

**ZIPMONEY LIMITED**  
**CORPORATE GOVERNANCE STATEMENT**

As at 22 August 2017 and approved by the Board.

The Company is committed to high standards of corporate governance designed to enable the Company to meet its performance objectives and better manage its risks.

The Company has adopted a comprehensive governance framework in the form of a formal corporate governance charter together with associated policies, protocols and related instruments.

The Company intends to follow the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations – 3<sup>rd</sup> Edition* ("ASX CGC P&R") in all respects other than as specifically provided below.

A full copy of the Company's corporate governance charter and associated policies, protocols and related instruments is available on the Company's website at [www.zipmoneylimited.com.au](http://www.zipmoneylimited.com.au) under the heading "Corporate Governance".

However, notwithstanding the adoption of the Company's corporate governance charter and the aforementioned intention, and given the Company's business activities, developing business base and growing staffing complement, cultural adherence in practice to all aspects of the respective charters and the ASX CGC P&R remains an evolving "work in progress".

In particular, each of the recommendations of the ASX CGC P&R which will not be followed by the Company and the reasons why they respectively will not be followed, are set out below. Given the underlying issue and nature of the non-compliance with each of the recommendations and the intended temporal duration of the non-compliance, no alternate governance practices are intended to be adopted in lieu of each specified recommendation of the ASX CGC P&R.

| Recommendation  | Current Practice  |
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| <p>1.1 A listed entity should disclose:</p> <p>a. The respective roles and responsibilities of its board and management; and</p> <p>b. Those matters expressly reserved to the board and those delegated to management.</p>   | <p>Comply. The functions reserved for the Board and delegated to senior executives have been established.</p> <p>Please refer to the Board Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p>   |
| <p>1.2 A listed entity should:</p> <p>a. Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</p> <p>b. Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director</p> | <p>Comply. Appropriate checks have been undertaken.</p> <p>The Company has in place an external supplier to undertake appropriate checks on any potential director appointments (if required by the board in addition to their internal checking).</p> <p>All material information that the Company has in its possession has been disclosed.</p> |
| <p>1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>  | <p>Comply.</p> <p>On appointment, directors are provided with a written letter of appointment and executive management are provided with written employment agreements, which sets out the terms of employment.</p>   |
| <p>1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair,</p>   | <p>Comply. This practice is in place.</p>   |

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|     | on all matters to do with proper functioning of the board.  | Please refer to the Board Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.  |
| 1.5 | A listed entity should: <ul style="list-style-type: none"> <li>a. Have a diversity policy;</li> <li>b. Disclose that policy or a summary of it;</li> <li>c. Disclose the measurable objectives for achieving gender diversity and its progress towards achieving them; and</li> <li>d. The respective proportions of men and women.</li> </ul>  | <p>Comply.</p> <p>Comply.</p> <p>The Company aims to improve the gender diversity across the organisation measured on a year-on-year basis. Comply.</p> <p>Please refer to the Diversity Policy at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p> <p>Board – 75% Men, 25% Women; Senior Executives – 100% Men; Whole Organisation – 67% Men, 33% Women</p> |
| 1.6 | A listed entity should: <ul style="list-style-type: none"> <li>a. Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>b. Disclose whether performance evaluations were undertaken.</li> </ul>   | <p>Comply.</p> <p>Please refer to the Board Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p> <p>Do not comply.<br/>No evaluations have been undertaken to date.</p>   |
| 1.7 | A listed entity should: <ul style="list-style-type: none"> <li>a. Have and disclose a process for periodically evaluating the performance of senior management; and</li> <li>b. Disclose whether performance evaluations were undertaken.</li> </ul>  | <p>Comply.</p> <p>Please refer to the Remuneration Committee Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p> <p>Do not comply.<br/>No evaluations have been undertaken as the senior executives of the Company represent the majority of the directors</p>   |
| 2.1 | A listed entity should have a nomination committee which: <ul style="list-style-type: none"> <li>- Consists of at least 3 members, a majority of whom are independent directors;</li> <li>- Is chaired by an independent director;</li> </ul> <p>And disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a nomination committee disclose that fact and the process it follows to address that role.</p> | <p>Do not comply.</p> <p>The board has not established a nomination committee as the role of the committee will be undertaken by the full board.</p> <p>A Nomination Committee Charter has been adopted. Please refer to the Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p> <p>To be developed given the Company's change in activities.</p>    |
| 2.2 | A listed entity should have and disclose a board skills matrix.   | <p>Comply.</p> <p>The Board Skills matrix is available at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance Section.</p>   |

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| 2.3 | <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- The names of the directors considered by the board to be independent directors and length of service.</li> <li>- If a director has an interest / association / relationship that meets the factors of assessing independence.</li> </ul>  | <p>Comply.</p> <p>The following independent directors currently serve on the Board: Mr Philip Crutchfield (Independent, non-executive chairman) and Ms Megan Quinn (independent, non-executive director).</p> <p>The Board annually assesses the independence of each director.</p> <p>The Board has determined that Philip Crutchfield and Megan Quinn are independent directors. The appointment date of each director is disclosed in the Company's Annual report.</p> |
| 2.4 | <p>A majority of the board should be independent directors.</p>  | <p>Do not Comply.</p> <p>The Board currently consists of 2 independent directors from a Board comprising of 4 members.</p>  |
| 2.5 | <p>The chair should be an independent director. The roles of Chair and Chief Executive Officer should not be exercised by the same individual.</p>   | <p>Comply.</p> <p>Please refer to the Board Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p>  |
| 2.6 | <p>A listed entity should have a program for inducting new directors.</p>  | <p>Does not comply.</p> <p>Given the size and scale of the Company's operations and activities, it is not considered necessary for a formal induction program to be established.</p>  |
| 3.1 | <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>- have a code of conduct; and</li> <li>- disclose the code or a summary of it.</li> </ul>  | <p>Comply.</p> <p>Please refer to the Code of Conduct at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p>  |
| 4.1 | <p>The board of a listed entity should have an audit committee which:</p> <ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The relevant member qualifications;</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> | <p>Do not comply.</p> <p>The board has not established an audit committee as the role of the committee is currently undertaken by the full board, which consists of 4 members.</p> <p>An Audit Committee Charter has been adopted. Please refer to the Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p>   |
| 4.2 | <p>The board should receive declarations for CEO &amp; CFO in accordance with S.295A of corporations act before approving financial statements.</p>  | <p>Comply.</p> <p>The Board requires that the CEO/Managing Director and CFO (or equivalent) provide a written declaration in accordance with section 295A of the Corporations Act.</p>  |

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|     |  | The Board has received the written assurance from the CEO/Managing Director and CFO (or equivalent) required under Recommendation 4.2 in respect of the financial year ended 30 June 2017.   |
| 4.3 | A listed entity should ensure its external auditor attends its AGM.  | Comply.<br><br>The Company's external auditor is required to attend the AGM and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.   |
| 5.1 | A listed entity should: <ul style="list-style-type: none"> <li>- Have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>- disclosure that policy or a summary of it.</li> </ul>  | Comply.<br><br>A Continuous Disclosure Policy has been adopted. Please refer to the Policy at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.  |
| 6.1 | A listed entity should provide information about itself and its governance to investors via its website.   | Comply.<br><br>Please refer to the Corporate Governance Section on the Company's website at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a>   |
| 6.2 | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.  | Comply.<br><br>A Shareholder Communication Policy has been adopted. Please refer to the Policy at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.  |
| 6.3 | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.  | Comply.<br><br>Please refer to the Shareholders Communication Policy at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.  |
| 6.4 | A listed entity should give security holders the option to receive communications from, and send communication to, the entity and its security registry electronically.  | Comply.<br><br>Orchestrated via the share registry service (welcome pack to investors).  |
| 7.1 | The board of a listed entity should have a committee to oversee risk, which: <ul style="list-style-type: none"> <li>- Has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent chair, who is not chair of the board.</li> </ul> Disclose: <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a risk committee disclose that fact and the process it follows to address that role.</p> | Do not comply.<br><br>The board has not established a risk committee as the role of the committee is undertaken by the full board, which currently consists of 4 members.<br><br>The company has established policies for the oversight and management of material business risks.<br><br>A Risk Management Policy has been adopted. Please refer to the Policy at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual. |

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| 7.2 | <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>- Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>- Disclose whether such a review has taken place.</li> </ul>   | <p>Comply.</p> <p>The Company undertakes a review of the risk management framework as part of the annual audit of the Company.</p> <p>Comply.</p>  |
| 7.3 | <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>- If has an internal audit function, how the function is structured and what role it performs;</li> <li>- If it does not have an internal audit function, disclose that fact and the process it follows to address that function.</li> </ul>  | <p>Comply.</p> <p>The entity does not have an internal audit function. The function is being developed by management and will ultimately be related to the size of the entity.</p>   |
| 7.4 | <p>The entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks, and if it does, how it manages those risks.</p>   | <p>Comply.</p> <p>The Company does not have material exposure to environmental and social sustainability risks.</p> <p>The Company does have material exposure to economic risks through the provision of its financial products. Those risks and their management is reporting annually in the Company's Annual Report.</p>   |
| 8.1 | <p>The board of a listed entity should:</p> <ul style="list-style-type: none"> <li>- have a remuneration committee which has at least three members all of whom are non-executive directors and a majority of independent directors; and</li> <li>- Is chaired by an independent director; and</li> </ul> <p>Disclose:</p> <ul style="list-style-type: none"> <li>- The charter of the committee;</li> <li>- The members of the committee; and</li> <li>- The number of times the committee met and individual attendance at those meetings</li> </ul> <p>If it does not have a remuneration committee disclose that fact and the process it follows to address that role.</p> | <p>Do not comply.</p> <p>The board has not established a remuneration committee as the role of the committee is undertaken by the full board, which currently comprises of 4 members.</p> <p>A Remuneration Committee Charter has been adopted. Please refer to the Charter at <a href="http://www.zipmoneylimited.com.au">www.zipmoneylimited.com.au</a> in the Corporate Governance and Policies Manual.</p> |
| 8.2 | <p>Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.</p>   | <p>Comply.</p> <p>The structure of Directors' remuneration is disclosed in the Annual Report.</p>  |
| 8.3 | <p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> <li>- Have a policy on whether participants are permitted to enter into transactions which limit the economic risk of participating in the scheme;</li> <li>- Disclose that policy or a summary of it.</li> </ul>  | <p>The Company is still in the process of formalising the equity-based remuneration scheme. There is not currently a formal policy in place in relation to participants entering transactions which limit the economic risks of permitting in the scheme</p>   |

Further information about the Company's corporate governance practices is set out on the Company's website at [www.zipmoneylimited.com.au](http://www.zipmoneylimited.com.au)