



*Product Disclosure Statement
For Foreign Exchange Transactions*

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Important Information about this Product Disclosure Statement

This Product Disclosure Statement (PDS) provides you with a detailed description of the types and characteristics of the Foreign Exchange products and financial instruments Western Union International Bank GmbH (WUIB) offers as well as the associated risks and costs. The PDS sets out information designed to assist you in deciding whether to acquire any of the Western Union Business Solutions (WUBS) products set out in this document.

We recommend that this PDS should be read in full before you make a decision to acquire a product this PDS relates to. All information provided in this PDS is general in nature and does not take into account your individual objectives, financial situation or specific needs. We recommend that after reading this PDS you consider whether the features of our products, including the advantages and disadvantages, will meet your individual objectives, financial situation or specific needs.

A separate Financial Services Guide (FSG) will provide further information about WUIB and the products and services we offer.

References to **we, our, us, Western Union International Bank or WUIB** are references to Western Union International Bank GmbH (Austria), its branches, in particular Western Union International Bank GmbH, organizační složka operating in the Czech Republic, successors and/or assigns, as well as its officers, directors, employees and agents. References to **you, your, the customer** are references to the reader, the reader's business, and any person authorised by you to transact on your behalf with WUIB.

In this PDS, we use examples where the Euro (EUR) is measured against the Czech Koruna (CZK), with the EUR as the base currency: EUR/CZK 25.0000 or 25.00. This means one Euro would buy twenty-five Czech Korunas and twenty five Czech Korunas would buy one Euro. This is called a "Currency Pair".

We will inform you about any changes relating to information included in this FSG via existing communication channels (i.e. through e-mail).

Structure of this PDS

We have divided this PDS into two parts: The first section provides an overview of all of the key features, benefits and risks of some of our Foreign Exchange products. The second section describes factors which are common to all of our Foreign Exchange products, including significant risks, costs and significant taxation implications associated with those products.

Your Contract with Us

When acquiring a Foreign Exchange product, you are entering into a contract with Western Union International Bank GmbH in relation to the product. The contract consists of:

- the cooperation agreement;
- the terms and conditions provided to you;
- your instruction and our confirmation with respect to the particular Foreign Exchange product.

It is important that you understand clearly the terms of the contract between you and WUIB. If you are unsure about any aspect of your contract with us, we suggest you seek appropriate professional advice.

Section 1.0 – Overview of Our Foreign Exchange Products

A Foreign Exchange transaction may be used if you have a need to exchange one currency for another currency at an agreed exchange rate. The requirement to enter into a Foreign Exchange transaction can arise in various situations. For example an importer may need to buy an overseas currency, by paying for it in CZK to pay their supplier for the goods that they are importing. Conversely an exporter may be paid by an overseas client in a foreign currency for goods being exported to an overseas country and wish to convert the foreign currency back to CZK. In doing so, you may use such Foreign Exchange transaction instruments as a spot Foreign Exchange (for settlement within the next two business days) or a Forward Foreign Exchange Contract (for settlement at maturity dates from three business days to one year) to assist you to manage your Foreign Exchange exposures.

This PDS outlines the following Foreign Exchange products and services that we provide:

- International Funds Transfers (see section 1.1);
- Foreign Exchange Forwards Contracts and Future Payments (see section 1.2); and
- Holding Balances (see section 1.3)

The Foreign Exchange contract is settled through wire transfer of funds or issuance of foreign currency cheque. Any fees described in this PDS are inclusive of taxes, where taxes are applicable.

Whilst there are benefits to using these instruments there are also significant risks to consider in the context of your situation. It is important that you have a good understanding of these instruments and Foreign Exchange markets generally. You should not use any products described in this PDS unless you have a comprehensive understanding how they work, including the risks and the costs involved. We suggest that you carefully consider your needs and circumstances prior to trading in Foreign Exchange instruments. If necessary you may also seek independent professional advice.

1.1 International Funds Transfer

An International Funds Transfer is an electronic transfer of funds into or out of the country you are situated in. An International Funds Transfer may also be referred to as a telegraphic transfer or wire transfer. WUIB has relationships with a worldwide network of correspondent banks to enable transmission of your payment instructions to almost anywhere in the world.

Once a payment is released by WUIB, the beneficiary bank will usually receive the funds sent by the International Funds Transfer within 24 – 48 hours.

1.1.1 Advantages

- International Funds Transfers provide the security of fully traceable transactions.
- By using an International Funds Transfer, the beneficiary generally receives funds more quickly than if funds were transferred by bank cheque or postal money order.
- International Funds Transfers are more secure than cash transactions because they represent electronic instructions that are sent directly to the nominated beneficiary's bank for credit to the beneficiary's bank account.

1.1.2 Disadvantages and risks

- Once executed there are no guarantees that an International Funds Transfer can be recalled. If the recall is successful you may incur additional fees;
- The sender may be subject to additional fees if information (i.e. beneficiary name, account number) provided is incorrect or incomplete.

1.1.3 Can an International Funds Transfer be recalled?

An International Funds Transfer may be recalled only in certain circumstances which include the following:

- if you give us incorrect information (i.e. beneficiary name, account number);
- in the case of insufficient funds in the sender's bank account;
- in case that you are subject of insolvency, liquidation or similar proceedings;
- our reasonable suspicion of a fraud or misappropriation of funds or our services;
- if it is determined that the transaction is in relation to a criminal offence or terrorist financing activity or otherwise illegal;
- if you otherwise breach the contract between you and us; or
- if we are prevented from executing the International Funds Transfer by *force majeure*.

1.1.4 Costs and fees

1.1.4.1 Transaction fee

In most circumstances you will be charged a transaction fee for using our Funds Transfer service. The transaction fee we charge for each Funds Transfer ranges from CZK 0 to CZK 1000. The transaction fee we charge you will depend upon:

- the amount and type of foreign currency to be transferred;
- the number and frequency of International Funds Transfers you conduct through WUIB; and
- the country that the funds are destined to.

Please refer to our Fee Schedule for further details.

Example 1: Application of the transaction fee is as follows:

You wish to buy EUR 100,000 against CZK from WUIB and you wish to send 5 wire payments of EUR 20,000 to different beneficiaries overseas. Assume that the transaction fee per wire payment is CZK 200.

You would pay the sum of:

- the CZK equivalent of the bought EUR 100,000 amount as agreed, plus
- CZK 1000 (that is CZK 200 x 5), being the transaction fees applicable to sending the five wire transfers.

You would pay WUIB the total amount in terms of mutual arrangement (direct debit, electronic transfer).

1.1.4.2 Other fees if a transaction is recalled

If you request to recall an International Funds Transfer, the bank to which the International Funds Transfer was directed may charge WUIB an administration fee for recalling. If we incur such a fee we will require you to reimburse us for the fee unless we decide otherwise. WUIB will decide on a case by case basis taking into consideration:

- the volume and frequency of International Funds Transfers you conduct through WUIB;
- the reason for recalling the International Funds Transfer;
- your commercial relationship with WUIB; and
- the difference between the relevant exchange rate between the time you execute an International Funds Transfer and the time it is recalled.

The amount of the administration fee will vary from bank to bank and ranges usually from EUR 25 to EUR 120.

Example 2: For example, if you request to recall one of the five International Funds Transfers referred to in Example 1 above, and the bank to which the International Funds Transfer was directed charges WUIB an administration fee of, say EUR 40, you would pay WUIB the EUR 40 fee in addition to the other amounts described in the example above. If the relevant recalled amount is then to be converted back to CZK from the foreign currency amount, this would be subject to the prevailing Foreign Exchange rates at that time. In normal practice WUIB's account would be debited and WUIB would then seek reimbursement from the client. You would be notified of the amount of such additional fee immediately after we become aware of its amount.

1.1.4.3 Foreign Exchange Rates – Margin-

You will not be charged any other direct fees. However, WUIB makes a margin on any Foreign Exchange transaction. Please refer to section 2.1.1 – our exchange rates, for further information about how we calculate our exchange rates and the 'margin'.

1.2 Forward Exchange Contracts

Forward Exchange Contract contains of a non-standardized contract between the client and a service provider that gives the client the right to buy or sell an amount at a rate predetermined at the moment of issue and for use at a specified date. A Forward Exchange Contract allows you to lock in at a specific exchange rate today, for a currency to be purchased, or sold, in the future. This action protects you from Foreign Exchange fluctuations. WUIB's Forward Exchange Contracts can have a life span of 3 business days up to 12 months and cannot have a value of less than CZK 300.000 or € 15.000 (or its equivalent in other currency).

Forward Contracts are presented in two forms:

- a) Fixed Forward – A contract allowing for control of future disbursement at a determined rate involving a sum and a fixed date (the date of maturity).
- b) Open Forward – A contract allowing for several regulations at a determined rate between the opening date and the date of maturity. This contract is used when the client has to pay or receive several payments during one period while precise dates remain unknown.

WUIB will make settlement of the forward contract on date, which has been agreed as the last possible day of duration of this contract.

1.2.1 How does a Forward Exchange Contract work?

When you have a foreign payable or receivable that has a term of say 30, 60, 90 days or more, there is a likelihood that the price of that foreign currency will change during the term – either upwards or downwards. If you are an importer, strengthening of the home currency would result in lower costs. However, if you are an exporter, strengthening of the home currency would result in foreign currency receipts being worth less. By using a Forward Exchange Contract, you can lock in an exchange rate determined today ('forward exchange rate') for settlement at a future date to match the terms of your payable or receivable.

1.2.2 Forward Exchange Rate–Margin

A forward exchange rate is one which is set today where one currency is sold against another for delivery on a specified future date (maturity). The forward exchange rate differs from today's spot rate as it will also include a forward margin which reflects the interest rates relevant to the two currencies involved calculated between today's date and the forward maturity date. Refer also to section 2.1.1 – our Foreign Exchange Rates-Margins.

1.2.3.1 Costs and fees Forward Exchange Rate–Margin

WUIB makes a margin on any Foreign Exchange transaction. Please refer to section 2.1.1 – our Foreign Exchange Rates-Margins of this PDS for further information about how we calculate our Foreign Exchange rates and the 'margin'.

1.2.3.2 International Funds Transfer Fees

You will be charged the fee for a Funds Transfer upon maturity of the Forward Exchange Contract. Please refer to section 1.1 of this PDS for more details on the fees charged for Funds Transfers. Please refer to our Fee Schedule, which has been provided to you before conclusion of the cooperation agreement, for further details.

1.2.4 Forward Margin Deposits

WUIB requires a deposit amount when clients agree to enter into a Forward Exchange Contract (as security of the Forward Exchange Contract) unless the relevant Forward Exchange Contract is covered by OTM Facility (as defined in Terms and Conditions) which WUIB may extend to you. In order to secure claims of WUIB against the Client from the Forward Exchange contract (or other Relevant Derivative Contracts) the receivable for repayment of the deposit amount will be pledged in Our favour pursuant to addendum to the Cooperation Agreement. This deposit is usually up to 10 per cent of the value of the contract. Factors that may influence the amount of the deposit are:

- the contract amount requested is considered by WUIB to be a higher Foreign Exchange risk than normally acceptable; or,
- the maturity date and/or currencies involved are considered by WUIB to represent a higher than normal credit risk in case the transaction had to be cancelled during the currency of or at maturity of the contract; or
- the credit rating is not of a high or satisfactory level as assessed WUIB; or,
- your company has only recently commenced business with limited operating experience; or,
- no history of trading with you.

Example: The deposit is calculated as follows - if you entered into a Forward Exchange Contract to buy EUR 100,000 against CZK at a rate of 25.0000 this would equate to CZK 2,500,000. You would need to make a deposit of CZK 250,000, being 10% of the CZK equivalent of the face value of the Forward Exchange Contract, at the commencement of the transaction. Interest is not paid on these deposits.

If the margin deposit is not used for payment of the due Forward Exchange Contract we will refund the margin deposit to you in accordance with your instruction. Whilst deposits are refundable to you at maturity they are more commonly applied to the last payment on the contract at maturity. All deposits are required due to the risk of an adverse rate move. If there is a need for additional margin deposit for the Forward Exchange Contract, WUIB will proceed pursuant to clause 2.9 below (Margin Calls).

Margin deposit funds (which will however remain in Your ownership) can regularly be held by third party institutions located also outside the European Union on behalf of WUIB. WUIB works with highest skill, care and diligence in the selection, appointment and periodic review of the institutions where the funds of clients (margin deposits) are placed and the arrangements for the holding of those funds. WUIB takes into account the expertise and market reputation of the institutions as well as any legal requirements or market practices related to the holding of clients' funds. WUIB keeps records and accounts as necessary to distinguish any assets held by individual clients. Information on the amount of the margin deposits are also provided to clients on a daily basis through their individual WUBS online platform access or upon their request by their Contact Person (Client Manager) WUIB is in all cases (including the insolvency of any third party holder of your margin deposits) liable to you for the settlement of the margin deposit. Further information on the protection of our clients' funds, including information on the respective deposit guarantee scheme, is contained in the FSG.

Please note that we are entitled to unilaterally offset any of your funds held by us against our due receivables against you. Further details are contained in the WUIB Terms and Conditions. Please further note that under certain circumstances (in particular should you become insolvent or dispute validity or existence of a Forward Exchange Contract) we may terminate any Forward Contract between you and us and effectively replace any rights and liabilities between you and us by a single settlement amount and require its payment.

1.2.5 Examples of Forward Contract

For example, buying a product from a supplier in Germany for EUR 100,000 may cost CZK 2,500,000 at the time the contract is entered into. During the 30 day period allotted for the EUR invoice, the exchange rate could adversely fluctuate.

If the value of the CZK declines against the EUR, and you did not enter into a Forward Contract, you will be forced to pay more than the original CZK 2,500,000 for the EUR 100,000. However if you did enter into a Forward Contract at the start of the 30 day period, you would retain protection from the prevailing exchange rate declining more than your contracted rate at maturity.

However, if during that 30 day period, the value of the CZK rose against the EUR and you did not enter into a Forward Contract, you will benefit from that rise. **Conversely, if you had entered into a Forward Contract you would not benefit from that rise if, at maturity, the exchange rate had strengthened above your contracted forward exchange rate.**

1.2.6 Pre-Delivery of the Forward Exchange Contract

You may also draw down or pre-deliver a portion of or the total value of the contract prior to the maturity of the contract. This might occur where your supplier has contracted to deliver goods to you at various times over the period of the Forward Contract. This may result in an adjustment of the exchange rate based on time and the difference in interest rates between the two national currencies. If only part of the Forward Exchange Contract has been pre-delivered the remaining balance of the transaction will be settled by the final day of the contract (called the "maturity date").

1.2.7 Extension of a Forward Exchange Contract

You may extend the "maturity" of the Forward Contract only if agreed to by WUIB. For example this may occur if there was a delay in the receipt of goods expected from your overseas supplier beyond the original delivery date. These can be transacted in either of two ways:

- We can cancel the remaining balance of the original Forward Contract and establish a new Forward Contract to the new extended maturity date. We will quote you a rate that takes into account the current Spot Exchange rate and the forward margin for the adjusted time frame. **However by cancelling the remaining balance of the original Forward Contract a profit or loss to you would result depending on the current exchange rates compared to the original Forward Contract rates.** This profit or loss would have to be settled at this time.
- We can extend the remaining balance of the Forward Contract by quoting you an extension margin onto your original Forward Contract exchange rate. This method factors the profit or loss of the method above into the new Forward Contract for the extended period (rather than settling this at the time of extension). This is known as a Historical Rate Extension (HRE). When quoting an HRE rate, WUIB incorporates an interest charge on the above profit or loss in the new Forward Contract, so that the HRE expresses your additional costs or risk. This charge is associated with funding or borrowing that profit or loss for the term of the extension period.

1.2.8 Cancellation of a Forward Exchange Contract

Although the terms of the contract that you enter into with WUIB are legally binding, you may ask WUIB to cancel your forward exchange contract at any time up to and including its maturity date. This may have eventuated because your underlying transaction is cancelled. Cancellation for speculative purposes is not permitted.

WUIB, at its sole discretion, may cancel your contract with us only in certain circumstances which include the following:

- if you give us incorrect information, fail to make the respective margin deposit, or otherwise breach the Forward Exchange Contract between you and us;
- in case that you are subject of insolvency, liquidation or similar proceedings;
- our reasonable suspicion of a fraud or misappropriation of funds or our services;
- if it is determined that the transaction is in relation to a criminal offence or terrorist financing activity or otherwise illegal;
- if we are prevented from executing the Forward Exchange Contract by *force majeure*;

- if you dispute validity or existence of a Forward Exchange Contract.

Please note that the force majeure may include limited availability of the Foreign Exchange markets necessary for us to execute a Forward Exchange Contract.

WUIB will provide you with a quote for cancelling your Forward Contract. This quote will incorporate any damages, costs or loss caused by movement in the exchange rates as well as some of the components when pricing your original forward exchange contract but will be adjusted for prevailing market rates over the remaining term of the forward exchange contract. Depending on the market rates at the time of cancellation this may result in either a gain or loss to you. Exit costs are summarised on our fee schedule and will be disclosed to you prior to entering into a transaction.

There are no additional fees for cancellations of a Forward Exchange Contract.

1.2.9 Future Payments Transactions

A Future Payments Transaction is a type of Forward Exchange Contract that allows you to lock in an exchange rate for up to 90 days in the future without incurring upfront costs (no margin deposits). The maximum value of any single transaction is CZK 350.000. The minimum purchase amounts vary by the type of currency in question and can be lower than those of Forward Exchange Contracts.

Future Payments Transactions are suited to companies that would like to use short term forwards but who have been put off by the minimum purchase amounts, the payment of margin deposit or the margin call elements. Also companies that are currently batching small invoices into larger amounts to take advantage of standard forward contracts can now book the invoices as individual Future Payments. This product will appeal to clients who are pricing their invoice to their client at the point where they are confirming the purchase of the product or service from their overseas supplier.

Future Payments Transactions share many of the same characteristics as the Forward Exchange Contracts described above but they are not exactly the same and differ in the following ways:

- Future Payments Transactions have different limits and controls to a Forward Foreign Exchange Contract regarding the minimum and maximum amounts that can be purchased.
- Future Payments are priced differently from Forward Foreign Exchange Contracts and different margins are applied.
- A beneficiary must be assigned at the point a contract on a Future Payments Transaction is entered into.
- Future Payments Transactions do not require us to collect a Margin Deposit from you.
- Future Payment Transactions cannot be extended beyond the 90 day maximum period.

If this PDS does not state otherwise all provisions dealing with the Forward Exchange Contracts apply to Future Payment Transactions.

1.2.10 Advantages of Forward Exchange Contracts including Future Payments

Forward Exchange Contracts allow you to:

- determine the cost of foreign payments at the time you make a purchase;
- protect profit margins on products and services sold abroad against adverse foreign currency fluctuations;
- gain a competitive edge by quoting and/or selling products or services denominated in the local currency;
- identify and reduce the possible costs of future cash flow requirements;
- whilst utilising a Future Payments Transaction, reduce the price buffers that you may be adding to your invoices to protect against currency movements thus allowing you to maintain profitability whilst at the same time passing on cost savings to your clients.

1.2.11 Disadvantages and Risks of Forward Exchange Contracts including Future Payments

- **by entering into a Forward Exchange Contract, you lose the ability to take advantage of possible market movements that may be favourable to you during the term of the Forward Exchange Contract;**
- **fixing Foreign Exchange rates with Forward Exchange Contracts can lead to a currency risk if the underlying business contract (e.g. purchase or delivery of goods) is cancelled;**
- **fixing Foreign Exchange rates with Forward Exchange Contracts can lead to a business risk if competitors are able to pass on price benefits caused through exchange rate movements to customers;**
- **there is no cooling off period;**
- **a Margin deposit may affect your cash flow positions; and**
- **cancellations, extensions or pre-deliveries of a forward exchange contract may result in additional costs to you.**

1.2.12 Spot Foreign Exchange Transactions

A Spot Foreign Exchange Contract is an agreement between you and WUIB to buy or sell one currency for another for settlement up to two business days from the date you entered into the transaction. A Spot Foreign Exchange Contract has all of the features, disadvantages and benefits of a Forward Contract (with exception of disadvantages in connection with deposit), with a shorter period for settlement. For this reason, we refer to information about Forward Exchange Contracts.

1.3 Holding Balances

Holding Balances enable the clients to hold temporarily (up to 90 days) their funds by WUIB. Holding Balances are automatically opened for each client from the beginning of the cooperation with WUIB in various currencies determined by WUIB. A Holding Balance may be used for (i) receiving funds, (ii) remitting funds, (iii) purchasing funds in another currency and (iv) selling funds in another currency. Funds may be maintained in a Holding Balance for a maximum of ninety (90) days. The client is responsible for all risks (including without limitation, fluctuations in the value of the currency held) associated with maintaining Holding Balances in one or more foreign currencies. After the lapse of the maximum term, i.e. 90 days, the unused funds held on a Holding Balance will be transferred to the client according to his/her instruction in the original or converted currency.

Section 2.0 – Factors Which Are Common To All Of Our Foreign Exchange Products

2.1 Exchange Rate Risk

WUIB does not offer to enter into any of the Foreign Exchange products described in this PDS with persons whose intention is merely to speculate on the possible movements in exchange rates.

Our customers must have a genuine commercial interest in exchanging one currency for another. Often that interest will arise in order to make payment to or from a foreign trading partner, although each of our customers' circumstance will be particular.

In the case of Forward Foreign Exchange Contracts (and Spot Foreign Exchange Contracts not settled immediately), the date upon which you enter into a contract with us and the date on which that contract must be settled will be different. You must be aware when acquiring a product from us, that exchange rates may fluctuate between those dates. If you enter into a Forward Contract with us, and the exchange rate for your Foreign Exchange contract goes down, you must still settle your contract on the settlement date using the exchange rate which you agreed upon at the date of entry into your contract. Your agreed Foreign Exchange rate may, because of fluctuations in exchange rates, be significantly higher, or lower, than the prevailing exchange rate.

2.1.1 Our Foreign Exchange Rates-Margin

With the exception of International Funds Transfers, Foreign Exchange cheques and Forward Contract margin deposits, we do not charge upfront costs or premiums. We are able to offer our Foreign Exchange products without charging upfront costs or premiums because we obtain gross revenue through a 'margin'.

The margin is the difference between the wholesale exchange rate we are able to obtain and the exchange rate we then offer to each customer. The exchange rate we offer to you is dependent on a number of factors including:

- the value of the transaction and the currency involved where the ability of WUIB to cover this amount is dependent on supply and demand for the relevant currencies and amounts in the Foreign Exchange market at the time you may wish to enter into a relevant transaction;
- the costs that we incur by entering into the transaction with you – such as cost of credit or operating costs – which will be influenced by the terms of the trade and your credit rating;
 - Note: these will be disclosed to you both before and after your transaction.
- the volatility in the Foreign Exchange market at that time – generally, when the Foreign Exchange market is volatile our margin may be wider, reflecting underlying conditions and the increased risk to us; and,
- the differing interest rates applicable to the currency pair involved in the forward exchange transaction – these are an integral part of any Forward Contract rate calculation relevant to the period of the Forward Contract.

The exchange rates quoted in the media generally reflect the wholesale rates which WUIB will obtain from the money interbank market. Please note, that wholesale exchange rates are constantly changing, and any such rates are generally only obtained by trading significant values. They also do not take into account any Transaction Costs such as cost of credit, operating costs etc.

Example: This example is indicative only and uses selected rates and figures to demonstrate how we obtain gross revenue through the "margin" of a Foreign Exchange contract. The rates shown are for illustrative purposes only.

You wish to buy EUR 100,000 to pay to your supplier. You wish to pay CZK for this EUR purchase.

- Rate quoted to you for this transaction is EUR/CZK 25.0100. Therefore the CZK converted amount is CZK 2,501,000. This is the amount of CZK you would have to pay to buy the EUR 100,000 to remit to your supplier.
- WUIB will cover the above EUR 100,000 transaction in the Foreign Exchange market. For this example, the rate is 25.0000 which equates to CZK 2,500,000. This is the CZK amount that WUIB will have to pay to another institution to buy the EUR 100,000 to cover this transaction on a back to back basis.
- In this example the 'margin' is represented by the difference in the two exchange rates, 0.0100 or CZK 1,000. This amount is the gross revenue earned on this transaction by WUIB.

If you request us to cancel a transaction before settlement, it is likely that the relevant exchange rate for that transaction will have changed. If that occurs, you may be required to make an additional payment which will reflect the change in exchange rates. We will notify you of any amounts you will be required to pay at the time you request to cancel the transaction.

2.2 Terms and Conditions

Our relationship with you, and each transaction you enter into with us, will be governed by WUIB Terms and conditions. It is recommended that the Terms and Conditions are read carefully.

Terms and Conditions set out significant matters, such as:

- terms of particular products offered by us;
- the representations and warranties that you make to us;
- the indemnities that you give to us;

- our right to amend the Terms and Conditions;
- our right to request that a client provides a margin deposit on any forward exchange contract to offset credit risk or a mark to market valuation which reflects fluctuation of exchange rates of currencies traded on financial markets, i.e. an out of the money value beyond a limit set by WUIB (see definition in clause 2.10);
- the procedures relating to transactions entered into with us (including methods of placing your instructions, our confirmations, time-limits for execution of your instruction, grounds for cancellation of transactions, payment terms);
- license and terms of use of the WUIB online system;
- provisions regulating our liability towards you;
- our right to charge default interest (at the rate of 8 % above the applicable 2T repo rate announced and published by the Czech National Bank at the first day of the default) if you fail to pay an amount payable under one of our Foreign Exchange products.

You will be required to sign the cooperation agreement referring to our Terms and Conditions to acknowledge your acceptance of these Terms and Conditions. Each Foreign Exchange transaction you enter into with WUIB is subject to these Terms and Conditions. You can obtain a copy of the Terms and Conditions by contacting our Branch.

2.3 Binding nature of concluded agreement

Conditions which apply to any of our products described in this PDS are binding from the moment you enter into the respective contract with us. You must therefore be aware that when you enter into a Foreign Exchange transaction, even though settlement may not occur until a later date, you are obligated to the terms of that contract.

2.4 Taxation

The taxation implications for you of obtaining one of our Foreign Exchange products will vary accordingly to your personal circumstances and may include taxes which are not paid or charged by us. In particular, transactions may give rise to taxable gains or losses. The treatment of those transactions for taxation purposes will depend on your individual circumstances and we recommend that you seek appropriate tax advice. Any fees described in this PDS are inclusive of taxes, where taxes are applicable.

2.5 Significant Risks

- *Market risk.* Foreign Exchange markets are subject to volatility. Entering a Foreign Exchange transaction exposes you to changes in the Foreign Exchange markets.
- *Operational risk.* Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Possible disruptions in WUIBs processes may lead to delays in the execution and settlement of your transaction.
- *Counter party risk.* In each Foreign Exchange transaction you enter into with us, we are your counter party. This means that you will be relying on our ability to meet our financial obligations in the transaction.

2.6 Confirmation

Shortly after entering into each of the products described in this PDS, we will send you a confirmation outlining the commercial terms of the relevant transaction. The confirmation will also describe costs and charges included in the transaction. Unless stated otherwise, these are for informational purposes only and do not require additional payment. This confirmation is very

important and we recommend that you check the confirmation to make sure that it accurately records the terms of the transaction. However, failure of WUIB to provide confirmation to you shall not invalidate the transaction.

2.7 Data Privacy

For the purpose of providing you with the service that you have requested we have to process your personal data. If you don't provide us with the information that we request, we may be unable to provide the service to you. The information we obtain from you is for the purpose of Foreign Exchange transactions and to comply with relevant laws. We will not sell any of your information to marketing organisations.

You may contact us at any time to find out what personal information we hold about you and, if necessary, to correct any inaccurate or incomplete information. Please see contact details at 2.12 below.

You should also refer to the Terms and Conditions agreement in relation to our confidentiality and privacy obligations.

2.8 Credit Requirements

Before entering into a Foreign Exchange transaction, WUIB may carry out a credit check as part of its assessment to determine whether or not any credit requirements you have sought are satisfied.

2.9 Margin Calls

As part of its risk management processes WUIB carries out a mark to market revaluation of all outstanding Forward Exchange Contracts on a regular basis.

If as a result of market revaluation your Forward Exchange Contract moves beyond the level of risk acceptable for WUIB, i.e. moves out of the Money (OTM), we may seek from you an additional Margin Deposit payment by way of invitation to enhance the Margin Deposit (so called "*Margin Call*") as an offset to bring your Forward Contract or contracts' risk exposure back to an agreed level. We may repeatedly invite you to make additional Margin Deposit payments should the Forward Exchange Contract continue to move further Out of the Money during the term of the Forward Exchange Contract.

We will inform you about the risk rate acceptable for WUIB, which will be expressed as the decrease of the value of Margin Deposit resulting from exchange rates fluctuation, before entering into contract with us. We will inform you about the requirement for additional margin deposit payment (Margin Call) in writing.

2.10 Definitions

- (1) "**Customer**" (client) means the person or entity entering into a cooperation agreement with us;
 - (2) "**Forward Margin**" means that reflecting the differing interest rates relative to the two currencies involved in the forward exchange contract and is usually expressed as forward points;
 - (3) "**Mark to Market**" means the daily revaluation of a Forward Contract to reflect its current market value rather than its original contract value
 - (4) "**Out of the money**" means the value of the original contracted Forward Contract rate is for You less favourable than the current Mark to Market value;
- Unless otherwise specified herein, capitalised terms used, but not otherwise defined herein, shall have the same meaning assigned thereto in the Standard Terms and Conditions.

2.11 Complaints

Our primary goal is to provide superior customer service. To achieve this goal we would like to hear from you if you are dissatisfied with our customer service or any of the financial products provided to you.

We have established procedures and policies to ensure that any complaint you may have is properly considered and appropriate measures are taken. If you have a complaint, please contact us by e-mail, via letter to our Branch Address or to our fax number +420 222 211 054 to the attention of Compliance Officer. Your complaint will be considered responsibly and we will settle it as soon as possible and inform you upon the result.

2.12 Contact Information

Western Union International Bank, GmbH

(WUIB), Schubertring 11, 1010 Vienna

Tel: +43 (0) 1 506 14-710

Fax: +43 (0) 1 506 17-990

E-mail: WUBSaustria@westernunion.com

Website: <http://business.westernunion.at/>

Branch in the Czech Republic:

Western Union International Bank, GmbH, organizační složka

Václavské náměstí 62, 110 00 Praha 1, Czech Republic

Tel.: +420 800 10 20 30 or +420 251 001 113

Fax: : +420 222 211 054

E-mail: kontakt@westernunion.com Website: <http://cz.business.westernunion.com/>

Office hours (08:00 CET till 17:00 CET)

Information about the company

Registered office at Schubertring 11, 1010

Registering Court: Commercial Court Vienna

Managing Directors: Peter Bucher; Christian Hamberger; Sandra Simundza-Bilandzic

Chairman of the Supervisory Board: Wolfgang Fenkart-Fröschl

Company Register Number: FN 256184 t

Commercial Court of Vienna, DVR: 2111221

Registered by the Czech National Bank at the list of banks and branches of foreign banks maintained by the CNB

Czech Company ID no.: 015 55 332

Branch registered in the Czech Commercial Register maintained by the Municipal Court in Prague under file no. A 76112

Responsible supervisory authority

1) Austrian Financial Market Authority

A-1090 Vienna, Otto-Wagner-Platz 5, Austria

<http://www.fma.gv.at>

or in regards to providing payments services under Part 4 of the Czech Act No. 370/2017 Coll., on payment services, as amended, and conduct of business rules provided for § 15 et. seq. of the Czech Act No. 256/2004 Coll., Capital Markets Act, as amended, and other regulatory issues supervised by the Czech National Bank pursuant to Czech regulation:

2) Česká národní banka

Na Příkopě 28, 115 03 Praha 1, Czech Republic

<http://www.cnb.cz>