

Financial Services Guide

Western Union International Bank GMBH, French branch

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1. Introduction

The purpose of this Financial Services Guide (**FSG**) is to provide you with general information about Western Union International Bank GmbH, French Branch and the services it provides. This FSG sets out:

- who we are;
- how we can be contacted;
- what services we are authorised to provide to you;
- the financial products to which those services relate;
- how we categorise our clients;
- how we structure the remuneration for our services;
- how we protect clients funds we potentially hold;
- how we handle potential source of conflicts of interest when we provide services to our clients; and
- how we handle complaints.

In addition to this FSG, the following documents (copies of which are available on request) also contain important information about our services:

- Product Disclosure Statement for Foreign Exchange transactions - this document includes a detailed description of the international funds transfer, spot foreign exchange, forward contracts, and future payments transactions we offer as well as the advantages and significant risks involved with these products;
- Product Disclosure Statement for Foreign Exchange Options - this document includes a detailed description of the foreign exchange options products we offer as well as the advantages and significant risks involved with these products; and
- Our Terms and Conditions of business.

Where the terms WUIB, we, us, our, or Western Union Bank are used in this Guide, it refers to Western Union International Bank GmbH, its branches (in particular Western Union International Bank GmbH, French Branch operating in France) and its affiliates, as the context requires.

2. About Western Union International Bank GmbH

Western Union International Bank GmbH was established in 2004, in order for Western Union to offer private and business clients a wider range of quality products and services. Western Union International Bank GmbH is a fully licensed bank with its registered seat in Austria. In addition to Austria, we are active in other European countries (for example France, the United Kingdom and Germany).

As the international banking arm of Western Union, WUIB is traditionally known for its business activities in the area of consumer banking services, especially international money transfers. In accordance with the business strategy of the Western Union Group, WUIB has extended its services portfolio offering ancillary foreign currency services to money transmission. Accordingly, we provide

solutions for our clients that need to pay for foreign invoices or to exchange foreign receivables. Our clients include corporations and small to medium enterprises as well entrepreneurs. These products are offered under the Western Union Business Solutions (**WUBS**) brand.

3. Austrian Banking Licence

WUIB has been approved as a credit institution since October 2004, which authorizes it to provide the banking services described in paragraph 5 below.

WUIB has passported this license pursuant to the EU Freedom to Provide Services right to 29 states within Europe and additionally offers these services through branches in the United Kingdom, the Czech Republic, France, Germany, Italy and Poland and will look to broaden this branch network in the future.

Our Austrian Head Office address, as well as the details of our French branch, are shown in Section 11 of this FSG.

4. How do we Communicate?

You can contact us by telephone, e-mail, fax or post. You will find our contact information in section 11 of this FSG.

We contact our customers by e-mail and telephone. Orders for international funds transfers, spot foreign exchange, forward contracts and future payments transactions orders, will regularly be sent and received over telephone or by email when you contact your Client Relationship Manager (**CRM**) or via our online platform. Reports on financial instruments can be retrieved from the WUIB online platform or your account manager at any time.

Orders to enter into foreign exchange options contracts are sent and received over the telephone, as our clients contact their CRM.

Communications will be sent to your e-mail address if you agree to be contacted in this manner and you provide us with your e-mail address.

Please note that we record all telephone conversations (for training, quality and regulatory purposes).

You can communicate with us in French and in English.

5. Our Products and Services

WUIB offers the following WUBS branded services in France to its customers:

- (i) International funds transfers;
- (ii) Spot Foreign Exchange contracts;
- (iii) Foreign Exchange Forward Contracts;
- (iv) Foreign Exchange Non-Deliverable Forward Contracts; and

- (v) Foreign exchange Option Contracts.

These products are further described in our Product Disclosure Statements, copies of which can be found and downloaded from our website at: <https://business.westernunion.com/en-fr/About/Compliance-Legal> and/or provided upon request.

Investment Advice

We are also authorised to offer our clients investment advice. Investment advice means the provision of personal recommendations, either at the request of a client or at the initiative of WUIB, in respect of one or more transactions relating to financial instruments.

What this means is that we are able to provide you with advice as to your hedging strategy and can recommend specific products and/or hedging strategies to you.

Please note, however, that this advice is not independent. The advice we provide is limited to our assessment of the suitability of the products offered by WUIB of the products offered by WUIB in meeting the hedging objectives you describe to us. It does not take into account other products that may be available on the market that may or may not be more suitable for your needs, nor do we offer advice on topics outside of mitigating your currency risk. We also do not provide periodic statements on the suitability of the financial instruments that are recommended to you. If you require these services, we recommend that you seek independent advice accordingly.

6. WUIB's Order Execution Policy

6.1 Introduction

- 6.1.1 In accordance with applicable laws, when executing client orders, WUIB is required to act honestly, fairly and professionally in the best interests of its clients.
- 6.1.2 WUIB's order execution policy (hereinafter the "**policy**") has been developed in order to establish the best possible results when executing client orders and gives an overview of order processing processes and order execution process.
- 6.1.3 The principles contained in the policy derive from the Markets in Financial Instruments Directive 2014/65 / EU and related regulations.

6.2 Scope and general provisions

- 6.2.1 This policy applies to all business relationships between the client and WUIB with respect to foreign exchange forward and options contracts and future payment transactions that WUIB provides to its customers.
- 6.2.2 This policy is reviewed annually and monitored regularly to determine whether the orders WUIB receives from its customers are being executed in accordance with this policy.
- 6.2.3 If WUIB makes any changes to this policy, it will notify its customers by e-mail. Any changes to this policy will not apply to transactions initiated prior to the change date.
- 6.2.4 A customer may object to policy changes within two months of notification of changes. The customer may inform WUIB in writing, by e-mail or by telephone to the usual contacts of the customer (see section 12 for WUIB contact details). If no objection is received from the

customer within two months of notification of changes, the changes will be deemed to have been accepted by the customer.

6.3 Access channels

- 6.3.1 Customers can place orders for foreign exchange derivative contracts by phone or email. Negotiation by telephone or e-mail is available during WUIB's normal business hours. Please note that all telephone conversations are recorded.
- 6.3.2 In addition, the WUB online trading platform is available to customers (who have signed the necessary documentation) to place orders on forward exchange contracts.
- 6.3.3 Transactions concluded via the WUIB online platform are processed on the same business day of the request. Other transactions are processed on the same business day of the request if WUIB receives the request by 5 pm on a business day.
- 6.3.4 For each order placed, the customer will receive a written confirmation ("Customer confirmation") of the transaction and a unique customer confirmation number.

6.4 Requirements for participation in foreign exchange derivatives trading

- 6.4.1 Trading in foreign exchange derivative contracts is limited to the client's business activities. **Trading for purely speculative purposes is not permitted.**
- 6.4.2 Because the trading of foreign exchange derivative contracts involves special risks, WUIB assesses its clients when entering into a business relationship in order to determine whether and to what extent the trading of foreign exchange derivative contracts is appropriate for such clients.
- 6.4.3 Each Client must complete a client profile document confirming such Client's knowledge and experience and thus the Client's risk level.

6.5 Execution criteria

- 6.5.1 WUIB takes into account the execution criteria of the following orders in order to obtain the best possible result:
- Price
 - Speed and likelihood of execution
- 6.5.2 In most cases, the price will be the most important factor of execution. The best possible result will be determined by the price of the foreign exchange derivative and the costs of execution (including any costs incurred by the customer that are directly related to the execution). Due to the uniqueness of the products offered by WUIB, there are no comparable prices on publicly available trading platforms. However, it should be possible for a customer to obtain comparative information from other suppliers in the market offering similar products.

- 6.5.3 In certain circumstances, however, WUIB may consider other factors and criteria to the extent that they seem relevant to the execution of orders if it is in the best interest of the client.
- 6.5.4 Western Union has established relationships with a number of leading market counterparties. The size and global reach of Western Union means we have considerable weight with these institutions, which allows WUIB to secure competitive pricing for its products.
- 6.5.5 Transactions on financial instruments with WUIB are made over the counter ("OTC" or "over the counter") which imply a unique contractual relationship adapted to the customer's situation. As such, all orders placed with WUIB will be executed outside a regulated market or a multilateral trading facility.
- 6.5.6 All prices and rates quoted by WUIB are exclusive WUIB prices and rates.

6.6 Execution venues

- 6.6.1 All orders in FX Derivatives will be executed by WUIB dealing as principal.
- 6.6.2 WUIB does not execute any Client Orders on a regulated market or multilateral trading system.
- 6.6.3 Transactions will be entered into by WUIB subject to market conditions.

6.7 Specific instruction

- 6.7.1 If the client gives WUIB a specific instruction in relation to the execution of an order which WUIB accepts, WUIB will use reasonable efforts to execute the Client Order in accordance with the client's instruction. Where the client's instruction relates to a part of the order, WUIB will apply the policy to the remainder of the order.
- 6.7.2 A client instruction to carry out an order that deviates from this policy will prevent WUIB, with regard to the elements covered by such client instruction, from taking the measures laid down and implemented in this policy to achieve the best **possible result for the client in the execution of the order.**

6.8 Cancellation and correction of orders

- 6.8.1 All declarations of the client to WUIB are made as soon as the client has submitted these statements to WUIB. Cancellations of or changes to these declarations are not possible. WUIB will take into account later changes only insofar as is technically possible with reasonable effort. Any additional expenses and fees incurred as a consequence of such changes are charged to the client.
- 6.8.2 WUIB will do everything possible to rectify any error that may occur, but it cannot be held liable for any harm or loss caused by errors or inaccuracies contained in a client's instruction.
- 6.8.3 WUIB may correct or cancel an FX Derivative contract in case of non-compliance with WUIB's Terms and Conditions or any other agreement between WUIB and the Client. If the cancellation price deviates from the original contract price then the cost or benefit will be paid

and the contract will be cancelled. Any additional expenses and fees will be charged to the client - please see our Fee Schedule for more information.

6.8.4 WUIB will inform clients in case of market disturbances. If, in the case of a market disturbance, WUIB is not able or not willing to present actual quotes, Clients will not be permitted to enter into any new FX Derivative.

6.9 Monitoring and amendments

6.9.1 WUIB will monitor the quality of its execution arrangements regularly, promptly making any changes where a need is identified. WUIB will, in any event, review these arrangements periodically, to ensure reasonable efforts to deliver the best possible result to its Clients.

6.9.2 Upon a request from a client, WUIB will demonstrate to the client how it has complied with this policy.

6.9.3 This policy will be reissued where there is a material change to the arrangements described above.

7. How do we categorise our clients?

The Markets in Financial Instruments Directive 2014/65/EU (**MiFID**) defines the following three categories of customers:

- Non-professional client
- Professional client
- Eligible counterparty

WUIB customers are categorized as non-professional or business customers. Non-professional clients are entitled to the highest level of transparency and protection under the MiFID regulations. Professional clients may be afforded lower levels of transparency and protection because they are expected to have the experience, knowledge and expertise to make their own investment decisions and to properly assess the risks they face. In certain circumstances, and subject to certain conditions, WUIB offers its customers the possibility of to change their client classification.

8. How are we remunerated for the Financial Services which we provide to you?

Forwards

When buying a forward contract (including a non-deliverable forward contract) from WUIB, we offer you an exchange rate that you are able to lock in for a future date. This rate will be less favourable than the wholesale or "interbank" exchange rate that we are able to access through our counterparties and the difference between the two rates minus costs is our profit or margin.

For example, if the interbank spot rate is trading at \$1,1834 and you are applying for a \$100,000 forward contract buying dollars for delivery in 3 months, the forward adjustment (due to the current and expected interest rate differentials between the currency you sell and the currency you buy and

which is determined by the counterparty bank) accounts for 34 pips (1 pip = \$0,0001). This means that we are getting a net wholesale rate of \$1,1800, but the forward rate we are offering you could be \$1,1760. That means you pay us €100.000 to buy \$117.600; however, at a rate of \$ 1,1800, we pay our counterparty \$99.771 to purchase this amount in USD. We therefore generated an income of €229 or 0,23%. Costs will then have to be deducted from this amount to arrive at our profit margin.

The rate we offer depends on a number of factors, including: the value of the transaction and the currency involved, transaction costs such as the cost of credit, the likelihood of increases or decreases in the relevant exchange rates and the differing interest rates applicable to the currency pair involved in the transaction.

The exchange rates quoted in the media generally reflect the wholesale exchange rates which we will obtain from the interbank foreign exchange market - the rates that are available for free online are often not live rates and do not take into account costs of transacting, such as a credit charge or operating costs. Our access to more favourable exchange rates results from our comparative size, market access and the large volumes of foreign currency transactions we deal in.

The mechanism by which we generate revenue from option contracts is a little different.

Vanilla Options

If you buy a vanilla option, you will pay an initial premium, expressed as a percentage of the amount of currency you want to trade. Thus, a premium of 1,2% on a vanilla option that gives you the right to sell €100.000 and buy USD at \$1,1800 (i.e. Euro Put) will be € 1,180. In this case, we do not adjust the Protection Rate that the option provides you in the same way that Western Union adjusted the forward exchange rate as specified in the example above. We are buying a vanilla option at \$1,1800 and selling you the same option. Instead, the premium we charge you will be slightly higher than the premium we are charged by our counterparty. For example, we pay 1% of the notional amount (€1.000 but charge you 1,2% of the notional amount (€1.200), which generates an income for us of 0,2% (€200). As with forwards, associated costs will then have to be deducted from this amount to arrive at our profit margin.

"Zero premium" options

With zero premium options, we do not make any adjustments to option premiums. Instead, our revenue comes from a difference between the premium paid for the option purchased and the premium received for the option sold.

Using a Participator as an example, where you have a 100% protection and generally a 50% obligation to trade at the Protection Rate, you may buy the same Euro Put described above in relation to vanilla options giving you the right to sell EUR 100.000 and buy USD at \$1,1800 should the EUR/USD rate be lower than 1,180 on expiry.

As above, this costs 1% of the notional amount (1% of €100.000) - therefore € 1.000 – from our counterparty. You simultaneously sell a Euro Call – obligating you to sell EUR 50.000 and buy USD at 1,1800 should the rate be higher at expiry. We offer you this structure at zero cost or zero premium; however, when we sell this EUR Call to our counterparty bank, we may receive from them a premium of 2,4% of the notional amount for the EUR Call – i.e. €1.200 (€50.000 x 2,4%). So we sold you the structure for the zero premium, but we received a net amount of € 200 (€1,200 received against €1,000 paid) which, after deducting expenses, is our income.

International Funds Transfers - Transaction Costs

If you use our international money transfer services, a transaction fee will apply. These transaction fees vary depending on the amount and type of foreign currency transferred, the number and

frequency of transfers you make through us and the country to which the funds are sent. Please refer to your Fee Schedule for further details.

9. Is WUIB member of a Guarantee Scheme?

As credit institution, WUIB is member of the deposit guarantee scheme “*Einlagensicherung AUSTRIA Ges.m.b.H.*” with the address Wipplingerstraße 34/4/DG4 1010 Vienna, which is in charge of investor compensation as well. More information on the organisation of the Austrian deposit protection and investor compensation scheme can be found at: <http://www.einlagensicherung.at/>.

10. How do we prevent conflicts of interest?

WUIB conducts its business according to the principle that it must manage and control conflicts of interest fairly: (i) between itself and its clients, (ii) between its employees and its clients and (iii) between one client and another. Our policy is to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and manage relevant conflicts. The senior management of WUIB is responsible for ensuring that our systems, controls and procedures are adequate to identify and manage Conflicts of Interest. Our Compliance and Legal Departments assist in the identification and monitoring of actual and potential Conflicts of Interest. WUIB has in place business-specific procedures that address the identification and management of actual and potential Conflicts of Interest that may arise in the course of the conducting business.

Considering the business activities related to the product portfolio of WUIB, Conflicts of Interest may arise in situations that include:

- trading on own account;
- provision of advisory services to clients;
- personal account dealing of our employees.

Should a Conflict of Interest arise, it must be managed and controlled promptly and fairly. As a minimum standard WUIB has in place arrangements designed to ensure that:

- there are effective procedures in place to control the flow of information where, otherwise, the risk of a Conflict of Interest may harm the interests of a client;
- supervisory arrangements provide for separate supervision of staff where necessary for the fair treatment of the clients;
- there are appropriate controls in place to identify and to manage outside business interests of WUIB employees and management;
- relevant information is recorded promptly in a secure environment to enable identification and management of Conflict of Interest – The Conflicts of Interests Register;
- appropriate disclosure is made to the client in a clear, fair and not misleading manner to enable the client to make an informed decision;
- appropriate inter- and intra-divisional escalation processes are in place and complied with where a Conflict of Interest has been identified or may be identified;
- adequate records are maintained of the services and activities of WUIB, where a Conflict of Interest has been identified;
- where necessary, WUIB employees or managers may be asked to step aside from working on a specific transaction or participating in the management of a potential Conflict of Interest;

- WUIB employees or managers are subject to personal account transaction rules; and
- a periodic review of adequacy of the WUIB's systems and controls in order to manage conflict of interest is in place.

In exceptional circumstances if some Conflict of Interest remains and, where permissible by local regulations, WUIB will disclose it to affected clients. Disclosure is made of the general nature and/or sources of conflict to enable the client to make an informed decision, whereby the bank secrecy as well as personal data protection requirements are taken into account. In such a case, we may resign any evaluation, advice or recommendation concerning the relevant financial instrument. At the client's request, we will provide further details for the resolution of any such conflicts of interest on a durable medium.

Inducements

In a very limited number of cases WUIB has entered into agreements with third party referral partners pursuant to which WUIB would pay fees or commissions in relation to the provision of services to our clients.

If WUIB enters into such an arrangement with a third party, the following notifications will be made to the client:

- Prior to the provision of the first investment service, the amount of the corresponding inducement, or if not known, the method to calculate it;
- After the provision of the investment service, the precise amount of the inducement paid or received; and
- At least annually, the total amount of inducements paid or received.

Employee remuneration

Our employees do not receive specific payments or commissions for providing you with financial product advice. Our employees may broadly be divided into two specific categories: branch staff and dealer/sales representatives. Our branch staff includes directors, managers, administration personnel. Our branch staff are remunerated primarily by base salary. We also provide a company bonus and revenue sharing plan to branch staff, which is payable when predetermined budget targets are achieved for each branch.

Our dealer/sales representatives are also remunerated primarily by a salary. Individual dealer/sales representatives may also be paid variable compensation based upon performance against annual objectives which include compliance adherence, customer outcomes as well as annually set revenue targets.

Copies of our Conflict of Interest Policy are available upon request.

11. What should you do if you have a complaint?

Western Union International Bank GmbH places the utmost importance on the quality of its services and is attentive to customer satisfaction in all circumstances. However, when a difficulty occurs that could affect the quality of the customer relationship, Western Union International Bank is committed to the processing of the complaint within the following deadlines:

Claim for a payment service:

We will acknowledge receipt of the customer's complaint within 5 business days of the date of receipt of the claim.

We will investigate any claim and send a response within 15 business days of receipt. If we are unable to provide a complete response within 15 business days of receipt for reasons beyond our control, we will send a response clearly stating the reason for the delay and a deadline for a complete response; this date shall not exceed 35 working days after the date of receipt of the claim.

Claim for an investment service or financial instrument:

For the processing of the claim, we undertake to respect a deadline of ten working days maximum from the receipt of the claim to acknowledge receipt, unless the answer itself is provided to the customer within this time.

In addition, we undertake to respect a maximum period of two months between the date of receipt of the complaint and the date of dispatch of the response to the customer, except in the event of duly justified special circumstances.

Processing a claim

Your CRM

First, you can contact a charge d'affaires at 0805 980 233 (free call from a landline) who will answer your questions.

Customer service

If the answer provided previously does not satisfy you, contact the Customer Relations Department.

By email:

WUBSFrance@westernunion.com

By post:

Western Union International Bank GmbH

French Branch

Customer Relations Service

Manhattan Tower,

5-6 place of the Iris,

92095 Paris The Cedex Defense

Ombudsman

If you are not satisfied with the response to your complaint, you can enter the mediator of the Autorité des Marchés Financiers free of charge.

Throughout the process, mediation involves a voluntary approach by both parties. It is never binding: the mediator proposes but does not impose.

- You can send a letter by post to the following address:

Autorité des marchés financiers -

The Ombudsman

17, Place de la Bourse

75082 Paris Cedex 02

An electronic referral form is also available on the website: www.amf-france.org

After reviewing your file, the mediator issues a recommendation on your dispute based on law and equity.

Learn more about the AMF mediator and the process of mediation by clicking here.

12. Contact and important information

Branch in France:

Western Union International Bank, GmbH, French Branch

Tour Manhattan, 5-6 Place d'Iris, 92095 Paris La Defense, Cedex, France,

RCS Nanterre 750 938 094

Tel: +33 (0) 1 71 04 55 00

Email: wubsfrance@westernunion.com

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Registration number: FN 256184 t

Vienna Commercial Court, DVR: 2111221

Supervisory authority

Austrian Financial Market Authority A-090 Vienna, Otto-Wagner-Platz 5 <http://www.fma.gv.at>

Contact us

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business.westernunion.com/en-fr/

WesternUnion **WU** | Business Solutions

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Western Union Business Solutions is a business unit of The Western Union Company and provides services in France through its wholly-owned subsidiary Western Union International Bank GmbH, French Branch, (referred to as "**Western Union Business Solutions**").

Western Union International Bank GmbH, French branch (RCS Nanterre 750 938 094) has a registered place of business at Tour Manhattan, 5-6 place de l'Iris, 92095 Paris La Défense Cedex, France and is a branch of Western Union International Bank GmbH (registered at the Vienna Commercial Court, Commercial Registry Number: FN256184t, Sales Tax Identification Number: ATU 61347377; Registration Number 256184t), an Austrian company whose registered office is at The Icon Vienna (Turm 24), Wiedner Gürtel 13, 1100 Vienna, Austria), which is a licensed credit institution supervised by the Austrian Financial Market Authority (*Finanzmarktaufsicht*).

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