



Product Disclosure Statement for the Direct Services

Australia

22 August 2023

PRODUCT DISCLOSURE STATEMENT AUSTRALIA

Important Information about this document

This Product Disclosure Statement (**PDS**) is issued by Airwallex Pty Ltd (ABN 37 609 653 312), AFSL No. 487221 (**Airwallex, our, we or us**) and relates to any use of the Direct Services by you (**you, your or Customer**). It is an important document that you should read carefully before making a decision to use our Direct Services directly via the Airwallex Platform.

This document only applies to you if you are a Retail Client who has accessed (or intends to access) our Direct Services directly via our Airwallex Platform. If, alternatively, a third party has arranged your access to our Services in a mere referral capacity or otherwise as our authorised representative, this document does not apply to you.

Within this document there are also a number of references to additional, important information which is contained in the Customer Agreement and the Additional Terms. You should consider all of this information before making a decision to acquire the Direct Services. You can download a PDF copy of this PDS, the Customer Agreement and Additional Terms from our Airwallex website at www.airwallex.com/au/terms/product-disclosure-statement or request us to send you a PDF copy free of charge by contacting us using the contact information set out on page 2. If there is any inconsistency between this PDS and the Customer Agreement, the terms of this PDS will prevail to the extent of any such inconsistency.

The information set out in this document is general information only. It has been prepared without taking into account your particular needs, objectives, or financial situation. You should seek independent expert advice to help you decide whether the Direct Services are appropriate for your particular financial objectives, needs and circumstances. Unless expressly indicated in this PDS, capitalised terms used in this document have the meanings set out in section 19. All monetary amounts referred to in this PDF are in Australian dollars (unless otherwise indicated).

Independent expert advice

Transactions featured in this PDS may carry with them a certain element of risk involving foreign currency exchange. As such, you may also wish to obtain independent financial, taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation.

No guarantee of performance or returns

Neither Airwallex, nor any of its related bodies corporate or associates, guarantees in any way the performance of the products, or any particular return from, or any increase in the value as a result of entering into foreign exchange transactions.

This PDS has not been lodged with the Australian Securities and Investments Commission (**ASIC**) and is not required to be by the *Corporations Act 2001* (Cth).

Offer only in Australia

The offer in this PDS is available only to Retail Clients receiving this PDS (electronically or otherwise) in Australia and who are Australian residents. This PDS does not constitute an offer or recommendation in any jurisdiction, or to any person to whom it would be unlawful to make such an offer.

Updates to information

The information in this PDS is up-to-date at the time of preparation. Certain information in this PDS may change from time to time. Where we indicate to you that we will give notice of such changes, or where the updated information includes no materially adverse information, we will publish the updated information online at www.airwallex.com/au/terms/product-disclosure-statement.

You can ask us to provide you with a copy of any updated information by emailing us at support@airwallex.com. We will provide a paper copy or an electronic copy to you free of charge if requested by you using the contact information set out below.

Changes to your particulars

You must inform us immediately of any changes in your name or any other particulars such as address, contact number, etc. To do so, please log in to the Airwallex Platform and update your details under Account Settings or email us at support@airwallex.com.

No Cooling-Off Period

No cooling-off period applies to the products covered by this PDS.

No ESG considerations

Labour standards or environmental, social or ethical considerations do not form part of the considerations in connection with the Direct Services.

Other information

Other information that may relate to the Direct Services can be found on our website at www.airwallex.com.

Contact details

Airwallex Pty Ltd (ABN 37 609 653 312), AFSL No. 487221

Address: Level 7/15 William Street
Melbourne, Victoria 3000

Website: www.airwallex.com

Email: support@airwallex.com

Telephone: 13 32 99 (Melbourne, Australia)
+61 3 9068 5517 (International)

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1. ABOUT AIRWALLEX

At Airwallex we knew there was a better way to make global payments. Since 2015 we've been driven by a simple goal – to simplify and enhance the lives of the people and the businesses we serve by connecting them through smart cross-border payment technology. With technology at our core, we build cross border financial infrastructure and applications that inspire global opportunities, and help our customers to scale their business in every corner of the globe. Airwallex began in Melbourne, and continues to operate from there but you'll find our talented team spread across the world, including Hong Kong, Shanghai, Singapore, Beijing, London, Tokyo and San Francisco.

Airwallex Pty Ltd is regulated in Australia by ASIC under an Australian Financial Services Licence (487221). Airwallex is also registered with AUSTRAC, the Australian Transactions Report & Analysis Centre, under account number 100516662.

Airwallex is the issuer of this PDS and the provider of the Direct Services.

2. THE DIRECT SERVICES

This PDS relates to our Wallet Services, Payout Services, Collection Services, Foreign Exchange Services, and Card Services, to the extent they have been accessed by you directly through the Airwallex Platform without the involvement of any mere referrer or third party arranger appointed as our authorised representative (**Direct Services**). Each of the Direct Services are described in more detail under the relevant section heading below.

3. WALLET SERVICES

Airwallex provides you with a facility through which funds can be held, sent and received electronically through the Airwallex Platform (**Wallet**). Funds can only be held in the Wallet in certain Supported Currencies which may change from time to time.

Funds held within the Wallet can be exchanged to Supported Currencies by entering into a FX Conversion with Airwallex. More details on FX Conversions are set out in section 4 below.

The funds held in the Wallet can also be used to make payouts using the Payout Services. Payouts can be made through the Airwallex Platform or by using a Card, and collections can be received through the Airwallex Platform.

You can load funds into your Wallet through a bank transfer by following the prompts on the Airwallex Platform (**Top Up** or **Top Up Service**). Funds can be paid and debited from your Wallet through the Payout Service, and can also be collected and paid into your Wallet through the Collection Service. More details about the Payout Service are in section 5 below, and more details about the Collection Service are set out in section 6 below. We may add, vary, or dispose of additional methods of receiving or loading money into the Wallet from time to time.

APRA, RBA and ASIC classifications

It is important to understand that the Wallet is not a bank account, but is instead considered a non-cash payment facility by ASIC, and a purchase of stored value by both the Reserve Bank of Australia (**RBA**) and the Australian Prudential Regulation Authority (**APRA**). Your electronic funds are not regulated client monies under the *Corporations Act 2001* (Cth). You will not earn interest on balances in your Wallet. Airwallex is entitled to keep any interest it earns with respect to your Wallet balances at its absolute discretion.

The electronic funds in your Wallet are protected by a bank guarantee (**Bank Guarantee**). The Bank Guarantee is issued by an Australian authorised deposit-taking institution

(**Issuer**) in favour of Global Loan Agency Services Australia Nominees Pty Ltd (**External Trustee** or **GLAS**) who holds the benefit of the Bank Guarantee on trust for all Wallet holders of the Direct Services. Airwallex is required to ensure that, at any point in time, the amount of the Bank Guarantee is greater than the aggregate electronic funds balances of all Wallet holders of the Direct Services. If an insolvency event occurs with respect to Airwallex or Airwallex is found by any court or tribunal in Australia or the Australian Financial Complaints Authority (**AFCA**) to be in breach of any Australian Dollar obligation owed to you in connection with your Wallet which breach is not remedied within 10 Business Days following receipt by Airwallex of the final non-appealable judgement or determination of the court, tribunal or AFCA, the External Trustee must make a demand on the Bank Guarantee. The proceeds of the Bank Guarantee will be available for the payment of the electronic money balances of affected Wallet holders.

You can contact the External Trustee at:

- **External Trustee:** Global Loan Agency Services Australia Nominees Pty Ltd (Re: Airwallex)
- **Address:** Level 26, 1 Bligh Street, Sydney NSW 2000 Australia
- **Phone:** +61 2 82268728 (Re: Airwallex)
- **Website:** <https://glas.agency/aus/>
- **Email:** apac@glas.agency (Re: Airwallex)

You acknowledge that, in the future, more than one Bank Guarantee may be held by the External Trustee and a Bank Guarantee may be issued by the Issuer in either Australian Dollars or United States Dollars. You acknowledge that if a demand is made on the Bank Guarantee and the External Trustee holds one or more Bank Guarantees denominated in Australian Dollars only, the External Trustee will apply the proceeds of the Bank Guarantees to satisfy electronic money balances of affected Wallet holders held (i) in Australian Dollars, in Australian Dollars and (ii) in any other currency, in Australian Dollars using an exchange rate determined by the External Trustee (acting reasonably). You acknowledge that if a demand is made on the Bank Guarantee and the External Trustee holds one or more Bank Guarantees denominated in Australian Dollars and United States Dollars, the External Trustee will apply the proceeds of the Bank Guarantees to satisfy electronic money balances of affected Wallet holders held (i) in Australian Dollars, in Australian Dollars, (ii) in United States Dollars, in United States Dollars and (iii) in any other currency, in Australian Dollars or United States Dollars having regard to the available Bank Guarantee proceeds and using an exchange rate determined by the External Trustee (acting reasonably). Where you are to receive such proceeds in United States Dollars, you may by written request to the External Trustee, request the External Trustee to convert those proceeds into Australian Dollars. In these circumstances, the External Trustee shall use reasonable endeavours to instruct the bank or financial institution that is processing the payment of those proceeds to you to make such conversion at that bank or financial institution's offered rate of exchange for such conversions. Any costs incurred by the External Trustee in making such conversion shall be payable by you and may be deducted from the proceeds payable to you. The Bank Guarantee(s) referenced in this clause have been issued with the intention of satisfying an exemption published by the Reserve Bank of Australia under section 25 of the *Payment System (Regulations) Act 1998* (Cth) on 4 March 2004 (**Exemption**). You acknowledge that: (i) if Airwallex no longer needs to rely on the Exemption, such as where Airwallex is granted an Authorised deposit taking institution licence, neither Airwallex nor the External Trustee need maintain the Bank Guarantee; and (ii) if Airwallex is not able to satisfy the Exemption, the Bank Guarantee will not be maintained and your funds will be held in a bank account on trust for you and separately from Airwallex's own funds.

Supported Currencies

The Direct Services relate to a range of Supported Currencies. The Supported Currencies may differ depending on the Service. For example, you are only permitted to hold certain Supported Currencies in your Wallet. More information about the Supported Currencies for each service are available on www.airwallex.com or the Airwallex Platform.

4. FOREIGN EXCHANGE SERVICES

What is Foreign Exchange?

The foreign exchange or FX Conversion function of the Direct Services allows you to exchange one Supported Currency for another Supported Currency at an agreed exchange rate by making a request through the Airwallex Platform (**FX Service** or **Foreign Exchange Service**). Exchange rates can vary from time to time and at different rates for different currencies.

The foreign exchange transactions executed by Airwallex with you are “over the counter” forex transactions, which means the currencies exchanged are not traded on a licensed financial market such as a stock exchange. Each transaction is customised to meet your needs and is therefore dependent on the following factors:

- type of currency to be exchanged;
- the exchange rate;
- the transaction amount;
- the settlement date of the transaction; and
- the transaction fee.

What are some of the uses of Foreign Exchange?

Commercial activities for which FX Conversions may be useful include:

- import and export businesses whereby invoices are quoted in foreign currencies;
- businesses with staff in multiple countries;
- repatriation of funds, overseas profits or interest in foreign currencies; and
- any other foreign currency payments.

Spot Contracts

Supported Currencies can be exchanged through a spot foreign exchange transaction which generally settles within 2 business days (**Spot Contract**). A Spot Contract is a contract to exchange funds in your Wallet to a Supported Currency. Spot Contracts can be used when you wish to give effect to a prompt payment in a foreign currency. Once you have requested a Spot Contract to take place, you will be provided with a confirmation of that transaction and typically the transaction will settle within 2 Business Days of receipt of the confirmation (assuming your Wallet contains sufficient funds to give effect to the transaction).

Generally, for most customers, you will need to ensure that your Wallet has sufficient balance in the right currency at the time you place your instructions for a FX Conversion as otherwise your instructions may be declined. You can however request that you be allowed to post fund

transactions. If we approve your request, you must ensure that you have sufficient funds in your Wallet by the relevant settlement cut-off time specified in our confirmation for transaction or as otherwise notified to you through the Airwallex Platform.

We have the power to terminate FX Conversions in a number of circumstances specified in the Customer Agreement, including if the balance of your Wallet is insufficient to settle your obligations in connection with the FX Conversion. The termination of an FX Conversion may result in Break Costs payable by you as set out in more detail in section 11.

Example A – Spot Contract (T+2)

For example, Coffee Shop Pty Ltd is buying coffee supplies from a European supplier and needs to send EUR100,000 to that supplier's bank account in Italy in the next few days.

Assuming the Coffee Shop has an Airwallex Profile, the Coffee Shop owner or its representative logs onto the Airwallex Platform and requests to convert Australian dollars to euro to and to pay those funds to the supplier in 2 Business Days' time.

Through the Airwallex Platform, Airwallex gives the Coffee Shop an estimated rate of 0.7500 and informs the Coffee Shop that it will need AUD133,333.33 in its AUD Wallet to effect the Spot Contract. The Coffee Shop's representative immediately accepts the rate of 0.7500 and Airwallex provides a confirmation.

However, because the Coffee Shop has no funds in its AUD Wallet and it has been approved by Airwallex to post fund the transaction, it needs to send the AUD133,333.33 to Airwallex by the settlement cut-off time, so the Coffee Shop transfers those funds today and they arrive as cleared funds in the Coffee Shop's AUD Wallet held with Airwallex the next Business Day.

The funds arrive before the settlement cut-off time and on the next day (being 2 Business Days' from the payment instruction), Airwallex takes the funds from the AUD Wallet and dispatches the EUR100,000 payment to the supplier's Italian bank account originally specified by the Coffee Shop.

Example B – Spot Contract (Today)

For example, Coffee Shop Pty Ltd is buying a coffee supplies from a European supplier and needs to send EUR100,000 to that supplier's bank account in Italy today.

Assuming the Coffee Shop has an Airwallex Profile and is approved to request Spot Contracts that settle "Today", the Coffee Shop's representative logs onto the Airwallex Platform and requests to convert Australian dollars to Euros to pay those funds to the supplier today.

Through the Airwallex Platform, Airwallex gives the Coffee Shop an estimated rate of 0.7500 and informs the Coffee Shop that it will need AUD133,333.33 in its AUD Wallet to effect the Spot Contract. The Coffee Shop's representative immediately accepts the rate of 0.7500 and Airwallex provides a confirmation.

The Coffee Shop already has AUD133,333.33 funds in its AUD Wallet, so Airwallex takes the funds from the AUD Wallet and dispatches the EUR100,000 payment to the European supplier's bank account originally specified by the Coffee Shop today.

Please note: These examples are illustrative only and do not take into account transaction costs or actual exchange rate movements.

Pre-Fund Spot FX and Post-Fund Spot FX

Spot Contracts can be pre-fund (**Pre-Fund Spot FX Transaction**) or post-fund (**Post-Fund Spot FX Transaction**).

For a Pre-Fund Spot FX Transaction, you simultaneously or no later than intraday: (i) order and agree to the Pre-Fund Spot FX Transaction; (ii) have your Wallet debited by Airwallex; and (iii) have your Wallet credited by us. Consequently, the settlement of Pre-Fund Spot FX Transactions generally occurs simultaneously (or no later than 'same day' in some circumstances) with the agreement to enter into the Pre-Fund Spot FX Transaction.

For a Post-Fund Spot FX Transaction, you: (i) order and agree to the Post-Fund Spot FX Transaction on a date (**Order Date**); (ii) have your Wallet debited by us by Settlement Cut-Off; and (iii) have your Wallet credited by us simultaneously with or immediately after the relevant debit is completed. Consequently, the Settlement Cut-Off of the Post-Fund Spot FX Transaction will generally be on either: (i) on the Order Date; or (ii) up to three days after the Order Date. It is important to note that the payments you make under a post fund Spot Contract are paid to acquire that post fund Spot Contract.

Market FX and Lock FX

Generally, you will only be configured to make FX Conversions at "Market FX" unless you request and are approved to use "Lock FX".

- **Market FX** means that the foreign exchange rate provided to you for a FX Conversion is only an estimate that may change between the time the FX Conversion is confirmed. Because the rate is generally determined by having reference to the live market, it does not include any additional mark-up for locking the rate for any period of time.
- **Lock FX** means that the foreign exchange rate provided to a customer for a FX Conversion will be guaranteed for a pre-agreed period of time and will reset after that period of time (for example, each 1 minute or each 8 hour block of time). Because the rate is guaranteed by Airwallex for a period of time, this carries additional market risk and Airwallex will quote an additional mark-up for FX Conversions under Lock FX.

Example – Market FX with Market Movements

For example, Coffee Shop Pty Ltd is buying a coffee supplies from a European supplier and needs to send EUR100,000 to that supplier's bank account in Italy in the next few days.

Assuming the Coffee Shop has an approved account with Airwallex and is only approved to make FX Conversions at Market FX, the Coffee Shop's representative logs onto the Airwallex Platform and requests to convert Australian dollars to euro to pay those funds to the supplier in 2 Business Days' time.

Through the Airwallex Platform, Airwallex gives the Coffee Shop an estimated rate of 0.7500 and informs the Coffee Shop that it will need AUD133,333.33 in its AUD Wallet to effect the FX Conversion. However, the Coffee Shop's representative delays confirming the rate and in the meantime significant market movement has occurred and the rate changes to 0.7490. The representative then confirms the FX Conversion and Airwallex gives a confirmation to the Coffee Shop showing that the confirmed rate is 0.7490 and that AUD133,511.34 will be needed in the AUD Wallet.

The Coffee Shop must send AUD133,511.34 to Airwallex by the settlement cut-off time to avoid breaching its obligations to settle the FX Conversion and paying potential break costs to Airwallex if it fails to settle in time.

The Coffee Shop's representative could have instead requested to be approved for Lock FX and then to avoid the risk of exchange rate movement they could have requested a quote held for a period of time (a, "validity period") and then had any subsequent FX conversions entered into during that validity period executed at the quoted exchange rate.

Please note: These examples are illustrative only and do not take into account transaction costs or actual exchange rate movements.

Holding Amount

When you request to set up an Airwallex Profile or at a later time we may require that you pay us an amount (**Holding Amount**). This Holding Amount is an amount paid to us by way of deposit against the potential liabilities you may incur in connection with the various transactions you may enter into with us (including in connection with FX Conversions).

The amount of any required Holding Amount is calculated based on your individual circumstances, but it is generally a percentage of the maximum exposure we may have to you at a given time (for example, the maximum aggregate value of all FX Conversions you are permitted to book at any given time).

This Holding Amount may be applied towards any amount you owe to us. We can ask you, with not less than two days' notice, to increase the Holding Amount at any time, for example, if there are movements in the foreign exchange markets, Airwallex has applied a portion of your Holding Amount to meet an amount you owe to Airwallex or Airwallex considers that there has been an adverse change in your financial position or credit worthiness.

The Holding Amount may be deducted from your Wallet and held by us in another account or a hold may also be placed over a part of your Wallet corresponding to the Holding Amount (in which case, you will not be able to use this Holding Amount).

The Holding Amount will be returned to you in the circumstances specified in the Customer Agreement (for example, after you terminate your relationship with us and there are no outstanding obligations to us). We do not pay you interest on the Holding Amount and we may retain any interest earned on the Holding Amount.

5. PAYOUT SERVICES

What are Payout Services?

Through our Payout Services the Airwallex Platform enables you to make payments to bank accounts in Supported Jurisdictions and Supported Currencies.

Airwallex enables payouts through the Payout Services through various channels including payouts by SWIFT as well as payouts using local payment channels such as ACH in the USA.

Payouts via SWIFT can be made in a range of Supported Currencies but are generally slower and are generally more expensive than local payment channels. Payouts via local payment

channels are generally faster than SWIFT payouts and are generally less expensive than SWIFT payouts.

The Supported Currency via local payment channels are also sometimes limited to the local currency. For example, if you choose to pay a beneficiary domiciled in the United States through the ACH local payment channel, the payout will generally need to be in USD.

In some cases, the type of beneficiary account you intend to make a payout to may be restricted, depending on the local payout channel. For example, if you intend to make a payout to a beneficiary located in London via a United States local payout channel, you may not be able to do this as the rules of the local payout channel in the United States would not permit this.

6. **COLLECTION SERVICES (GLOBAL ACCOUNT)**

What are the Collection Services (Global Account)?

The Collection Services are a currency collection service where Airwallex will provide you with local bank account details (**Global Account**) in Supported Jurisdictions and Supported Currencies which you can provide to payers in order for you to collect payments (**Collection** or **Collection Service**). Funds paid into the Global Account by payers are collected by Airwallex so that they can be paid into your Wallet. Funds collected through the Global Account are generally reflected in the balance of your Wallet and are not shown as a separate balance for that particular Global Account.

The accounts through which the Collection Services will be provided are accounts opened with a bank in the Supported Jurisdiction in the name of Airwallex (and not in the name of the Customer). The funds held in such accounts are kept separate from Airwallex's own funds but your funds may be pooled with the funds of other customers of Airwallex.

Airwallex will increase the Wallet balance with respect to funds received through the Collection Services in the relevant Supported Currency once they are cleared by Airwallex. However, in some cases, funds received via the Collection Services may need to be returned to the sender, frozen or rejected in accordance with the Customer Agreement.

7. **CARD**

What is a Card?

Airwallex issues Cards through the Visa payment scheme. The Card is linked to your Wallet and allows you or any Additional Cardholder to make payments for goods and services using the balance of your Wallet (**Card Services**). The Card can be used anywhere Visa is accepted electronically.

Where you request a Card, it may be issued as a virtual card or, if we approve you for physical cards, a physical card. Virtual cards may be for one time use or may allow you or an Additional Cardholder to make transactions repeatedly. The Card Supplement sets out more information about the differences between these types of Cards.

All cards will have an expiry date. You must not use a Card after its expiry date.

Who can request Cards?

You and any of your Authorised Users (which are authorised to request Cards) may request us to issue a Card in your name or in the name of an Additional Cardholder. Please refer to the Card Supplement for who is eligible to be an Additional Cardholder.

Who can use Cards?

Generally, Cards should only be used by the person in whose name they have been issued. However, your Authorised Users can use a Card issued in your name..

Foreign currency transactions with a Card

When you or an Additional Cardholder uses a Card to make transactions in a Supported Currency that you are permitted to hold in your Wallet, the amount of the transaction will be deducted from the balance of your Wallet in that Supported Currency.

Where your transaction is not in a Supported Currency that you are permitted to hold in your Wallet, but is in a Visa Currency, the currency conversion will be handled by Visa by converting the AUD in your Wallet to the transaction currency using an exchange rate determined by Visa. We will not have any control over this conversion process and Visa may charge you a fee as part of this conversion process.

If you do not have a sufficient balance in the relevant Supported Currency and you have automatic exchange rate conversions enabled for a Card, Airwallex will: (a) automatically convert the transaction currency to your Primary Currency at your prevailing FX exchange rate; and (b) deduct the transaction amount from the Wallet balance of your Primary Currency.

Example

You use your Card to make two payments. Payment A is USD\$10,000 to a merchant in the United States. Payment B is MYR50,000 to a merchant in Malaysia. Your Wallet currently holds AUD\$40,000 and USD\$8,000 but no MYR (as it is not a Supported Currency you are permitted to hold in your Wallet).

Payment A is in a Supported Currency that you are permitted to hold in your Wallet so its balance will normally be deducted from the balance of your Wallet maintained in that currency. In this case, you do not have enough USD in your Wallet. Even though you have AUD, this amount will not be automatically converted to USD. As you do not have sufficient balance in your Wallet in the right currency the transaction is declined. You could have however converted AUD to USD by making a foreign exchange conversion prior to making the transaction so that your Wallet has at least USD\$10,000.

However, if you have automatic currency conversions enabled for your Card and your nominated Primary Currency is AUD, then an equivalent of USD\$2,000 will be converted from your AUD balance that you hold in your Wallet by making a foreign exchange conversion so that Payment A can be processed. If you have automatic currency conversions enabled for your Card and your Primary Currency is GBP, then the transaction will be declined as you do not have sufficient balance in your Wallet in the relevant currency for both the transaction or automatic currency conversion.

Payment B is not in a Supported Currency that you are permitted to hold in your Wallet but is at the time a Visa Currency. Visa would handle the conversion of the AUD balance of your Wallet to Malaysian Ringgit for the purposes of the transaction.

Please note: This example is illustrative only and does not take into account transaction costs or actual exchange rate movements.

8. WHAT ARE THE SIGNIFICANT BENEFITS?

- **Direct Access:** You can access the Direct Services through the Airwallex Platform, our technology solution for giving effect to payments in foreign currencies and for accessing information about your Wallet.
- **Wallet Services:** You can use the Wallet Services to hold funds for future payments, including in foreign a range of Supported Currencies.
- **FX Services:** You have the ability to perform foreign exchange transactions through FX Conversions at competitive rates which are typically only available to wholesale buyers of foreign exchange.
- **Top Up and Collection Services:** You can use the Top Up and Collection services to top up funds to your Wallet and receive funds into your Wallet through a Global Account in an overseas Supported Jurisdiction. The main benefit of a Global Account is that you can accept bank transfers in Supported Currencies in an overseas Supported Jurisdiction, which may allow you to avoid potentially expensive cross border transfer or currency conversion fees.
- **Payout Services:** You can use the Payout Services to make payments in a range of Supported Currencies, including to third parties in overseas Supported Jurisdictions. This may allow you to avoid potentially expensive cross border transfer or currency conversion fees.
- **Card Services:** You can also access the balance of your Wallet to make payments for goods or services using a Card (when we have agreed to issue you with a Card). The Card is designed to be accepted anywhere Visa cards are accepted electronically. A Card reduces the need for the user to carry cash and is a convenient way of making payments for goods and services anywhere traditional Visa payments are accepted, both online and in store.
- **Stored value guaranteed by an ADI:** As noted in section 3 of this PDS, by loading electronic funds into your Wallet you make a purchase of stored value that is then protected by a Bank Guarantee. The Bank Guarantee is issued by that ADI in favour of an External Trustee who holds the benefit of the Bank Guarantee on trust for all Wallet holders. At any point in time, the amount guaranteed under the Bank Guarantee will be equal to or larger than the aggregate electronic funds balances of all Wallet holders. This means that in the event of our insolvency you will be able to make a written demand to the External Trustee for the payment of the electronic money balance held in your Wallet.

9. WHAT ARE THE SIGNIFICANT RISKS?

- **Foreign Exchange Risk:** Foreign exchange rates fluctuate all the time and currency markets can be volatile. Due to these fluctuations, the rate at which you exchange currency may change between the time you have entered into a transaction and the time at which it settles.
- **Fraud and unauthorised transactions:** There is a risk your Wallet may be used for fraudulent and authorised transactions if the security of your Airwallex Profile, your Card or your access to the Airwallex Platform is compromised. It is important that you safeguard your Airwallex Platform login details as well as any passwords, equipment or software you use to access the Airwallex Platform. If you do not, then you may be liable for any unauthorised transactions. In addition, if you connect to the Airwallex Platform through the Airwallex API, it is your responsibility to manage the security and integrity of your systems.
- **Payment network risk:** There is a risk that the payment partners and payment network that Airwallex uses to provide the Payout Services may be unavailable for a period of time. This

means you may not be able to use some or all of the Payout Services through the Airwallex Platform for a period of time while the payment partners or payment network is interrupted.

- **Counterparty default risk:** There is a risk that a person with whom Airwallex has a contract in relation to the provision of the Payout Services (such as payment partners and payment networks) may fail to meet their contractual obligations. If this happens, you may not be able to use the Payout Services as designed, and this could result in loss.
- **Airwallex's liability:** We limit our liability for unauthorised transactions and a range of other circumstances, which means that in some circumstances we may not be liable to you for losses caused by our system or equipment failure, payment fraud, third party delays or fees, and unauthorised transactions (including consequential and indirect loss).
- **Suspension/reversal of transactions and suspension/termination of your account:** We have the right to suspend or reverse certain transactions or suspend access to the Payout Services for a range of reasons. We may do this where we suspect criminal or illegal behaviour, other regulatory reasons, or where your Wallet has a negative balance. In addition, under the Customer Agreement we have the right to suspend or terminate your access to the Direct Services for similar reasons.
- **Mistaken transactions:** You should check all instructions you provide us carefully. Once you have provided us with an instruction and we have issued you with a confirmation, we may be limited in our ability to cancel, amend or reverse the transaction. Any cancellation, amendment or reversal may also result in costs to you.
- **Third party delays or fees:** As a global payments network, Airwallex's payments infrastructure relies on arrangements with third parties that allow Airwallex to make global payments for you, including to Airwallex's banking partners in Supported Jurisdictions. The domestic requirements and practices of those third parties vary and it is possible that you will experience delays or failed transfers if your transaction does not meet the requirements of those third parties. In addition, third parties such as the recipient's bank, as well as any correspondent banks, may charge their own fees to process a payment, in which case such charges are beyond our control.
- **Liability for Authorised Users and Additional Cardholders:** You are liable for any actions or transactions undertaken by Authorised Users or Additional Cardholders. You should carefully consider whether to appoint someone as an Authorised User or Additional Cardholder.
- **Reversals, refunds or negative balances:** Under the Customer Agreement we have the right to reverse transactions in connection with your Wallet. We may use this power in a variety of circumstances set out in the Customer Agreement, for example, where an amount has been paid to you by mistake. Such reversals may result in your Wallet having a negative balance. The Customer Agreement provides that you are required to reimburse us for any negative balance in your Wallet.

10. ACCESSING THE DIRECT SERVICES

How to create an Airwallex Profile

First, go to the Airwallex website at www.airwallex.com, access and read this PDS, Customer Agreement and any Additional Terms.

Then, complete an application form for an Airwallex Profile. One of our product specialists may need to contact you to discuss your specific requirements so as to enable you to open an Airwallex Profile.

Through your Airwallex Profile you will be able to access the Airwallex Platform. You can access the Direct Services through the Airwallex Platform as well as obtaining information about your Wallet by following the relevant prompts.

You should provide all requisite details including, business information, your personal details and any additional documents when applying for an Airwallex Profile. We may require this information to fulfil our legal Know Your Customer and Anti-Money Laundering obligations as well as assessing whether to provide you with the Direct Services.

Authorised Users

Once you have set up your Airwallex Profile, you can also request that Authorised Users be permitted to access the Direct Services on your behalf. You must ensure we're informed of all Authorised Users and changes to their details. Authorised Users may be given varying levels of authority through the Airwallex Platform.

You are liable for any instructions or requests for services made by an Authorised User on your behalf. If you want to change an Authorised User you must notify us immediately and you will be liable for their instructions and requests until you do so. More information on Authorised Users is set out in the Customer Agreement.

11. FEES AND CHARGES

Base Rate – our interbank rate

The “**Base Rate**” is the rate we are able to obtain for the currency pairs and generally represents our cost price to convert funds from one currency to another currency.

However, given the nature of foreign exchange markets, there is no single rate that we are able to obtain. The Base Rate is determined by us having reference to live exchange rates from our banking partners and market data sources and then calculating a blended rate from those sources. The blended rate may involve calculating the weighted average of one or more exchange rates available to us.

We do not include a mark-up specific to you in the Base Rate as it is generally a reflection of our costs. However, foreign exchange markets generally only operate 5 days per week Monday to Friday. During the weekend, and other times when markets are closed, or where rates are unavailable to us, an additional mark-up or fee may be applied to the Base Rate to account for such situations.

FX transaction fee

Airwallex charges a FX transaction fee and may charge a “Local” or “SWIFT” fee for every FX Conversion made through the Direct Services.

The FX transaction fee will be a fixed percentage mark-up agreed with you and will vary depending on the transaction amount. The real-time indicative exchange rate being the Base Rate plus the customer mark-up will be shown whenever a transaction is created on the Webapp and available to customers to retrieve if they're accessing the Airwallex Platform through Airwallex APIs.

Our fees may change from time to time at our sole discretion. Airwallex reserves the right to offer different prices to specific customers or groups of customers as a discount, promotion or customer recognition programme.

Example – Market FX with Market Movements
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Using the Coffee Shop as an example once more, where we quote the Coffee Shop an estimated exchange rate of AUD to euro of 0.7500 the rate given to the Coffee Shop is made up of the following components:

- (a) the Base Rate;
 - (b) the customer mark-up or transaction fee agreed with you; and
 - (c) any other product specific mark-up or fee agreed with you (e.g., if you're approved for Lock FX, we will add a product specific mark-up).
- (b) and (c) are referred to in the Customer Agreement as the "Customer Margin".

The pricing for the Customer Margin is dynamic and depends on a range of circumstances. The Base Rate will also fluctuate having regard to market conditions and other factors outside of our control.

Please note: These examples are illustrative only and do not take into account transaction costs or actual exchange rate movements.

Local and SWIFT Fees

When you make a payment, "Local" or "SWIFT" payment options may be available. The SWIFT fee applies to payments that are made to people via the SWIFT network and Local fees are applicable to payments using other payment options. Local payment options are generally cheaper than traditional SWIFT payment options.

If you choose a SWIFT payment option, you will generally be given the choice to choose between a "SHA" or "OUR" cost. A "SHA" cost SWIFT payment is where the cost of the SWIFT payment is shared between you and the recipient of the funds using us and correspondent banks in the payment network. In such cases, the recipient may not receive the entire payment amount. A "OUR" cost SWIFT payment is where the recipient pays no fees associated with the SWIFT payment and receives the entire payment. The relevant payment fee will be made available to you through the Airwallex Platform.

Other Fees

Third parties such as the recipient's bank, as well as any correspondent banks the money passes through while in transit, may charge their own fees to process a payment. These fees are a fixed USD fee based on payment method and currency. Like transaction fees, these are agreed with you when entering into the FX Conversion.

Transaction fees are calculated to cover any such costs, however there may be instances where a third party fee is levied from your funds and an amount less than what you paid arrives at the recipient's account. We do not take or receive these fees nor are we liable for them, as such charges are beyond Airwallex's control.

In a situation where incorrect payment details are provided and the settlement or receiving banks refuse to process your payment, or if the transaction is cancelled, administrative charges may be incurred and could be deducted from your payment amount.

You may be able to manage the impact of some of these transaction related fees through the Airwallex Platform.

Break Costs

When a FX Conversion is terminated prior to its settlement date (for example, where you do not pay us the required funds to settle the FX Conversion by the settlement cut-off date or in other circumstances specified in the Customer Agreement) you may be liable to pay us a certain amount as a genuine and reasonable pre-estimate of our loss in connection with the termination (**Break Cost**). The Break Costs may be significant, so you should ensure you double check before booking a FX Conversion.

At the time of your enter into an FX Conversion, the size of these Break Costs on early termination cannot be predicted, as rates can increase as well as decrease by an unpredictable amount.

FX Conversions are designed to be held for the term of the contract. Break Costs may also be influenced by factors including bid-offer spreads, credit-worthiness, market liquidity and timing of execution. Example scenarios can be provided on request.

Speculative trading

You must not use the Direct Services for any speculative trading or related purposes. Airwallex does not pay you any gains that it may make in connection with the termination of an FX Conversion under any circumstances.

Visa's rate

If your transaction is in a Visa Currency, the foreign currency transactions will be converted from the balance of your Wallet maintained in the Base Currency by Visa at its own conversion rate. Generally, the conversion rate applied to refunds of a transaction will be different to the conversion rate applied to the original transaction.

12. FEE SCHEDULE

Detailed information about our fees and charges can be found on our website at www.airwallex.com/terms/fee-schedule-au. You can ask us to provide you with a copy of this information by emailing us at support@airwallex.com. We will provide a paper copy or an electronic copy to you free of charge if requested by you using the contact information set out on page 2 of this PDS.

13. TAXATION

There may be tax implications associated with your use of the Direct Services and any transactions you enter into with us. The tax implications for you of obtaining one of our Direct Services will vary according to your own circumstances. We recommend that you seek professional tax advice.

14. PRIVACY

To comply with anti-money laundering legislation, Airwallex is required to collect personal information (as defined in the *Privacy Act 1988* (Cth)) for the purposes of identifying and verifying your identity.

By using our Direct Services, under the terms and conditions stipulated in our Customer Agreement, you consent to us collecting, using and disclosing your personal information for the purposes stated in our Privacy Policy (available on our website at https://www.airwallex.com/au/terms/privacy-policy#privacy-policy_scope-of-policy). You

are entitled to ask for the personal information we hold about you and we will provide it at your request.

15. COMPLAINTS

If you would like to make a complaint regarding any of our Direct Services, please contact our Customer Support team at support@airwallex.com or dialling 13 32 99 (Melbourne, Australia) or +61 3 9068 5517 (International).

Airwallex is a member of an independent dispute resolution scheme, the Australian Financial Complaints Authority (**AFCA**). In the event that your complaint cannot be resolved following our internal complaints procedure, you can escalate the matter to AFCA. Their contact details are as follows:

Australian Financial Complaints Authority:

- *Mail:* Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001
- *Phone:* 1800 931 678 (toll free in Australia)
- *Email:* info@afca.org.au
- *Website:* www.afca.org.au

16. WOULD YOU LIKE MORE INFORMATION?

You can find out more by contacting us using the details at the beginning of this PDS. You can also look at our website for more information.

17. DEFINITIONS

Additional Cardholder means a person other than you to whom we have issued a Card to access the balance of your Wallet at your request.

Additional Terms means any additional terms of use applicable to your use of our Direct Services found on our website www.airwallex.com or set out in our Customer Agreement including, but not limited to, the Card Supplement and any specific terms applicable to the use of a Direct Service in a particular region, as amended from time to time.

AFCA means the Australian Financial Complaints Authority.

Airwallex API means the technical interface setting out the protocols and specifications required to effect an integration of the Customer's technical systems with the Airwallex Platform for Authorised Users to use the Direct Services.

Airwallex Platform or **Platform** means the proprietary technology and associated products (including but not limited to those found on the Webapp and through an Airwallex API) devised by Airwallex to provide customers with the Direct Services.

Airwallex Profile means the electronic information profile that records your business details and that is used to log into and use the Airwallex Platform, which may be accessed via WebApp.

ASIC means the Australian Securities and Investments Commission.

Authorised User means a person that is authorised to provide us with instructions and requests in connection with the Direct Services on your behalf.

Bank Guarantee has the meaning given in section 3.

Base Rate has the meaning given in section 11.

Break Cost has the meaning given in section 11.

Card means the 'Visa Commercial Card' or similarly named payment instrument issued by Airwallex to you or any of your Additional Cardholders which can be used as a means of making payment using the balance of your Wallet. The Card may be issued as a physical card or virtual card.

Card Service has the meaning given in section 7.

Card Supplement means the Issuing Terms available on our website at <https://www.airwallex.com/au/terms/online-payment-terms>, as amended or replaced from time to time.

Collection or **Collection Service** has the meaning given in section 6.

Customer means the person using the Direct Services.

Customer Agreement means the General Terms and Payment and FX Terms available on our website www.airwallex.com, as amended or replaced from time to time.

Direct Services has the meaning given in section 2.

Exemption has the meaning given in section 3.

External Trustee means Global Loan Agency Services Australia Nominees Pty Ltd.

FX Service or **Foreign Exchange Service** has the meaning given in section 4.

FX Conversion means an agreement in which one currency is sold or bought against another currency at an agreed exchange rate.

GLAS means Global Loan Agency Services Australia Nominees Pty Ltd.

Global Account means the local bank account(s) in Supported Jurisdictions and Supported Currencies, the details of which you can provide to payers in order for you to collect payments through our Collection Service as set out in section 6.

Holding Amount has the meaning given in section 4.

Lock FX has the meaning given in section 4.

Market FX has the meaning given in section 4.

Order Date has the meaning given in section 4.

Payout or **Payout Service** means the payment service provided by Airwallex that allows you to make payments in the Supported Currency in a Supported Jurisdiction as set out in more detail in section 5.

Post-fund Spot FX Transaction has the meaning given in section 4.

Pre-fund Spot FX Transaction has the meaning given in section 4.

Platform Services means the Wallet Services, Payout Services, Collection Services, Foreign Exchange Services, and Card Services to the extent a third party has arranged your access to those Services in a mere referral capacity or otherwise as our authorised representative under a separate product disclosure statement.

Product Disclosure Statement or **PDS** means this document, as amended or replaced from time to time.

Services means the Direct Services and the Platform Services.

Settlement Cut-Off means, in respect of a FX Conversion or Payout, the time and date where sufficient cleared funds must be in your Wallet in order to fund the relevant transaction which will generally be the time and date on which the relevant confirmation is issued by Airwallex, unless a different time is specified in the confirmation or otherwise notified to you through the Airwallex Platform.

Spot Contract has the meaning given in section 4.

Supported Currency means, in respect of each feature of a Service, each currency approved by Airwallex from time to time that can be collected, exchanged and/or paid out (as applicable) using that feature through the Airwallex Platform.

Supported Jurisdiction means in respect of the Global Account and Payout Services each jurisdiction approved by Airwallex from time to time where a Global Account and Payout Service is maintained for the purposes of collecting and making payments.

Retail Client has the meaning given in sections 761G and 761GA of the *Corporations Act 2001* (Cth), as amended from time to time.

Top Up or **Top Up Service** has the meaning given in section 3.

Visa Currency means a currency supported by Visa in which payments may be made using the Card that is not a Supported Currency that you are permitted to hold in your Wallet.

Wallet or **Wallet Service** has the meaning given in section 3.

Webapp means the user interface (including mobile applications) that the Customer and its Authorised Users may use to access the Airwallex Platform and the Direct Services, depending on their settings and whether the particular Direct Service has been enabled for use via the relevant interface.

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CONTACT DETAILS

If you have any questions or wish to contact us, you can do so by:

Telephone: 13 32 99 (Melbourne, Australia)
+61 3 9068 5517 (International)

Email: support@airwallex.com

Web: www.airwallex.com

Level 7/15 William St. Melbourne,
Victoria, Australia