



Product Disclosure Statement

1 January 2020

Important Information

This Product Disclosure Statement (**PDS**) is issued by Airwallex Pty Ltd (ABN 37 609 653 312), AFSL No. 487221 (**Airwallex, we or us**) and relates to the use of the Services by you (**you or Customer**).

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 Services. You can download a copy of the PDS and the Customer Agreement and Additional Terms from the Airwallex website at www.airwallex.com or request a copy free of charge by calling us on +61 3 8583 0915.

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 ensure that our products are appropriate for your particular financial objectives, needs and circumstances.

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.

Offer only in Australia

The offer in this PDS is available only to persons receiving this PDS (electronically or otherwise) in Australia and 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.

Up to date 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. This includes, but is not limited to, potential changes that we have identified. 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 on our website www.airwallex.com. A paper or an electronic copy of the updated information will be available free of charge upon request by contacting Airwallex.

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 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 Services.

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Terms used in a defined sense are defined in the Definitions in section 15.

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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 (AFSL - license number 487221). Airwallex is also registered with AUSTRAC, the Australian Transactions Report & Analysis Centre, under account number 100516662. Airwallex is not regulated by the Australian Prudential Regulation Authority or the Reserve Bank of Australia.

2. THE SERVICES

This PDS relates to the services provided by Airwallex (the **Services**). The Services comprise the Wallet, Foreign Exchange, Card and Global Account service and are accessed through the Airwallex Platform.

3. WALLET

3.1 Wallet

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 payments. Payments can be made through the Platform or by using a Card. More details about Cards are set out in section 5 below.

You can load funds into your Wallet through a bank transfer by following the prompts on the Platform. Funds can also be collected on your behalf and credited to your Wallet through the Global Account service. More details about the Global Account service is set out in section 6 below. We may permit additional methods of receiving or loading money into the Wallet from time to time.

It is important to understand that the Wallet is not a bank account, it is an electronic payment facility. Funds represented by the Wallet will be collected and pooled with funds of other clients of Airwallex in one or more client trust accounts with a licensed bank in Australia. These funds are held separately from Airwallex's own funds. Airwallex will be entitled keep the interest (if any) earned on these accounts.

We may from time to time by notice to you require you to maintain a minimum balance in your Wallet in order to ensure that you have sufficient funds to settle transactions you may enter into with us from time to time.

3.2 Supported Currencies

The 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

4.1 What is Foreign Exchange?

The foreign exchange or FX Conversion function of the Services allows you to exchange one Supported Currency for another Supported Currency at an agreed exchange rate by making a request through the Platform. 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” (**OTC**) 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:

- (a) type of currency to be exchanged;
- (b) the exchange rate;
- (c) the transaction amount;
- (d) the settlement date of the transaction; and
- (e) the transaction fee.

4.2 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.

Supported Currencies can be exchanged through the Services in one of two ways:

- through a spot foreign exchange transaction which generally settles within 2 business days (**Spot Contract**); or
- through a forward contract where we agree the rate and settlement occurs at some time in the future generally within 12 months (**Forward Contract**).

Depending on the timing of when you require foreign currency and whether you require certainty regarding the exchange rate in the future, you may find that it is preferable to enter into a Forward Contract rather than a Spot Contract (or vice versa). The distinction between these two types of transactions are explained below.

4.3 Spot Contracts

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 approved 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 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 10.

Example A – Spot Contract (T+2)

For example, Coffee Shop Pty Ltd is buying coffee supplies from an 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 authorised 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 authorised 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 authorised representative logs onto the Airwallex Platform and requests to convert Australian dollars for Australian dollars 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 authorised 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 French 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.

4.4 Forward Contracts

If a foreign exchange contract were to settle in the future, i.e. at a time which is greater than 2 business days after the transaction was entered into, then this is referred to as a Forward Contract. The settlement date of a Forward Contract can be up to 12 months from the date the Forward Contract was entered into. This effectively means you agree the exchange rate at which one Supported Currency will be exchanged for another at some future date. In entering into a forward contract you get the benefit of confirming the rate at which your transaction will occur but also adopt the risk of the exchange rates moving in a direction which makes the forward exchange rate less attractive when compared to a Spot Contract at that time.

Example A – Waiting to perform a Spot Contract

Entering into a Spot Contract can have both benefits and risks; this can be illustrated by the following scenarios:

On 24 March, an Australian company 'Emu Services Pty Ltd' entered into a contract with an Italian company, 'Wolf Co S.r.l.' to buy 10 cars at a total price of EUR20,000,000, to be delivered three months later on 24 June. Payment was due on delivery. On 24 March the exchange rate was 0.6265, which means that the cost of the contract in AUD was AUD3,192,338.39. If Emu Services entered into a Spot Contract on 24 March, it will pay this amount to receive EUR2,000,000 and could use that amount to pay Wolf Co in Euros on 24 June.

Exchange rate rises: If Emu Services instead chose to wait and do nothing until the payment date, 24 June, they would exchange AUD when there potentially is a different exchange rate and therefore pay more or less depending on the change. On 24 June, the exchange rate rose to 0.6459. If they exchanged AUD on this day they would only have to pay AUD\$3,096,454.56, which is AUD\$95,883.83 less.

Exchange rate decreases: If however the exchange rate had instead fallen to 0.6 on 24 June, Emu Services would have had to pay Wolf Co AUD\$3,333,333.33 for the same number of cars; more than they would have if they had entered into the Spot Contract on 24 March.

Example B – Forward Contracts

On 31 October 2019, an Australian company, 'Wattle Co Pty Ltd', enters into a contract with a Greek company, 'Olive Co E.P.E' for to provide supplies for EUR100,000, deliverable on 31 January 2020. Payment is due on delivery.

The AUD/EUR spot exchange rate on 31 October 2019 is 0.6247, which means that the cost of the contract in Australian dollars is AUD\$160,076.84. Wattle Co can enter into a forward contract on 31 October 2019 and lock in a forward AUD/EUR rate of 0.6222 to ensure that on 31 January 2020 it pays roughly that amount, thereby providing contractual certainty.

The exchange rate for the Forward Contract is calculated as follows:

- Currency Airwallex sells (client buys): EUR€100,000
- Settlement date of forward contract: date+3 calendar months
- Spot rate: 0.6247
- Exchange rate agreed: 0.6222 (spot rate adjusted for forward pricing)
- Currency Airwallex buys (client sells): AUD\$160,720.03

If on 31 January the spot exchange rate rose to 0.6647, Wattle Co would have ensured contractual certainty but have made a notional loss as it could have paid only AUD\$150,443.81 under this more favourable exchange rate. It was instead bound to pay the higher amount. If however on 31 January the spot rate had instead fallen to 0.60, by locking in a forward rate of around 0.6247, Wattle Co are in a better position by using a forward contract than if they entered into a Spot Contract in January.

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

4.5 Market FX and Lock FX

Generally, you will only 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 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 authorised 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 authorised representative delays confirming the rate and in the meantime significant market movement has occurred and the rate changes to 0.7490. The authorised 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 to 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 authorised 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.

4.6 Holding Amount

When you request to setup an Airwallex Profile or at a later time we may require that you pay to us an amount (the **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 a separate client trust 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. CARD

5.1 What is a Card?

The Card is issued by Airwallex 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. 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.

5.2 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.

5.3 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..

5.4 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. To give you maximum control over your exchange rate in those Supported Currencies, we will not make any automatic foreign exchange conversions for such transactions. As such, you should ensure that your Wallet has sufficient balance in the relevant currency before making a transaction as otherwise the transaction may be declined.

Where your transaction is not in a Supported Currency that you are permitted to hold in your Wallet, but is in a Visa Supported 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.

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 an Spot Contract prior to making the transaction so that your Wallet has at least USD\$10,000.

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

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

6. THE GLOBAL ACCOUNT

The Global Account is a currency collection service where Airwallex will provide you with local bank account details in Supported Jurisdictions and Supported Currencies which you can provide to payers. Funds paid into the Global Account by payers are collected by Airwallex on your behalf so that they can be credited to 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 Global Account 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. Such accounts are generally not trust accounts.

Airwallex will sweep funds representing your portion of the balance of such Global Account (or an equivalent amount in AUD or another currency on a marked to market basis) into its client trust accounts held with one or more Australian banks by the next business day on which the funds are received in the Global Account.

7. WHAT ARE THE SIGNIFICANT BENEFITS?

(a) Access to the Services

You can access the Services through the Airwallex Platform, a seamless technology solution for giving effect to payments in foreign currencies and for accessing information about your Wallet.

You can also access the balance of your Wallet to make payments for goods or services by 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.

(b) Foreign Exchange

- (i) The Services are intended to provide you with the ability to perform foreign exchange transactions through FX Conversions at competitive rates which are typically only available to wholesale buyers of foreign exchange.
- (ii) Our ability to access local clearing networks in foreign jurisdictions also aims to result in lower fees and full delivery of funds to the bank accounts of recipients.
- (iii) An estimate of the exchange rate and transaction fees that we charge for a FX Conversion is displayed upfront. This is to give you control over the rate at which your currency is exchanged. While we aim to ensure, so far as reasonably practicable, that the FX Conversion is effected at the estimated exchange rate, the actual exchange rate may change until we confirm your transaction (unless you have entered into a Lock FX conversion for the relevant period).
- (iv) There is no minimum transaction amount. However, maximum transaction limits may be imposed having regard to a particular client's risk profile, and also by local clearing network or payment method limitations which may restrict the size on certain payment methods.

(c) Global Account

Through a Global Account you can accept bank transfers in Supported Currencies in a Supported Jurisdiction. When you accept such bank transfers, the funds are retained in the Supported Currency in which they are received. This may be useful in avoiding the need to make further currency conversions if you are required to make payment in that same Supported Currency or if you want control over when you can make a foreign currency conversion. The main benefit of a Global Account is that you can collect funds in a number of different currencies, especially where you may have many small payments you need to receive from third parties in overseas Supported Jurisdictions. This could allow you to avoid potentially expensive cross border transfer or currency conversion fees.

8. WHAT ARE THE SIGNIFICANT RISKS?

(a) 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. As such, it is possible that the exchange rate may improve which means you will have lost the potential benefit of that change. The exchange rate may also deteriorate, which means you will not be impacted by that change.

There are many factors which can influence exchange rates, and these can include political influences, central bank monetary policy, natural disasters, foreign currency controls and regulations and disputes (ie. wars), and the relative demand for particular currencies. Such major events could also impact the normal function of foreign exchange markets. For example, currency restrictions which may impact the ability to transfer or freely exchange certain currencies could impact our ability to provide the Services.

(b) **Counterparty/Credit Risk**

When you enter into a transaction with us, you are reliant on our ability to fulfil our obligations to you. As with all contracts, there is a risk that one of the parties may default on their contractual obligations. This is known as counterparty risk.

We have also entered into a number of agreements with third parties to provide the Services including banks, brokers, other providers of foreign exchange and technology solutions providers. We are reliant on these third parties to provide the Services and their actions may impact our ability to fulfil our obligations to you in a timely manner.

You should also note that your Wallet is not a deposit account and the balance of your Wallet is not covered by the Australian Financial Claims Scheme. If Airwallex becomes insolvent, there is a risk that you may lose the balance of your Wallet.

To mitigate these risks, Airwallex:

- has entered into partnership arrangements with multiple highly rated banking partners and third party service providers;
- constantly monitors the creditworthiness of our service providers to ensure that our clients' funds are adequately protected; and
- exchanges and transfers funds within a short time period.

(c) **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, technological systems or external events. There is also the risk of security breaches due to the reliance on electronic systems. We endeavour to avoid any such issues however we cannot guarantee that they will never occur.

For example, disruptions in Airwallex processes such as access to communications networks, software errors, data breaches or other technical issues may render the Airwallex Platform unavailable and this may in turn lead to delays in the execution and settlement of your transactions.

Airwallex seeks to minimise operational risk by adopting numerous systems and processes, including detailed risk management policies. For this reason, our Customer Agreement provides that we cannot guarantee that the Airwallex Platform will operate uninterrupted or error-free, that it will always be available, that the information it contains is current or up-to-date, that it will be free from bugs or viruses, or never be faulty.

(d) **Unauthorised transactions and fraud**

There is a risk your Wallet may be used for fraudulent and authorised transactions. This can occur if the security of your Airwallex Profile, your Card or your access to the Airwallex Platform is compromised. You should notify us promptly if you suspect if there has been any fraud or misuse in connection with the Services.

Where unauthorised transactions occur, you may be held liable for such transactions (for example, where you have failed to report a security issue promptly). The Customer Agreement and Card Supplement sets out where you may be held liable for unauthorised transactions. The Card Supplement also sets out steps to keep your Card safe from misuse and the importance of reporting to us promptly the loss, theft or misuse of your Card.

Airwallex monitors the usage of Cards for fraudulent transactions to help protect you and itself from liability. However, Airwallex cannot guarantee all fraudulent or unauthorised transactions will be prevented.

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. As the connection to the Platform will be through your own user interface, Airwallex will assume that any person that accesses the Platform in this way is authorised by you to do so.

(e) 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.

If you no longer wish for a person to be an Authorised User or Additional Cardholder (for example, if the person has ceased to be an employee of your business) you should notify us immediately as you are liable for all actions and transactions undertaken by that person until we receive such notice.

(f) 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. You should regularly check the transactions in connection with your Wallet and let us know promptly if you suspect a mistake.

There may also be a situation where transactions that you have made in a foreign currency may be refunded or reversed in which case we have the discretion determine the currency in which to credit your Wallet. For example, if you make a payment to someone in Malaysia in MYR and that transaction is reversed or is refunded. In this situation, since MYR is not a Supported Currency that you are permitted to hold in your Wallet, we may choose to convert that MYR to AUD at the then prevailing spot foreign exchange rate (or if we chose to do so at the foreign exchange rate applied to the original transaction) before crediting your Wallet.

(g) 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. For example, if you have provided us with instructions to enter into a Forward Contract and those instructions contained an error, you may incur Break Costs if you subsequently instruct us to cancel or amend those instructions.

(h) Suspension and termination of your account

Under the Customer Agreement we have the right to suspend or terminate your access to the Services. We may do this in a variety of circumstances such as where we suspect criminal or illegal behaviour, other regulatory reasons or where your Wallet has a negative balance.

An example of where your access to the Services may be terminated or suspended for legal reasons includes where it is necessary for sanctions compliance. Australia, as a member state of the United

Nations, is obliged to implement United Nations Security Council sanctions. The Australian Government may also impose its own sanctions and restrictions, both locally and internationally.

Airwallex may be prohibited from dealing with prescribed persons or entities. In the event that you fall under the category of prescribed person or entity, we may have to suspend, cancel or terminate your access to the Platform or any such agreement with us pursuant to regulatory requirements.

9. ACCESSING THE SERVICES

9.1 How to create an Airwallex Profile

- (a) First, go to the Airwallex website at www.airwallex.com, access and read this PDS, Customer Agreement and any Additional Terms.
- (b) 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.
- (c) Through your Airwallex Profile you will be able to access the Platform. You can access the Services through the Platform as well as obtaining information about your Wallet by following the relevant prompts.
- (d) 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 Services.

9.2 Authorised Users

- (a) Once you have setup your Airwallex Profile, you can also request that Authorised Users be permitted to access the 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.
- (b) 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.

10. FEES AND CHARGES

10.1 Base Rate – our interbank rate

The “**Base Rate**”, which is also sometimes called the Airwallex 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.

10.2 FX transaction fee

Airwallex charges a FX transaction fee and a “Local” or “SWIFT” fee (see section 10.3) for every FX Conversion made through the 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 lower prices to specific customers or groups of customers as a discount, promotion or customer recognition programme.

Example – Market FX with Market Movements

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 (see section 10.1 for more information);
 - (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.

10.3 Local and SWIFT Fees

When you make a payment, “Local” or “SWIFT” payment options may be available. 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

10.4

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.

We calculate our transaction fees 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.

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

10.5 Break Costs

When a FX Conversion (that is both Spot Contracts and Forward Contracts) 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 breakage costs on early termination cannot be predicted, as forward rates can increase as well as decrease by an unpredictable amount. Below is an example to help you understand how the Break Cost is calculated:

Example – Break Costs

You want to convert GBP10,000 into USD at a forward rate of 1.6000, equating to USD16,000 for settlement in 30 days.

10 days into the contract, you decide you no longer require the USD and request to terminate the Forward Contract. We have no obligation to honour your request but we may agree to it. If we agree to it, we must book a second contract to convert USD into GBP10,000 at the new prevailing GBP / USD forward rate for when the original Forward Contract was due to settle. If the GBP / USD forward rate has risen to 1.6800, this would equate to USD16,800.

You will owe us the difference between these contracts and the cost may be significant. In this example, you would owe USD800 to.

The table below illustrates the cost to you if the exchange rates move by a given percentage when exchanging GBP10,000 for USD.

GBP/ USD forward rate	% change from 1.600	GBP10,000 equivalent	Cost to you (in USD)
1.6000	0%	16,000	-
1.6160	1%	16,160	-160
1.6800	5%	16,800	-800
1.7600	10%	17,600	-1,600
1.9200	20%	19,200	-3,200

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

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. The Break Costs presented in this PDS are purely indicative and should not be taken as a future commitment by Airwallex to cancel the transaction at these levels. Further scenarios can be provided on request.

10.6 Speculative trading

You must not use the 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.

11. TAXATION

There may be tax implications associated with your use of the Services and any transactions you enter into with us. You are therefore encouraged to seek professional tax advice where necessary. GST is not payable on any of our fees and charges.

12. PRIVACY

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

By using our product/service, 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. You are entitled to ask for the personal information we hold about you and we will provide it at your request.

13. COMPLAINTS

Airwallex has procedures to deal with complaints. Should you have any complaint, dispute or grievance regarding any of our products or services, please contact our Customer Support team. You can reach us by emailing complaints.au@airwallex.com or calling +61 3 8583 0915.

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

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

14. 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.

15. 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 the use of our 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 Service in a particular region.

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 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 Services including access to the Wallet and Global Account.

Airwallex Profile means the electronic information profile that records your business details and that is used to log into and use the Airwallex Platform.

ASIC means the Australian Securities and Investment Commission.

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

Base Rate has the meaning given in section 10.1.

Break Cost has the meaning given in section 10.5.

Card Supplement means the 'Visa Card Terms and Conditions Supplement' available at www.airwallex.com.

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.

Customer means the person using the Services.

Customer Agreement means the Payment and FX Terms available on our website www.airwallex.com.

Forward Contract has the meaning given in section 4.2.

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

Global Account means the collection account service provided by Airwallex that allows you to receive funds in the Supported Currency in a Supported Jurisdiction as set out in more detail in section 6.

Holding Amount has the meaning given in section 4.6.

Lock FX has the meaning given in section 4.5.

Market FX has the meaning given in section 4.5.

Product Disclosure Statement or **PDS** means this document.

Services has the meaning given in section 2.

Spot Contract has the meaning given in section 4.2.

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 each jurisdiction approved by Airwallex from time to time where a Global Account is maintained for the purposes of collecting payments.

Visa Supported 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 has the meaning given in section 3.1.

Webapp means the user interface that the Customer and its Authorised Users may use to access the Airwallex Platform and the Services.

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CONTACT DETAILS

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

Telephone: + 61 3 8583 0915 (Melbourne, Australia)

Email: support@airwallex.com

Web: www.airwallex.com

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Victoria, Australia