

Product Disclosure Statement

Last reviewed: April 28, 2017



1. Important Notice

1.1. Issue

This Product Disclosure Statement (“PDS”) is provided by Airwallex Pty Ltd (hereinafter referred to as (“Airwallex”) (Company Registration No. ABN 37 609 653 312) and is current as of 1 August 2016.

1.2. Copies

Copies of this PDS are available free of charge. They can be downloaded from our website at www.airwallex.com.

You are advised to check our website regularly for any updates to the PDS or a supplementary PDS setting out the updated information.

The information set out in this document is general in nature. It has been prepared without taking into account your particular needs, objectives or financial situation.

By providing this PDS Airwallex offers general advice about foreign exchange transactions only and does not provide you with any financial advice or recommendations. If in doubt, you are advised to 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 taxation and accounting advice in relation to the impact of foreign exchange gains and losses on your particular financial situation.

This PDS has not been lodged with the Australian Investment & Securities Commission (“ASIC”) and is not required to be by the Corporations Act.

2. Purpose of a Product Disclosure Statement

The Product Disclosure Statement (“PDS”) sets out important information designed to assist you in deciding whether our product meets your needs. It also helps you compare our product with others that you may be considering.

3. Our Business

We operate a cross-border payment platform. In its current form, Airwallex allows business customers to issue and pay international invoices and bills. Customers will also be able to, in the near future, use our services to convert local currency to one of the foreign currencies supported by Airwallex and transfer the funds to their nominated beneficiary bank account.

4. General Information

Product Key Features

Features	Overview
Significant Benefits	Airwallex allows customers to perform foreign exchange spot transactions at a significantly cheaper cost than traditional banking institutions.
Minimum & Maximum Transaction Amount	There is no minimum transaction amount imposed by Airwallex. The maximum amount is AUD100,000 in a single transaction. <i>Note: the individual payment methods we support may have their own restrictions. Please see section 5 for more information.</i>
Fee	All cross-border transactions are done at the mid-market rate. A small transaction fee, clearly displayed on the Invoice, is charged for each payment.
Other Fees	A refundable 3% fee is charged to cover potential fluctuations in the currency markets. Banks and other financial institutions may also charge their own fees. Please see section 5 below for more information about our fee structure (“Transaction Fee”).
Risks	Currency markets can be volatile so the exchange rate may fluctuate.
Settlement	The settlement date of each transaction is dependent on when the party paying the invoice or settling the bill makes the payment, and it typically takes 2 to 3 days for the money to reach the designated bank account.

5. Airwallex Fee Structure

5.1. Transaction Fee

Airwallex charges a small transaction fee for every payment made through the platform. This fee varies depending on the the following factors:

- Transaction volume;
- The source currency and country;
- The destination currency and country;
- The payment process available in the destination country; and
- The method chosen to issue the payment.

A real-time estimated exchange rate and fee will be shown whenever an invoice or bill is viewed, with the exact rate and fee locked in once the payment has been made and we have received the money.

Up-to-date information regarding our fees and available currencies will be shown on our website. The fees and fee structures 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.

5.2. Minimum and Maximum Transaction Amounts

Please refer to the below table for a brief overview of the minimum and maximum transaction amounts for each of the payment methods Airwallex supports.

UnionPay	But maximum transaction amount is CNY ¥200,000 per transaction.
Bank Transfer	No minimum but maximum transaction is AUD 100,000 per transaction.

This table serves as a guideline only. For more up to date information, please visit the websites of the individual payment methods.

5.3. Other Fees - Third Party Fees and Administrative Charges

Third parties such as the recipient's or the issuer's banks, as well as any correspondent banks the money passes through while in transit, may charge their own fees to process the payment.

We calculate our Transaction Fee so as to cover any such costs, however please be advised that there may be rare instances where a third party fee is levied from your funds and an amount less than what you paid arrives at the invoice Issuer'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, administrative charges may be incurred and could be deducted from your payment amount.

6. What is Foreign Exchange?

Foreign exchange or "Forex" allows you to exchange one currency for another currency at an agreed exchange rate. The foreign exchange transactions executed by Airwallex are forex spot 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 the needs of each individual and is therefore dependent on the following factors:

- Type of currencies exchanged;
- Exchange rate;
- Transaction amount; and
- Settlement date of the transaction.

7. Uses of Forex

For Businesses, commercial activities for which Forex 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.

For Individuals, activities where Forex may be useful include:

- Access to foreign funds while travelling;
- Sending funds abroad to family and friends in a different country (remittance);
- The payment of international student tuition fees; and
- Any other foreign currency payment e.g. downpayment for a property purchased in a different country.

8. What are the significant risks of Forex transactions?

There are a few significant risks involved with making a foreign exchange transaction, such as:

- Counterparty and credit risk;
- Operational risk;
- Foreign exchange risk; and
- Regulation and jurisdiction risk.

Please refer to section 11 below for more information.

As currency markets can be highly volatile, a favourable Forex transaction at a specific point in time does not guarantee that future transactions will be as advantageous.

9. Entering into and settling Forex transactions & permissible cancellation/termination

9.1. How to enter into a Forex transaction (please refer to our website for a list of supported currencies).

1. First, go to the Airwallex website at www.airwallex.com and read our [Privacy Policy](#), [Product Disclosure Statement](#) and [Client Agreement](#) which together form the Terms and Conditions that govern all uses of the Airwallex Platform and Website.
2. If agreeable to the Terms and Conditions, visit the homepage and create an account.
3. Fill in the required information. This will include your personal details and any additional documents we may require to fulfill our legal Know Your Customer and Anti-Money Laundering obligations, as set out in the Client Agreement.
4. To pay an Invoice you must accept the Invoice amount, the proposed exchange rate and the transaction fee, then choose your preferred payment method from the options available and make the payment.

5. To pay a Bill, you must upload an existing bill to the Airwallex platform, then choose your preferred payment method from the options available and make the payment.

9.2. Cancellation & Termination

The amendment or cancellation of an Invoice is not permitted once a payment receipt or acknowledgment has been issued by Airwallex.

9.3. Example 1:

A student (the "Issuer") studying at a university in Melbourne, Australia generates an Invoice of AUD5,000 for the purpose of paying for his tuition fee. The student's father (the "Recipient") who lives in China receives the invoice generated by the student and pays the sum set out in the Invoice in Chinese Renminbi ("RMB"). This sum is converted to Australian currency ("AUD") by Airwallex and deposited in the student's designated bank account - either his own or that of the university.

9.4. Example 2:

An Australian import and export company is doing business with a business counterpart in China. They export Australian goods to China and generate an invoice using Airwallex. An invoice is issued to the buyer in China, who on receipt of the invoice, settles the sum in Chinese Renminbi ("RMB"). This sum is converted to Australian dollars ("AUD") and paid to the Australian company in Australia.

In this example, the Australian Company is the "Issuer" of the Invoice and the Chinese Company is the "Recipient" of the Invoice who settles the invoice sum in their home currency.

10. Cooling-Off Period

As Airwallex provides a platform for spot foreign exchange transactions only, no cooling-off period applies to the products covered by this PDS.

11. What are the significant risks?

All foreign exchange transactions done through the Airwallex platform carry a level of risk. Here are the main ones you should be aware of:

Market/Foreign Exchange Risk

Foreign exchange rates fluctuate all the time and currency markets can be volatile. Due to these fluctuations, the amount received may differ from the amount estimated and it is possible that the exchange rate may improve once your funds have already been converted.

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 work with a number of banking and third party partners to provide you with a smooth and successful foreign exchange transaction, however should either ourselves or our partners encounter

financial difficulties, we may not be able to fulfill our obligations to you at the time they are due.

To mitigate these risks, Airwallex has diversified its partnership network by entering into partnership arrangements with multiple highly rated banking partners or such third party service providers. As an additional safeguard, we constantly monitor the creditworthiness of our service providers to ensure that our clients' funds are adequately protected. Furthermore, we are of the opinion that counterparty risk is limited as the funds are exchanged and transferred within a short time period (usually 1-3 business days).

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, technological systems or external events. We make our best effort to avoid any such problems however we cannot guarantee that they will never occur.

For example, disruptions in Airwallex processes such as software errors and bugs or security breaches may render the Airwallex website unavailable. This may in turn lead to delays in the execution and settlement of your transaction.

Airwallex has numerous systems and processes in place to minimise and avoid operational risk, such as detailed risk management policies and the encryption of all the data you provide us. For this reason, we do not accept liability for any losses or other negative consequences which may arise due to technical or administrative issues.

Legal Risk

Australia, as a member state of the United Nations, is obliged to implement United Nations ("UN") 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 account or any such agreement with us pursuant to regulatory requirements. This may be at a significant cost to you. Please refer to the relevant terms and conditions under our Client Agreement which is available on our website for more information.

12. Privacy Statement and Data Collection of Personal Information

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 [Client 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 Resolution Process

Should you have any complaint, dispute or grievances regarding any of our products or services, please contact our Customer Support team. You can reach us by emailing support@airwallex.com or calling + 61 3 8583 0915.

Airwallex is a member of an independent dispute resolution scheme, the Financial Ombudsman Service ("FOS"). In the event that the complaint/dispute/grievance cannot be resolved following the process mentioned above and set out in our [Client Agreement](#), we or you can escalate the matter to the FOS. Their contact details are as follows:

Financial Ombudsman Service ("FOS")
GPO 3 Melbourne, Victoria 3001
Phone: 1800 367 287 (toll free in Australia)
+61 3 9613 7366 (overseas charges apply)
Fax: + 61 3 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

For more information about our Complaints Resolution Process, please review our [Client Agreement](#).

14. Governing Law

This Product Disclosure Statement shall be governed and interpreted in accordance with the laws of Victoria, Australia. By using our website and our products/services, you agree to submit to the exclusive jurisdiction of the Courts of Victoria, Australia.

15. Notification of Changes to 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 your account and update your details under Account Settings or email us at support@airwallex.com.

16. 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

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