

TRANSFERMATE PTY LTD PRODUCT DISCLOSURE STATEMENT

Transfermate PTY Limited
Office 1632, Level 16/17,
9 Castlereagh Street,
Sydney NSW 2000 Australia.
Phone: +61 2 9037 2735
apac@transfermate.com

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1. Introduction

Transfermate Pty Ltd (Transfermate, us, we, our) is the issuer of the products described in this Product Disclosure Statement (DD).

This DD explains what you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for your needs;
- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare products.

When you open an account with us, you will be provided with a separate document titled “Terms & Conditions - Australia”. It contains terms and conditions that govern Transfermate’s relationship with you. You can obtain a free copy of the terms and conditions by contacting us or visiting our website.

2. Important Risk Warning

You should also take all reasonable steps to ensure that you fully understand the products we offer, as well as how the products are used and the risks that are involved in such products.

This DD does not take into account your financial situation, personal objectives or needs. Before using the products referred to in this DD, you should read it carefully, and then consider your objectives, financial situation and needs. Transfermate recommends that you seek independent financial advice to ensure that a particular product is suited to your objectives, financial situation and needs.

Any information that is not materially adverse information is subject to change from time to time and may be updated by inclusion on our website (www.transfermate.com). A paper copy of any updated information will be given, or an electronic copy made available, to you without charge on request.

Where this DD includes a reference to content on our website, the relevant contents of the website referred to forms part of this DD. If you cannot find that information on our website, you can contact us. You can also ask for a copy of the statement or information without charge.

To the extent permitted by law, we do not accept any responsibility for any loss arising from your use of this DD.

If you have any questions about our products or this DD, please contact us using the contact details at the start of this document. Further information about our services and products is also available on our website (www.transfermate.com).

3. What we are authorised to do

Transfermate is authorised to provide general financial product to both retail and wholesale clients in relation to non-cash payment products and foreign exchange contracts. Transfermate is also authorised to deal in relation to those same products.

This means that we can provide you with advice that is general in nature. Whenever we give general advice (e.g. through our website, or in this DD), we do not take into account your financial situation, personal objectives or needs.

Before using the products referred to in this DD, you should read this DD carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the products we offer, as well as how the products are used and the risks that are

involved in such products. We recommend that you seek independent financial advice to ensure that a particular product is suited to your objectives, financial situation and needs.

Transfermate is also authorised to “make a market” for foreign exchange contracts. This allows us to quote market prices to you, including buy and sell prices.

We are also registered on the Remittance Sector Register maintained by AUSTRAC.

4. Products covered by this DD

When you acquire a financial product from us, you will be entering into a contract with us.

Foreign exchange contracts described in this DD involve an agreement between you and us to buy or sell one currency for another. The date of entering into the contract and agreeing to the price with us is referred to in this DD as the “Transaction Date”. Once you accept a quote it will remain fixed.

The contract refers to two currencies. For example:

$$\text{AUD/USD} = \$0.69$$

In this example, AUD is the base currency, and USD is the terms currency. One Australian dollar equals \$0.69 United States dollars. Our quotes tell you how many units of terms currency can be bought with one unit of base currency.

An implicit part of our foreign exchange contract is what the law calls a “non-cash payment facility”. This means that you can nominate a beneficiary to the exchanged currency in various countries around the world, and we will send your money to them (outbound) or receive money from them and pay you (inbound). If there are countries to which we do not provide services, we will publish this list on our website.

There are many reasons to enter into a foreign exchange contract. As an importing business, you may be required to pay for your imported goods in the currency of the country where your trading partner is located. You may be purchasing property in another country. As a manufacturer, you may be shipping your goods to another country and receiving payment in the currency that is used in that other country.

5. Spot FX contracts

5.1 What are Spot FX contracts?

Spot FX contracts are a basic tool for exchanging currency.

A spot FX contract is a foreign exchange contract for buying and selling currency where the exchange rate is determined by the market conditions at a precise moment in time or “on the spot”.

We will not settle the exchanged currency until we have received cleared and settled funds from you. Settlement of the exchanged currency will occur on the same Business Day as we receive your cleared and settled funds provided that the funds are cleared and settled into our nominated bank account before 1pm GMT. If we do not receive your cleared and settled funds in our nominated bank account until after 1pm GMT, settlement of the exchanged currency will occur on the next Business Day. The date upon which settlement of the exchanged currency occurs is referred to in this DD as the Transfer Date.

You need to pay us within two Business Days of the Transaction Date. This is known in this DD as the “Settlement Date”.

5.2 How Spot FX contracts work?

To exchange currencies at the current foreign exchange rate, you will need to advise us of the following information:

- (a) the purpose for the transaction;
- (b) the amount of money you wish to exchange;
- (c) the two currencies involved;
- (d) which currency you would like to buy or sell;
- (e) details for the bank account from which you will transfer money to Transfermate's bank account;
- (f) details for the beneficiary of the transaction including their bank account details; and
- (g) any other information that we require as notified to you.

We will then quote you a spot exchange rate (i.e. the rate at which we are willing to buy or sell the currency involved in the transaction).

If you accept the quoted rate (whether over the phone, by email or online via our website), then you are bound to the transaction. We will then send you a confirmation notice called a "Booking Confirmation" by email or another method we have agreed with you.

You will then need to send the agreed amount to our nominated bank account by the Settlement Date. Payments can be made to Transfermate's nominated bank account by wire transfer, electronic funds transfer (or by direct debit/automated clearing house payment where you are a corporate customer and we have consented).

On receipt of your cleared and settled funds, we will make the currency conversion at the agreed foreign exchange rate and arrange for your bought currency to be sent to the bank account you have nominated.

After we have sent the currency to the bank account you have nominated, we will send you an email confirmation. You must notify us immediately if you become aware of any unauthorised or incorrectly executed transactions. If we establish that a transaction was unauthorised or erroneously effected by us, we will refund you the amount of the unauthorised or erroneous transaction (adjusted to reflect the exchange rate at the time the refund is processed) plus any fees or charges.

An example of a spot FX contract is as follows:

Rebecca lives in Australia and wants to send money to her sister who is living in the United States. Rebecca has an account with Transfermate and obtains a quote to buy USD1000 and sell AUD for settlement in two Business Days. Transfermate quotes Rebecca a rate of \$0.65.

Rebecca accepts the quoted rate of \$0.65 and Transfermate issues her with a Booking Confirmation. Rebecca makes a bank transfer that same day to Transfermate's Australian bank account for A1,538.46, and Transfermate receives the cleared and settled funds the same day as Rebecca's payment but after 1pm GMT. The following day (1 day after the Transaction Date), Transfermate pays USD1000 into Rebecca's brother's US bank account, the bank account that she nominated.

Spot FX contracts can also be used by corporate customers to request payment of an invoice (or multiple) (referred to as Receivables Service in the Terms and Conditions). More information relating to this offering is set out in the Terms and Conditions.

5.3 Significant benefits of a spot FX contract?

The following are some of the significant benefits of a spot FX contract:

(a) Easy and efficient:

Spot FX contracts are an efficient and easy way to purchase another currency and make a payment quickly, by using the prevailing spot rate.

(b) Simple to understand:

Spot FX contracts are less complex than other foreign exchange contracts. To enter a spot FX contract, all you need to understand are the steps described in section 5.2 of this DD.

The general benefits associated with our products are set out in section 6 of this DD.

5.4 Significant risks of a spot FX contract?

The following are some of the significant risks of a spot FX contract:

(a) Intra-day volatility:

Intra-day volatility means that the spot exchange rate can be volatile even over a short period of time such as one trading day. Therefore, you may fix the rate with a spot FX contract at 9am, for example, and you may lose money by not fixing the rate at a later time on the same day.

(b) Incorrect beneficiary or other payment detail errors:

Transfermate will not refund your money if you made an error when providing a beneficiary's bank account details or where there is an error on the Booking Confirmation and you do not tell us of the error within the timeframe set out in the Terms and Conditions or the Booking Confirmation.

(c) Delay or loss of funds.

There is a risk that your money may be delayed or lost due to unforeseen circumstances. Transfermate will not provide a refund in such circumstances.

The general risks associated with our products are set out in section 7 of this DD.

6. Significant general benefits of our products

Section 5.3 of this DD contain details of the specific benefits associated with spot FX contracts. You should also be aware of the following general benefits that apply to our products.

Our products provide a range of benefits. Foreign exchange contracts can be important risk management tools for the management of exposure to financial markets. You can use a spot FX contract to protect yourself against unfavourable market movements. You can also use a spot FX contract to provide you or your business with cash flow certainty.

6.1 Cash flow certainty

Entering into a foreign exchange contract that will settle at a later date, allows you to determine the cost of the exchange rate at that time, reducing uncertainty associated with your future cashflow.

6.2 Flexibility

A foreign exchange contract is not standardised. This means you can tailor it to meet your specific requirements. For example, you can vary the amount and duration of a contract. Because we do

not provide personal financial product advice, we will not recommend that a product be tailored for you in a particular way. Instead, you can request that we provide you with a product that has certain features.

7. Significant general risks of our products

Section 5.4 of this DD contain details of the specific benefits associated with spot FX contracts. You should also be aware of the following general risks that apply to our products.

7.1 Market risks

The market is subject to numerous economic, social, political and other unforeseeable variables. Therefore, the value of any currency can be volatile even over a short period of time such as one trading day. An exchange rate between two currencies may change within seconds of obtaining a market quote. Accordingly, the risk always exists that the purchase price of a foreign exchange contract will be different after a quote has been provided.

The same AUD 100,000 that you buy at 10am on any given day may be available to another purchaser for a less expensive rate at 10.05am on the same day. Once you have entered into a foreign exchange contract with us, you will have a fixed rate for your chosen Currency Pair and will not be able to take advantage of any subsequent favourable movements in the exchange rate in relation to your position.

Any decision you make to delay entering into a foreign exchange contract today in anticipation of improved market conditions, for example tomorrow, could result in a lost opportunity to purchase at, for example, today's rate if the rates do not improve tomorrow.

7.2 Government risks

There is a risk that your money may be delayed or lost due to an event or incident of a sovereign, strategic, political or governmental nature in any of the countries in which we operate. In such an event, we would attempt to recover your money, however we do not guarantee the security of your money in this situation.

7.3 Force majeure

There is a risk that your money may be delayed or lost due to unforeseen circumstances. We will not provide a refund due to "force majeure" as defined in the case law of Australia. This includes catastrophic disasters, pandemics, terrorist attacks, and other events beyond our control that affect our services.

7.4 Counterparty risks

You are dealing with us as a counterparty to every transaction. This means that each transaction is a transaction between you and us and is not traded on an exchange or market. You therefore rely on our ability to meet our obligations to you under the terms of each transaction. This risk is often described as "counterparty risk".

If our business becomes insolvent, you will become an unsecured creditor to the extent that you have already paid money toward an existing contract that has not been settled. The extent to which you may recover these funds will be determined by applicable insolvency laws.

You can assess our financial ability to meet our counterparty obligations to you by reviewing financial information about our company. You will be provided with this information upon request without charge.

7.5 Operational risks

We have obligations under Australia's Anti-Money Laundering and Counter-Terrorism Financing laws. One of these obligations is to screen clients and transactions for risks of money laundering, terrorist financing and other criminal activity. There is a risk that your transaction may be delayed or cancelled due to the processes or systems that we have in place for these screening purposes. Our banking partners also use similar processes which may also delay or cancel your transaction without notice. Neither we, nor our banking partners, are required to tell you the reasons for the delay or cancellation. If there is a suspicion of money laundering, terrorism financing or other criminal activity.

7.6 Cyber-security

There is a risk that your email account or contact details may become compromised and we receive an instruction that appears to be from you, to pay money on your behalf. If we send money in these circumstances, you will be solely responsible for any loss if the result is the result of an unauthorised data breach or data disclosure or cyber attack against you, your business or your email account.

7.7 Cooling off period

There is no cooling off period associated with our products. Once you enter into a spot FX contract with us, the contract cannot be terminated or varied without our consent.

7.8 System risks

Transfermate relies on technology providers to provide you with our services. We ensure that these systems are regularly updated and maintained.

We may rely on third party providers (such as correspondent banks) to assist in currency transfers. Any disruption to the system of a third party provider is beyond our control and we will not be liable for the disruption.

7.9 Electronic systems

We take steps to ensure that our electronic systems are regularly updated and maintained. However, there are also risks associated with the use of software including errors and bugs, and delays or interrupted service. This means that you may be unable to use our website and use our products when you wish and you may suffer a loss.

7.10 Correspondent banks

To deliver our services to you, we may use correspondent banks. We take reasonable care in selecting our correspondent banking relationships.

Where our correspondent bank cannot deliver the required currency when due, we will take reasonable steps to return your funds. However, to the extent permitted by the law, we will not be liable for any direct or indirect loss you incur as a result of the failure of a correspondent bank to deliver the required currency.

7.11 Restriction on currency

Some currency that we deliver may be governed by certain legal and regulatory requirements. By using our services, you agree that you will comply with any such requirements.

7.12 Payment risks

Transfermate will not refund your money if there was an error on the Booking Confirmation (such as an incorrect beneficiary) and you do not notify Transfermate of the error within the timeframe set

out in the Terms and Conditions and/or Booking Confirmation. In the event that you are entitled to a refund, you may receive back less funds depending on the exchange rate at the time the refund is processed.

7.13 Unwinding transactions

Once you have entered into a transaction, the transaction will be executed at the agreed exchange rate. If you want to sell currency back to us (or in other words, 'unwind' the transaction) you may only be able to do so at a less favourable exchange rate than the one at which you purchased the currency.

7.14 Discretionary powers

Under the Terms and Conditions, Transfermate has a number of discretionary powers which may affect you. You should ensure that you understand these discretionary powers by reading the Terms and Conditions carefully.

8. Settlement and payment

8.1 Spot FX contracts

All spot FX contracts must be paid for and the funds received by us by the Settlement Date.

Payments must be made by wire transfer or electronic funds transfer from your bank account directly to ours. We will provide you with specific banking instructions to help you facilitate the transfer to our account.

8.2 Late payments and rejected payments

If we do not receive payment by the Settlement Date, the contract will be terminated. At that point, you will be liable for any costs and/or exchange rate losses incurred by us as a result of the termination of the contract. The factors that contribute to the amount of these losses are based on the market pricing for the currency at the time the funds you requested to purchase are sold back to the market.

You may also be required to pay a cancellation fee and/or a fee in respect of a rejected payment. Further details relating to such fees can be found in our Standard Fees Schedule on the Transfermate website.

8.3 Corresponding funds transfers

Prior to sending funds on your behalf, we will provide you with a Booking Confirmation. This notice sets out the details of the transaction and the name and banking information of the beneficiary you have nominated. The Booking Confirmation will be sent to you by email or by some other method agreed we have agreed with you

Once we have confirmed receipt of your cleared and settled funds, have identified the originator of the funds and have received the Booking Confirmation, we will initiate the funds transfer in accordance with your instructions. Please note that delays in providing us with the Booking Confirmation will result in transmission delays. We are not able to send funds until we have a corresponding Booking Confirmation for each scheduled transfer.

You may choose to have your funds transferred to your own bank account directly or to a third party bank account. For each payment, we must have accurate banking information on file. When you enter into a contract with us, you are immediately bound by the terms of that contract. You are bound by the contract despite the fact that settlement may not actually occur until a later date.

9. Fees and Charges

Our revenue, fees and charges will be disclosed to you at the time you enter into a spot FX contract with us. You can also obtain information about the cost of our products by reading our Financial Services Guide (available on our website at <https://www.transfermate.com/regulations/>) or requesting the information from us without charge.

You may also be charged fees by other services providers or intermediaries. These fees are outside of Transfermate's control. For example, sometimes an overseas bank may deduct a wire fee from the payout amount. Where we know about these fees, we will make a reasonable attempt to tell you about them.

10. Terms and conditions

10.1 Our Terms and Conditions

You will be provided with our Terms and Conditions before you open an account with us. You must agree to these Terms and Conditions before we provide you with our services. You should read the Terms and Conditions carefully to determine whether or not you would like to use our services.

10.2 Indemnity

You will be required to indemnify Transfermate for any loss we incur as a result of us:

- (a) acting in good faith on your verbal or written instructions
- (b) transferring funds to an incorrect beneficiary where the error was included in a Booking Confirmation and you did not tell us about the error within the timeframe specified in the Booking Confirmation or in the Terms and Conditions;
- (c) transferring money to a third party because instructions that we relied upon were sent to us due to a fraud or cyber security incident or other breach that affected your business or email address or account details; or
- (d) having to terminate a contract.

You will also be required to indemnify us for any loss that we incur as a result of you breaching any law or your agreement with us.

10.3 Governing laws

You must provide all information to us that we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services by undertaking our customer onboarding procedure.

We may disclose any information that you provide to the relevant authority where required by any Law in Australia or any other country. When you use our services, you are promising that you will not breach any Law in Australia or any other country.

We may delay, block or refuse to enter, adjust or complete a transaction if Transfermate believes, on reasonable grounds, that making the payment may breach any law in Australia or any other country, and Transfermate will incur no liability if it does so.

10.4 Identification information

We are not liable for any loss that arises from incorrect identification information being provided by you.

10.5 Quotation errors

We are not liable for any loss that arises from currency rate quotation errors.

10.6 Electronic Funds Transfers

Electronic funds transfers are generally efficient and safe. Sometimes a delay can occur if the receiving bank is in a remote area or poorly staffed, or for other reasons outside of Transfermate's control.

10.7 Booking Confirmations

It is your responsibility to carefully review the Booking Confirmation that we will provide to you to ensure that the data we have on file matches the data of the nominated beneficiary account that you have provided to us.

It is also your responsibility to carefully review the email confirmation that we will provide you after effecting a transaction.

11. How we handle your money

We will notify you of a number of nominated bank accounts that we operate, to which you should transfer your money.

Typically, money that we receive on your behalf is a payment towards a foreign exchange contract.

We maintain a segregated client money account for certain situations. The law requires that money must be placed in a client money trust account by the next business day from when it is received if:

- (a) a client pays money into our account without having first agreed to the terms of a foreign exchange contract, and we cannot contact them that day or by the next business day to confirm the purpose of the funds and enter into a foreign exchange contract to use those funds; or
- (b) a client pays more money into our account than what was previously agreed to (e.g. the client pays AUD 10,000 after agreeing to a foreign exchange contract with a value of AUD 5,000), and we do not return the surplus by the next business day and we cannot contact them to confirm their instructions about the surplus funds; or
- (c) a client pays money into our account after agreeing to a foreign exchange contract but we do not issue the product that same day.

12. Stopping or cancelling a payment

Once a funds transfer has been processed, it will be extremely difficult for us to cancel it. An attempt to recall the funds can be made but will be subject to further fees charged by the banks involved. Those charges will be passed on to you and are outside of our control. We will also pass on to you any costs we incur in arranging the recall.

If you wish to cancel a transaction, we will charge you a cancellation fee (as disclosed in our Standard Fees Schedule) in addition to requiring you to reimburse us for our losses incurred as a result of the cancellation. The factors that contribute to the amount of these costs are based on the currency market pricing at the time the funds you requested to purchase are sold back into the market.

If you believe that you have instructed to make a funds transfer in error or that an unauthorised transaction has been effected, you must notify us immediately.

We are not obliged to provide you with any services or products when you request that we do so. If we do agree to provide a service and/or product to you, then we may terminate a contract, or

delay, suspend, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that, for example:

- (a) you fail to make a payment in accordance with a contract;
- (b) you are otherwise in breach of the Terms and Conditions; or
- (c) providing you with a service or product may breach any law in Australia or any other country;

and we will incur no liability if we do so.

13. Tax implications

Using foreign exchange contracts can have tax implications. We are not authorised to provide you with taxation advice. You should discuss any taxation questions you may have with your tax advisor before using our products or services.

Taxation laws are complex. You should be aware that generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your taxable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income.

14. What are our different roles?

Transfermate is the product issuer. This means that we provide the facility you use to transfer money and do not act on behalf of anyone else.

We are also the service provider. Our Representatives can give you general advice and help you use the money transfer service. This role is undertaken on behalf of the product issuer.

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

If you are not satisfied with any aspect of the service that has been provided by us, you are entitled to complain. We have established procedures to ensure that all enquiries and complaints are dealt with.

If you have a complaint, please contact our Complaints Manager by email (complaints@transfermate.com). We will try and resolve your complaint quickly, fairly, and in a timely manner.

If the complaint cannot be resolved to your satisfaction within 45 days, you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) of which we are a member (member number 74148). AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA's contact details are:

Website: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678 (free call)
Mail: GPO Box 3, Melbourne, VIC, 3001.

16. Privacy

The privacy of your information is important to us. We have practices which include the secure storage of personal information and safeguards against the accidental release of personal information.

You will be required to provide us with certain information to enable us to comply with our obligations under Australia's Anti-Money Laundering and Counter-Terrorism Financing laws.

We handle all information provided to us in accordance with our Privacy Policy. You can obtain a copy of our Privacy Policy on our website or by contacting us to request a copy without charge.

17. Glossary

AUD refers to Australian dollars

AUSTRAC refers to the Australian Transaction Reports and Analysis Centre.

Booking Confirmation refers to the notice Transfermate sends to a customer by email that sets out the details of the transaction and the name and banking information of the beneficiary the customer has nominated

Business Day refers to a day on which Transfermate is open for business for the purposes of entering into foreign exchange contracts, excluding weekends, and may exclude public holidays in other countries.

Currency Pair refers to the value of one named currency relative to another named currency.

FX means foreign exchange.

DD means Disclosure Document.

Representative includes a director or employee of Transfermate, and a director or employee of any company related to Transfermate.

Terms and Conditions refers to Transfermate's Standard Terms and Conditions, which are available on Transfermate's website (www.transfermate.com).

Transfer Date is the date that Transfermate instructs a payment from a bank account to the customer's nominated bank account, and the date that cleared funds should be received by Transfermate's from customers.

Settlement Date means the date upon which the customer needs to transfer funds to Transfermate's nominated account.

Transaction Date means the date of entering into a contract and agreeing to the price with us.

USD refers to the United States Dollars