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 5 by a member of the Company's Key Management Personnel, or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to for the purpose of this voting exclusion as a Restricted Voter) if the Restricted Voter is appointed as a proxy and the Proxy Form does not specify the way the proxy is to vote on Resolution 5. However, the Company need not disregard a vote if it is cast by the Chair as a proxy and the appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of member of the Key Management Personnel of the Company.

If you appoint the Chair, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 5 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 5. If you do not want your vote exercised in favour of Resolution 5, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

In addition, the Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) any Director of the Company; or
- (b) an Associate of those persons.

However, the Company will not disregard a vote if:

- (i) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (ii) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD



David Franks
Company Secretary

24 October 2019

Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00AM AEDT on Friday, 29 November 2019 at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

Agenda

Ordinary business

Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30th June 2019 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

Shareholders can view the Company's Annual Financial Report on the Company's website at <http://zipmoneylimited.com.au>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

Written questions of the auditor

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary. A list of qualifying questions will be made available at the Meeting.

Please note that all written questions must be received at least five Business Days before the Meeting, being no later than 10:00 AM AEDT on Friday, 21 November 2019.

Resolutions

Remuneration Report

Resolution 1 – Adoption of Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report which is available on the Company's website at <http://zipmoneylimited.com.au>.

However, if at least 25% of the votes cast are against the adoption of the Remuneration Report at the Meeting, and then again at the 2020 Annual General Meeting (**2020 AGM**), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the 2020 AGM to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of the 2020 AGM. All of the Directors who were in office when the 2020 Directors' Report was approved, other than the Managing Director, will cease to hold office unless re-elected at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to the Key Management Personnel of the Company (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

Voting

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

Directors' recommendation

Noting that each Director has a personal interest in their own remuneration from the Company as set out in the Remuneration Report, the Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report proposed by Resolution 1.

The Chair intends to exercise all available proxies in favour of this Resolution where permitted.

Re-election of Director

Resolution 2 – Re-election of Philip Crutchfield as Director

Article 6.3(c) of the Company's Constitution states that one third of the Directors (rounded down to the nearest whole number) must retire at each annual general meeting. Article 6.3(e) of the Company's Constitution states that the Directors who must retire under Article 6.3(c) are those who have held their office as Director for the longest period of time since their last election or appointment to that office.

In addition, Article 6.3(b) of the Company's Constitution states that a Director must retire from office no later than the longer of the third annual general meeting of the Company or 3 years following that Director's last election or appointment.

A Director who retires under Articles 6.3(b) or 6.3(c) is eligible for re-election.

ASX Listing Rule 14.4 also provides that a Director must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer.

Philip Crutchfield was appointed as a Director of the Company on 14 November 2015 and was last re-elected as a Director at the 2016 AGM.

Accordingly, under this Resolution, Philip Crutchfield has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Phillip is a barrister and a former partner of Mallesons Stephen Jaques (now King & Wood Mallesons). He is a board member of the Geelong Grammar School Council, Bell Shakespeare Theatre Company, and the Victorian Bar Foundation Limited.

Directors' recommendation

The Directors (excluding Philip Crutchfield) unanimously recommend that Shareholders vote in favour of this Resolution.

The Chair intends to exercise all available proxies in favour of this Resolution where permitted.

Issue of STIP Shares under Employee Incentive Plan

Resolution 3 – Approval of Issue of STIP Shares to Larry Diamond, Director of the Company

Background

The Company's amended Employee Incentive Plan (**Employee Incentive Plan**) was approved by Shareholders of the Company at the 2018 Annual General Meeting. The Employee Incentive Plan was broadened to enable the Board to grant Performance Rights and issue Short Term Incentive Plan Shares" which are fully paid ordinary Shares intended to improve the shorter-term performance of the Company and focus on the short-term goals of the Company (**STIP Shares**). Each STIP Share ranks equally in all aspects with all existing fully paid ordinary Shares previously issued by the Company.

Larry Diamond is the Managing Director and Chief Executive Officer of the Company.

Under the terms of Mr Diamond's employment agreement, he is eligible for an annual performance-based bonus of \$175,000. As set out in the Company's 2019 Annual Report, 87.5% of this bonus vested, which resulted in \$153,125 being awarded to Mr Diamond. Mr Diamond has elected to take this bonus in the form of STIP Shares.

Accordingly, subject to Shareholder approval being given under this Resolution, the Company seeks to issue 44,643 STIP Shares at a deemed issue price of \$3.43 per STIP Share to Mr Diamond (or his nominee) under the terms of the Employee Incentive Plan. The issue price was the market price at the date the STIP Shares for all participants (including non-related parties) was determined.

Director and Related Party Approvals

ASX Listing Rule 10.14 provides that a listed company must not permit a director to acquire securities under an employee incentive scheme without shareholder approval.

If approval is obtained – under Listing Rule 10.14, in accordance with Listing Rules 7.1 (exception 14) and 10.12 (exception 4), separate approval is not required under Listing Rule 7.1 (which provides a

general limit on the number of securities that can be issued without shareholder approval) or Listing Rule 10.11 (which provides a general restriction against issuing securities to directors without shareholder approval).

The proposed issue of STIP Shares under the Employee Incentive Plan to Larry Diamond (or his nominee) constitutes an acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14.

Section 208 of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of STIP Shares constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company or an entity controlled by a director of a public company.

Section 211 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party, where the financial benefit is remuneration to a related party as an officer or employee of a public company (or other prescribed entity) and where to give the remuneration would be reasonable given the circumstances of the public company (or entity giving the remuneration) and the related party's circumstances (including the responsibilities involved in the office or employment).

The non-conflicted Directors of the Company (being Philip Crutchfield, John Batistich, Dianne Challenor and Peter Gray) considered the issue of STIP Shares to Larry Diamond (or his nominee), and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances and recent performance of the Company, and the circumstances of and responsibilities held by Larry Diamond in the Company. The non-conflicted Directors consider that the issue of STIP Shares is a more cost-effective way to remunerate Mr Diamond, as opposed to other forms of remuneration, such as additional cash bonuses.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these STIP Shares to Larry Diamond (or his nominee) falls within the exception in section 211 of the Corporations Act and relies on this exception for the purposes of this Resolution.

Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of STIP Shares to Larry Diamond (or his nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) Larry Diamond is the Managing Director and Chief Executive Officer of the Company.
- (b) The maximum number of STIP Shares that may be acquired by Larry Diamond (or his nominee) is 44,643 (with the maximum number of STIP Shares that may be acquired by all persons for whom approval is required, including by Peter Gray in accordance with Resolution 4, being 89,286).
- (c) No cash will be raised from the issue of the STIP Shares, as they are being issued for nil cash consideration. However, the STIP Shares do have a deemed issue price of \$3.43 per STIP Share which was calculated pursuant to the terms of the Employee Incentive Plan.
- (d) Since the Employee Incentive Plan was last approved by Shareholders on 30 November 2018, the Company has issued the following securities under the Employee Incentive Plan:

Name	Number of securities received	Acquisition price for each security
Larry Diamond	610,000 Performance Rights	Nil
Peter Gray	610,000 Performance Rights	Nil

- (e) Each of the Company's current Directors are persons referred to in Listing Rule 10.14 who are eligible to participate in the Employee Incentive Plan.
- (f) There are no loans in relation to the proposed issue of STIP Shares.

- (g) The STIP Shares will be issued as soon as practicable after the Meeting but in any event no later than 12 months from the date of this Meeting, if approved by Shareholders of the Company.

A voting exclusion statement is included in this Notice.

Directors' recommendation

The Directors (excluding Larry Diamond) unanimously recommend that Shareholders vote in favour of this Resolution. The Chair intends to exercise all available proxies in favour of this Resolution where permitted.

Resolution 4 – Approval of Issue of STIP Shares to Peter Gray, Director of the Company

Background

Peter Gray is an executive Director and Chief Operating Officer of the Company.

Under the terms of Mr Gray's employment agreement, he is eligible for an annual performance-based bonus of \$175,000. As set out in the Company's 2019 Annual Report, 87.5% of this bonus vested, which resulted in \$153,125 being awarded to Mr Gray. Mr Gray has elected to take this bonus in the form of STIP Shares.

Accordingly, subject to Shareholder approval being given under this Resolution, the Company seeks to issue 44,643 STIP Shares at a deemed issue price of \$3.43 per STIP Share to Mr Gray (or his nominee) under the terms of the Employee Incentive Plan. The issue price was the market price at the date the STIP Shares for all participants (including non-related parties) was determined.

Director and Related Party Approvals

A summary of ASX Listing Rule 10.14 and Section 208 of the Corporations Act is described above in respect of Resolution 3.

The proposed issue of STIP Shares under the Employee Incentive Plan to Peter Gray (or his nominee) constitutes an acquisition of securities under an employee incentive scheme for the purposes of Listing Rule 10.14.

The proposed issue of STIP Shares also constitutes the giving of a financial benefit to a related party for the purposes of Section 208 of the Corporations Act.

The non-conflicted Directors of the Company (being Philip Crutchfield, John Batistich, Dianne Challenor and Larry Diamond) considered the issue of these STIP Shares to Peter Gray (or his nominee), and formed the view that the giving of this financial benefit as part of his remuneration would be reasonable, given the circumstances and recent performance of the Company, and the circumstances of and responsibilities held by Peter Gray in the Company. The non-conflicted Directors consider that the issue of STIP Shares is a more cost-effective way to remunerate Mr Gray, as opposed to other forms of remuneration, such as additional cash bonuses.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these STIP Shares to Peter Gray (or his nominee) falls within the exception in section 211 of the Corporations Act described above in respect of Resolution 3 and relies on this exception for the purposes of this Resolution.

Information Required by ASX Listing Rule 10.15

The following information in relation to the issue of STIP Shares to Peter Gray (or his nominee) is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

- (a) Peter Gray is an executive Director and Chief Operating Officer of the Company.
- (b) The maximum number of STIP Shares that may be acquired by Peter Gray (or his nominee) is 44,643 (with the maximum number of STIP Shares that may be acquired by all persons for whom approval is required, including by Larry Diamond in accordance with Resolution 3, being 89,286).
- (c) No cash will be raised from the issue of the STIP Shares, as they are being issued for nil cash consideration. However, the STIP Shares do have a deemed issue price of \$3.43 per STIP Share which was calculated pursuant to the terms of the Employee Incentive Plan.

- (d) Since the Employee Incentive Plan was last approved by Shareholders on 30 November 2018, the Company has issued the securities under the Employee Incentive Plan described above in respect of Resolution 3.
- (e) Each of the Company's current Directors are persons referred to in Listing Rule 10.14 who are eligible to participate in the Employee Incentive Plan.
- (f) There are no loans in relation to the proposed issue of STIP Shares.
- (g) The STIP Shares will be issued as soon as practicable after the Meeting but in any event no later than 12 months from the date of this Meeting, if approved by Shareholders of the Company.

A voting exclusion statement is included in this Notice.

Directors' recommendation

The Directors (excluding Peter Gray) unanimously recommend that Shareholders vote in favour of this Resolution.

The Chair intends to exercise all available proxies in favour of this Resolution where permitted.

Maximum Aggregate Amount of Non-Executive Directors' Fees

Resolution 5 – Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees

In accordance with Listing Rule 10.17 and Article 6.5 of the Company's Constitution, Shareholder approval is sought to increase the maximum aggregate amount available for non-executive Directors remuneration in any financial year by \$400,000, from \$600,000 to \$1,000,000.

The current annual aggregate amount of non-executive director fees was last increased by Shareholders on 30 November 2017 and details of fees paid to non-executive directors for the financial year ended 30th June 2019 are included in the Remuneration Report.

The executive Directors of the Company seek Shareholder approval to increase the aggregate amount of Directors' fees for non-executive Directors as:

- (a) it is important to ensure that the Company maintains the ability to pay competitive fees and attract and retain high calibre non-executive directors; and
- (b) the size of the proposed increase would be consistent with other ASX listed entities of similar market capitalisation.

The proportion remaining unused will provide the Company with the ability to attract and retain high quality directors, to make any appropriate increases to the size of the Board, and to increase fees in the future in line with market conditions.

It is proposed that the increase in the aggregate amount of fees for non-executive Directors will take effect immediately after this Meeting.

As required by Listing Rule 10.17, the Company confirms that the following securities have been issued to non-executive Directors in the preceding three years (from the date of this Meeting) under Listing Rules 10.11 or 10.14:

Date of issue	Non-executive Director	Terms and number of securities issued
5/12/2016	Philip Crutchfield	Listing Rule 10.11: Granted 150,000 Options with an exercise price of \$0.50 each and an expiry of 3 years from the date of issue.
5/12/2016	Philip Crutchfield	Listing Rule 10.11: Granted 150,000 Options with an exercise price of \$0.70 each and an expiry of 3 years from the date of issue.
5/12/2016	Philip Crutchfield	Listing Rule 10.11: Granted 700,000 Options with an exercise price of \$1.00 each and an expiry of 2 years from the date of issue. These Options were exercised in full on 6 December 2018, and Philip Crutchfield received 700,000 shares from the exercise of these Options.

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5/12/2016	Megan Quinn	Listing Rule 10.11: Granted 200,000 Options with an exercise price of \$1.00 each and an expiry of 2 years from the date of issue. These Options were not exercised and expired on 5 December 2018.
6/12/2018	John Batistich	Listing Rule 10.11: Issued 97,561 Shares in connection with John Batistich's prior consultancy agreement with the Company (as approved by Shareholders on 30 November 2018).

A voting exclusion statement is included in this Notice.

Directors' recommendation

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution.

As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

Enquiries

Shareholders are asked to contact the Company Secretary on +61 2 8072 1400 if they have any queries in respect of the matters set out in these documents.

For personal use only

Glossary

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

Annual Financial Report means the 2019 Annual Report to Shareholders for the period ended 30th June 2019 as lodged by the Company with ASX on 27th September 2019 and reissued on 30th September 2019.

Annual General Meeting or **AGM** or **Meeting** means the annual general meeting of the Company convened by this Notice of Meeting.

ASIC means Australian Securities and Investment Commission.

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 or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

Auditor's Report means the auditor's report for the financial year ending 30th June 2019 as included in the Annual Financial Report.

Board means the current board of Directors of the Company.

Business Day means a day on which trading takes place on the stock market of ASX.

Chair means the person chairing the Meeting.

Closely Related Party of a member of the Key Management Personnel of the Company means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) 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;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

Company means Zip Co Limited ACN 139 546 428.

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 "\$" means Australian dollars.

Employee Incentive Plan means the amended employee incentive plan approved by Shareholders at the 2018 Annual General Meeting.

Explanatory Statement means the explanatory statement accompanying this Notice of Meeting.

Key Management Personnel has the meaning given to that term in the Corporations Act.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting dated 24 October 2019 including the Explanatory Statement.

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

Ordinary Resolution means a resolution passed by more than 50 per cent of the votes at a general meeting of Shareholders.

Performance Right means a performance right which, subject to its terms, could convert to a Share.

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

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

Resolutions means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

Restricted Voter has the meaning given to that term in each relevant voting exclusion statement.

Securities mean Shares and/or Options (as the context requires).

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

Shareholder means a holder of a Share.

Share Registry means Computershare Limited.

Spill Meeting means the meeting that will be convened within 90 days of the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

Spill Resolution means the resolution required to be put to Shareholders at the 2020 AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting and the 2020 AGM.

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

For personal use only



ABN 50 139 546 428



Z1P

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 Wednesday, 27 November 2019.**

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 the Company.

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.

ATTENDING THE MEETING

If you are attending in person, please bring this form with you to assist registration.

Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Use your computer or smartphone to appoint your proxy and vote at www.investorvote.com.au or scan your personalised QR code below using your smartphone.

Your secure access information is



Control Number: 999999

SRN/HIN: I9999999999

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.

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 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 Annual General Meeting of Zip Co Limited to be held at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 on Friday, 29 November 2019 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 1, 3, 4 and 5 (except where I/we have indicated a different voting intention in step 2) even though Items 1, 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 1, 3, 4 and 5 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
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Philip Crutchfield as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Issue of STIP Shares to Larry Diamond, Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of Issue of STIP Shares to Peter Gray, Director of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to Increase the Maximum Aggregate Amount of Non-Executive Directors' Fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item 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 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





ABN 50 139 546 428

Z1PRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SURBURB
SAMPLETOWN VIC 3030

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IND

Proxy Form

Please mark to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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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 Annual General Meeting of Zip Co Limited to be held at Arnold Bloch Leibler, Level 24, Chifley Tower, 2 Chifley Square, Sydney NSW 2000 on Friday, 29 November 2019 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

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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





ABN 50 139 546 428

All correspondence to:
Computershare Investor Services Pty Limited
GPO Box 2975 Melbourne
Victoria 3001 Australia
Enquiries (within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000
www.investorcentre.com/contact
www.computershare.com

Z1PRM

MR RETURN SAMPLE
123 SAMPLE STREET
SAMPLE SUBURB
SAMPLETOWN VIC 3030

Dear Securityholder,

We have been trying to contact you in connection with your securityholding in Zip Co Limited. Unfortunately, our correspondence has been returned to us marked "Unknown at the current address". For security reasons we have flagged this against your securityholding which will exclude you from future mailings, other than notices of meeting.

Please note if you have previously elected to receive a hard copy Annual Report (including the financial report, directors' report and auditor's report) the dispatch of that report to you has been suspended but will be resumed on receipt of instructions from you to do so.

We value you as a securityholder and request that you supply your current address so that we can keep you informed about our Company. Where the correspondence has been returned to us in error we request that you advise us of this so that we may correct our records.

You are requested to include the following;

- > Securityholder Reference Number (SRN);
- > ASX trading code;
- > Name of company in which security is held;
- > Old address; and
- > New address.

Please ensure that the notification is signed by all holders and forwarded to our Share Registry at:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne Victoria 3001
Australia

Note: If your holding is sponsored within the CHESS environment you need to advise your sponsoring participant (in most cases this would be your broker) of your change of address so that your records with CHESS are also updated.

Yours sincerely

Zip Co Limited

