

VANILLA OPTIONS
PRODUCT DISCLOSURE STATEMENT
ISSUE DATE: 19th February 2018



B U S I N E S S

moving money for better

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1. PURPOSE

This Product Disclosure Statement (**PDS**) is dated 19th February 2018.

This PDS contains information about **Vanilla Options**. WUBS Financial Services (Singapore) Pte Ltd with Registration Number: 200619104D (referred to in this document as 'Western Union Business Solutions', '**WUBS**', 'we', 'our' and 'us') is providing you with this PDS so that you receive important information about Vanilla Options including their benefits, risks and costs.

The purpose of this PDS is to provide you with sufficient information for you to determine whether a Vanilla Option meets your needs. This PDS will also allow you to compare the features of other products that you may be considering.

Please read this PDS carefully before purchasing a Vanilla Option. In the event that you buy a Vanilla Option from us, you should keep a copy of this PDS along with any associated documentation for future reference.

The information set out in this PDS has been prepared without taking into account your objectives, financial situation or circumstances. Before making any decision about the Vanilla Options offered under this PDS, you should consider whether it is appropriate, having regard to your own objectives, financial situation and circumstances. This PDS does not constitute advice or a recommendation.

You should read all of this PDS and the WUBS **Terms and Conditions** before making a decision to purchase a Vanilla Option. We recommend that you contact us if you have any questions arising from this PDS or the Terms and Conditions prior to entering into any transactions with us.

A Vanilla Option may be suitable for you if you understand and accept the risks involved in investing in products involving foreign exchange and related markets. If you are not confident about your understanding of these markets, we strongly suggest you seek independent advice before making a decision about these products.

For example, consideration should be given to all the potential outcomes of specific Vanilla Options and strategies before purchasing any Vanilla Options described in this PDS. We encourage you to obtain independent financial advice which takes into account the particular reasons you are considering purchasing Vanilla Options from WUBS.

Independent taxation and accounting advice should also be obtained in relation to the impact of possible foreign exchange gains and losses in light of your particular circumstances.

If you have any questions or require more information, please contact WUBS on +65 6494 8222 or by email: DistCustomerServicesOperations@westernunion.com.

2. IMPORTANT INFORMATION

2.1 Copies

Copies of this PDS are available free of charge.

You can download a copy of this PDS from <http://business.westernunion.com.sg/About/Compliance-Legal> or request a copy by either email at DistCustomerServicesOperations@westernunion.com or by phone +65 6494 8222.

2.2 Updates relating to this PDS

The information in this PDS is subject to change. WUBS will issue a supplementary or replacement PDS where new information arises that is materially adverse to the information in this PDS. If we issue a new PDS, we will notify you by posting the new PDS on our website.

2.3 WUBS Products

A separate PDS is available for Forward Exchange Contracts, Structured Options and Enhanced Structured Options.

Please contact us if you require any of these PDSs using contact information contained in Section 3.1 "WUBS Contact Details" of this PDS or download from our website at <http://business.westernunion.com.sg/About/Compliance-Legal>

2.4 Financial Amounts

All financial amounts expressed in this PDS are in Singapore Dollars (**SGD**) unless otherwise stated.

2.5 Glossary of Terms

Words in **BOLD** used in this PDS, other than headings, have defined meanings. These meanings can be located in Section 10 "Glossary of Terms" of this PDS.

2.6 Counterparty Credit Risk

When you enter into a Vanilla Option from WUBS, you are exposed to **Counterparty** credit risk against WUBS. That is, you have the risk that WUBS will not meet its obligations to you under the relevant Vanilla Option. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing

DistCustomerServicesOperations@westernunion.com

2.7 Disclaimer

Any information that is provided in this PDS does not take account of your financial situation, objectives or circumstances. Because of this, before you act on it, you should consider its appropriateness having regard to your own financial situation, objectives and circumstances.

3. LICENSEE

WUBS Financial Services (Singapore) Pte Ltd is the Issuer of the Vanilla Options described in this PDS.

This PDS was prepared by:
WUBS Financial Services (Singapore) Pte Ltd
Registration Number: 200619104D
Capital Markets Services License Number: CMS100116-3

3.1 WUBS Contact Details

Address: 77 Robinson Road, #35-01 Robinson 77, Singapore 068896
Phone: +65 6494 8222
Principal Contact: Customer Service
Email: DistCustomerServicesOperations@WesternUnion.com
Website: <http://business.westernunion.com.sg>

3.2 WUBS Services

WUBS is a specialist provider in foreign exchange and international payments products and services. We work with individuals and companies of all sizes, to create solutions that assist their business payments and foreign exchange process challenges to manage risk and costs.

3.3 How to Access WUBS Services

After agreeing to our Terms and Conditions and after your application has been approved by us, you will have access to our Vanilla Options and will be able to provide us **Instructions** by:

- Phone - where you can call us and speak to one of our WUBS Representatives and provide us with Instructions to transact your currency needs; or
- Email - where you can email us to provide your account details and Instructions.

4. FOREIGN EXCHANGE OVERVIEW

Foreign Exchange refers to the purchase of one currency and the sale of another currency at an agreed **Exchange Rate** simultaneously. Separate from the Exchange Rate, you will need to consider the relevant fees associated with your transaction. Our fees for Vanilla Options are described in Section 5.12 "Cost of a Vanilla Option" of this PDS.

4.1 The Foreign Exchange Market

Vanilla Options are not entered into on an authorised exchange such as a stock market. There is no official benchmark Exchange Rate for Vanilla Options. The foreign exchange market is referred to as an "**Over-The-Counter (OTC)**" market, which means that Exchange Rates when compared between providers will often vary.

Exchange Rates are quoted on the **Interbank Market**, which is a wholesale market for **Authorised Dealers**, with **Interbank Exchange Rates** fluctuating according to supply and demand. This market is restricted to Authorised Dealers that constantly quote to each other at wholesale Exchange Rates and in minimum parcel sizes.

Factors that influence supply and demand (and therefore the Exchange Rate quoted to you) include:

- investment inflows/outflows;
- market sentiment or expectations;
- economic and political influences including geo political influence; and
- export of goods and services.

Exchange Rates quoted in the media generally refer to Interbank Exchange Rates and will usually differ from Exchange Rates quoted to you.

Because Vanilla Options are traded OTC with WUBS you will not be able to sell or transfer your transaction with another provider. You will only be able to reverse or cancel your Vanilla Option with WUBS.

4.2 Currency Limitations

While WUBS endeavours to ensure that you are provided with access to the **Currency Pair** of your choice, WUBS does not guarantee that it will offer Vanilla Options in all Currency Pairs. This may arise for a number of reasons including restrictions that are imposed on WUBS or WUBS not having access to certain currencies through its **Correspondent Banks**.

5. VANILLA OPTIONS

5.1 What is a Vanilla Option

A Vanilla Option is an agreement between two parties (you as 'the buyer' of the Vanilla Option and WUBS as the 'the seller' of the Vanilla Option) that gives you the right but not the obligation to exchange an amount of one currency for an amount of another currency at an agreed Exchange Rate on an agreed date in the future (**Expiry Date**). A Vanilla Option may be a **Put Option** (a right to sell currency) or a **Call Option** (a right to buy currency).

Vanilla Options enable you to protect a worst case Exchange Rate. They allow you to **Hedge** your currency exposure by providing protection against unfavourable currency movements between the time that you buy a Vanilla Option and the Expiry Date. At the same time, you are also able to participate in any favourable currency movements that exist on the Expiry Date.

When you enter into a Vanilla Option you will be required to pay a non-refundable **Premium** for the Vanilla Option. This is described further in Section 5.7 “Cost of a Vanilla Option”. Because you have purchased the right but not the obligation to **Exercise** the Vanilla Option, you will not have to effect **Settlement** of the Vanilla Option if you elect not to Exercise.

5.2 Vanilla Option Variables

When you buy a Vanilla Option, you nominate:

- the Currency Pair;
- the **Notional Amount**;
- the **Strike Rate**; and
- the Expiry Date.

The Currency Pair in your Vanilla Option must be acceptable to WUBS.

WUBS only offers “European” style Vanilla Options. This means that you may only Exercise the Vanilla Option on the Expiry Date.

5.3 Vanilla Option at Expiry

At the Expiry Date of a Vanilla Option the prevailing **Spot Rate** that applies to the Currency Pair will either be less favourable than the Strike Rate or more favourable than the Strike Rate.

- **If the Spot Rate is less favourable than the Strike Rate**

It will be more advantageous for you to Exercise your Vanilla Option and exchange the Currency Pair. You will then be required to exchange currencies with WUBS at the Strike Price two (2) **Business Days** after the Expiry Date.

- **If the Spot Rate is more favourable than the Strike Rate**

It will be more advantageous for you to let your Vanilla Option lapse. This is because the Spot Rate on the Expiry Date will provide you with a more favourable Exchange Rate than the Strike Rate. As a result, you may choose to exchange currencies at the more favourable Spot Rate.

5.4 Exercising a Vanilla Option

To Exercise your Vanilla Option, you need to:

- Provide WUBS with an **Exercise Notice**. WUBS is obligated and must accept the Exercise Notice.
- An Exercise Notice to WUBS must be given no later than 3.00 PM Tokyo time (**Expiry Time**) on the Expiry Date or as detailed on the trade **Confirmation**.
- An Exercise Notice can be given to WUBS by Phone or Electronic Mail (Email).

If your Vanilla Option is **In-The-Money (ITM)** (i.e. the prevailing Spot Rate is less favourable than the Strike Rate) we will Exercise the option if we are not in receipt of an Exercise Notice from you.

If a Vanilla Option is not Exercised it will lapse at the Expiry Time on the Expiry Date.

5.5 Terminating/Closing a Vanilla Option

You may ask us to close a Vanilla Option at any time up to the Expiry Time on the Expiry Date. WUBS will provide you with a quote for such a cancellation. There may be a cost associated with closing a Vanilla Option being the difference between the Premium paid for the Vanilla Option and the Premium received at the time of closing the Vanilla Option. WUBS’s quote to you will be based on the cost of reversing or offsetting your Vanilla Option at the time of your request. The same variables that are relevant to the determination of the Premium will be relevant to determining this cost. These are set out in Section 5.12 “Cost of a Vanilla Option” below. If you accept the quote the Vanilla Option will be terminated and you may lose money as a result.

5.6 Examples of a Vanilla Option

The examples used for each Vanilla Option in this Section 5.6 are for illustrative purposes only, and use rates and figures that we have selected to demonstrate how each product works. They do not reflect the specific circumstances that may arise under Vanilla Options entered into by you. In order to assess the merits of any particular Vanilla Option you should use the actual rates and figures quoted at the relevant time.

5.6.1. Vanilla Call Options

A Singapore importer needs to pay **USD**100,000 in three (3) months' time for goods purchased overseas. The importer can buy the USD in three (3) months' time but cannot budget the right amount of **SGD** because the Exchange Rate in three (3) months' time is unknown.

If the importer did nothing, the amount of SGD needed to pay in three (3) months' time for the USD100,000 will depend on the prevailing Exchange Rate quoted at that time.

- If the USD/SGD Exchange Rate goes up (the USD appreciates), more SGD will be required when it comes time to pay for the USD and the importer is in a less favourable position.
- If the USD/SGD Exchange Rate goes down (USD depreciates), less SGD will be required when it comes time to pay for the USD and the importer is in a more favourable position.

The importer can eliminate its exposure to the Exchange Rate appreciating above a certain Exchange Rate by buying a USD Call Option (an option to buy USD against SGD). This will enable the importer to protect a worst case Exchange Rate while giving it the opportunity to participate in favourable Exchange Rate movements at the Expiry Date.

The current Spot Rate is 1.3600 and the **Forward Exchange Rate** is 1.3585.

The importer enters into a USD Call Option with the following terms (nominating the Strike Price, Notional Amount and Expiry Date):

- Currency Pair: USD/SGD;
- Option type: USD Call Option;
- Strike Rate: 1.3800;
- Notional Amount: USD 100,000;
- Expiry Date: Three (3) months after **Trade Date**;
- Expiry Time: 3.00 PM Tokyo time;
- Settlement date: two (2) Business Days after the Expiry Date; and
- Premium: SGD 740 (calculated by WUBS, payable by the importer).

Outcome on the Expiry Date

- i. If the Exchange Rate is less favourable than 1.3800, (say 1.4000), the importer would Exercise the Call Option and exchange SGD for USD at the agreed Strike Rate of 1.3800 and will pay SGD 138,000 ($\text{USD}100,000 \times 1.3800$) on the Settlement date.
- ii. If the Exchange Rate is more favourable than 1.3800, (say 1.3500), the importer will let the Call Option lapse and may use SGD to buy USD at the Exchange Rate of 1.3500 for Settlement on the Settlement date (although there is no obligation to do so). If the importer purchases USD at 1.3500 (which would cost the importer SGD 135,000 ($\text{USD}100,000 \times 1.3500$)) then this is a new transaction independent of the USD Call Option.

In the example above if the Strike Rate nominated by the importer had been more favourable, the Premium payable would have been higher.

5.6.2. Vanilla Put Options

A Singapore exporter will receive USD100,000 in three (3) months' time for goods it has sold overseas. The exporter can sell the USD in three (3) months' time but does not know the amount of SGD it will receive because the Exchange Rate in three (3) months' time is unknown.

If the exporter did nothing, the amount of SGD received in three (3) months' time for the USD100,000 will depend on the prevailing Exchange Rate at that time.

- If the USD/SGD Exchange Rate goes up (the USD appreciates), more SGD will be received when it comes time to sell the USD and the exporter is in a more favourable position.
- If the USD/SGD Exchange Rate goes down (USD depreciates), less SGD will be received when it comes time to sell the USD and the exporter is in a less favourable position.

The exporter can eliminate its exposure to the Exchange Rate depreciating below a certain Exchange Rate by buying a USD Put Option (an option to sell USD against SGD). This will enable the exporter to protect a worst case Exchange Rate while giving it the opportunity to participate in favourable Exchange Rate movements at the Expiry Date.

The current Spot Rate is 1.3600 and the Forward Exchange Rate is 1.3590.

The exporter enters into a USD Put Option with the following terms (nominating the Strike Rate, Notional Amount and Expiry Date):

- Currency Pair: USD/SGD;
- Option type: USD Put Option;
- Strike Rate: 1.3400;
- Notional Amount: USD 100,000;
- Expiry Date: three (3) months after Trade Date;
- Expiry Time: 3.00 PM Tokyo time;
- Settlement date: two (2) Business Days after the Expiry Date; and
- Premium: SGD 485 (calculated by WUBS and, payable by the exporter).

Outcome on the Expiry Date

- i. If the Exchange Rate is less favourable than 1.3400, (say 1.3200), the exporter would Exercise the USD Put Option and exchange USD for SGD at the agreed Strike Rate of 1.3400 on the Settlement date and will receive SGD 134,000 ($\text{USD}100,000 \times 1.3400$) on the Settlement date.
- ii. If the Exchange Rate is more favourable than 1.3400, (say 1.3600), the exporter will let the USD Put Option lapse and may use USD to buy SGD at the prevailing Exchange Rate of 1.3600 for Settlement on the Settlement date, (although there is no obligation to do so). If the exporter sells USD at 1.3600 receiving SGD 136,000 ($\text{USD}100,000 \times 1.3600$) then this is a new transaction independent of the USD Put Option.

In the example above if the Strike Rate nominated by the exporter had been more favourable the Premium payable would have been higher.

5.7 Cost of a Vanilla Option

5.7.1 Premium

When you buy a Vanilla Option, you will be required to pay WUBS a non-refundable Premium, in cleared funds, within two (2) Business Days of the Trade Date. WUBS will accept Premium payments in either Singapore Dollars or either currency of the Vanilla Option Currency Pair. WUBS sets the Premiums it offers to you in purchasing a Vanilla Option by applying a **Retail Mark Up (Mark Up)** to the **Interbank Premium** it receives from its wholesale commercial relationships.

When calculating Premiums, WUBS takes into account the following variables on a transaction-by-transaction basis:

- the Currency Pair;
- the Notional Amount;
- the Strike Rate – the more favourable the Strike Rate you require, the higher the Premium that will be payable;
- the Expiry Date – the longer the time period between the Trade Date and Expiry Date the higher the Premium that will be payable;
- current market Exchange Rates of the underlying Currency Pair;
- the **Interest Rate Differential** of the countries whose currencies make up the Currency Pair; and
- market **Volatility** and **Liquidity**.

5.7.2 Transaction Fees

You will not be charged any additional entry fees for a Vanilla Option at the Trade Date but other fees or charges may apply for related services such as **Wire Transfers** or **Drafts** that are made or issued in connection with the Vanilla Option.

Transaction fees for Wire Transfers or Drafts are in addition and are separate to the Premium that you pay and the Exchange Rate conversion that will apply to converting one foreign currency to another when you Exercise a Vanilla Option. These fees are payable at the time we process a Wire Transfer for you or issue you or your nominated beneficiary with a Draft.

The transaction fee we charge you will depend upon:

- The amount and type of foreign currency to be transferred (more exotic currencies usually incur higher fees);
- The number and frequency of transactions you conduct through WUBS (an existing relationship may result in reduced fees); and
- The country that the funds are sent to (some countries are more expensive than others to deal with).

In addition to the fees charged by WUBS for sending payments by Wire Transfer or for issuing Drafts for Vanilla Options, any Correspondent, **Intermediary** or **Beneficiary Bank(s)** which facilitates the sending or payment of Wire Transfers/Drafts may impose their own additional fees or charges which may be deducted from the amount paid to you or your beneficiary.

For more information in relation to the cost of Wire Transfers and Drafts in connection with delivery of your Vanilla Option that may be applicable, contact your WUBS Representative.

5.8 Benefits of Vanilla Options

The benefits of Vanilla Options include:

- A Vanilla Option provides protection against unfavourable movements in the Exchange Rate during the term of the Vanilla Option.
- Vanilla Options are flexible, where the Strike Rate, Expiry Date and Notional Amount can be tailored to your needs.
- Unless you Exercise your Vanilla Option you are not committed to exchange currencies at the Expiry Date. Consequently, you are able to participate in favourable Exchange Rate movements.

5.9 Risks of Vanilla Options

The risks associated with Vanilla Options include:

- **Market Volatility.** The foreign exchange markets in which WUBS operates are OTC and can change rapidly. These markets are speculative and volatile with the risk that prices will move quickly. When this occurs the value of your Vanilla Option Premium may be significantly less than when you entered into the contract. WUBS cannot guarantee that you will not incur the loss of your Premium, where your Vanilla Option is **Out-of-The-Money (OTM)**. You need to monitor

your Vanilla Options with WUBS carefully providing WUBS with Instructions before unacceptable losses of Premium occurs.

- **Issuer Risk.** When you enter into a Vanilla Option you are relying on WUBS's financial ability as Issuer to be able to perform its obligation to you. As a result, you are exposed to the risk that WUBS becomes insolvent and is unable to meet its obligations to you under a Vanilla Option. To assess our financial ability to meet our obligations to you, you can obtain a copy of our financial statements, free of charge by emailing DistCustomerServicesOperations@westernunion.com
- **Counterparty Risk.** There is a risk that the **Hedging Counterparties** with whom WUBS contracts to mitigate its exposure when acting as principal to the Vanilla Option (by taking related offsetting or mitigating positions) may not be able to meet their contractual obligations to WUBS. This means that WUBS could be exposed to the insolvency of its Hedging Counterparties and to defaults by Hedging Counterparties. If a Hedging Counterparty is insolvent or defaults on its obligations to WUBS, then this could give rise to a risk that WUBS defaults on its obligations to you.
- **Amendments.** You cannot amend or change the Expiry Date of a Vanilla Option. In that regard, it is less flexible than some other foreign exchange hedging products.
- **Cancellations.** The close-out/cancellation of a Vanilla Option may result in a financial loss to you. WUBS will provide a quote for such services based on market conditions prevailing at the time of your request.
- **Cooling-off.** There is no cooling-off period. This means that once your Instruction to enter into a Vanilla Option has been accepted by WUBS you are unable to cancel your Vanilla Option without incurring a cost.
- **Default Risk.** In accordance with the Terms and Conditions if you fail to provide Settlement on the **Value Date** we may terminate your Vanilla Option. In the event that we do you will be liable for all costs that we incur.
- **Conflicts of interest.** WUBS enters into transactions with a number of different clients and Hedging Counterparties that may be in conflict with your interests under the Vanilla Option(s) you have entered into with us. WUBS is not required to prioritise your interests when dealing in Vanilla Options with you.

6. ORDERS, INSTRUCTIONS, CONFIRMATIONS, AND TELEPHONE CONVERSATIONS

The commercial terms of a particular Vanilla Option will be agreed and binding from the time your Instructions are received and accepted by us. This may occur verbally over the phone, electronically or in any other manner set out in our Terms and Conditions.

Shortly after buying a Vanilla Option from us, we will send you a Confirmation outlining the agreed commercial terms of the transaction. This Confirmation is intended to reflect the transaction that you have entered into with WUBS. It is important that you check the Confirmation to make sure that it accurately records the terms of the transaction. You should note however, that there is no cooling-off period with respect to Vanilla Options and that you will be bound once your original Instruction has been accepted by WUBS regardless of whether you sign or acknowledge a Confirmation. In the event that there is a discrepancy between your understanding of the Vanilla Option and the Confirmation it is important that you raise this with WUBS as a matter of urgency.

Conversations with our dealing room are recorded in accordance with standard market practice. We do this to ensure that we have complete records of the details of all transactions. Recorded conversations are retained for a limited time and are usually used when there is a dispute and for staff monitoring purposes. If you do not wish to be recorded you will need to inform your WUBS Representative. WUBS will not enter into any transaction over the telephone unless the conversation is recorded.

7. TERMS AND CONDITIONS AND OTHER DOCUMENTATION

7.1 Terms and Conditions

Each Vanilla Option you enter into will be subject to the Terms and Conditions. You will be required to agree to these before entering into a Vanilla Option with us for the first time.

The Terms and Conditions are a master agreement and set out all of the terms of the relationship between you and WUBS that are applicable to the Vanilla Options described in this PDS.

The Terms and Conditions are important and you should read them carefully before buying any Vanilla Option. They cover a number of important terms including how transactions are executed, our respective rights and obligations, events of default and rights of termination.

We recommend that you seek your own professional advice in order to fully understand the consequences of buying a Vanilla Option.

7.2 Other Information

In addition to our Terms and Conditions you will also need to provide us with the following signed documentation together with such other “Know Your Customer” information (including financial information and a **Direct Debit Request** form) that WUBS may require.

A copy of these forms can be obtained by contacting your WUBS Representative.

The main checks that are relevant to the accreditation of a **Customer** are:

- verification of a Customer’s identity in accordance with applicable law;
- a successful credit check conducted through a third party credit agency;
- a risk assessment considering relevant factors such as the nature of a Customer’s business and the country where the Customer will make or receive payments; and
- a check of a Customer’s principal officers and beneficial owners against relevant government issued sanction lists.

After your application has been accepted you may apply for a Vanilla Option in accordance with the Terms and Conditions.

8. DISPUTE RESOLUTION

You should address any complaint relating to the Vanilla Options described in this PDS to your WUBS Representative in the first instance.

If your complaint is unable to be resolved the matter will be automatically escalated to the relevant business unit manager. If a resolution is not reached within a reasonable time period, the matter will be further escalated to the **WUBS Compliance Manager** who will refer the matter to **Senior Management** for resolution.

All complaints are logged at each stage of the process. WUBS Complaints Handling Policy requires us to investigate and provide a resolution to you within sixty (60) Business Days from you first making the complaint. WUBS takes complaints seriously and strives to ensure efficient and fair resolution.

If you have any enquiries about our dispute resolution process, please contact your WUBS Representative using the contact details in Section 3.1 “WUBS Contact Details” of this PDS.

9. TAXATION

Taxation law is complex and its application will depend on a person’s individual circumstances. When determining whether or not the Vanilla Options, described in this PDS, are suitable you should consider the impact it will have on your own taxation position and seek professional advice on the tax implications the Vanilla Options may have for you.

10. PRIVACY

In the course of providing Vanilla Options to you we will collect information about you. The information that we obtain from you or other people associated with your request is for the purpose of providing you the services you have asked for, including processing your Vanilla Options, compliance and legal duties, administration and to help validate your details. Certain information may be required by us in order to comply with laws and regulations. We may disclose your personal information, including without limitation your name, Customer ID number, address and bank account information, (i) if we are required to do so by domestic or foreign law or legal process or (ii) to law enforcement authorities of other government officials (including those in this country, the United States or elsewhere) for purposes such as detecting, investigating, prosecuting and preventing crimes, including money laundering and related criminal activity, and the recipients may further disclose the information for these and other related purposes.

We may use your information to send you details about WUBS products and services. If you do not wish to receive such information please notify us. We may also disclose information about you to third party service providers (such as credit checking agencies), including to countries other than the country in which the information was originally collected or created, who assist us in our business operations and service provision, including the USA for the purposes described.

You have a right to ask us to see and get a copy of your information, for which we may charge a small fee. You can also correct, erase or limit our use of the information which is incomplete, inaccurate or out of date.

WUBS is committed to complying with all privacy laws and regulations. Further information about WUBS's privacy practices can be found at

<http://business.westernunion.com.sg/About/Compliance-Legal>.

11. GLOSSARY OF TERMS

Authorised Dealers means any person, by whatever name described, who is in the direct employment of, or acting for, a bank to engage in any dealing activities of the treasury operations of that bank in Singapore.

Beneficiary Bank means the bank identified in a payment order in which an account for the beneficiary is to be credited pursuant to the order.

Business Day means a day that banks are open for business in Singapore, but does not include a Saturday, Sunday or public holiday.

Call Option means an agreement that gives the buyer the right (but not the obligation) to buy a currency at a specified price at a specific time.

Confirmation means written or electronic communication from WUBS that sets out the agreed commercial details of a Vanilla Option.

Correspondent Bank means a financial institution that performs services for WUBS in connection with Telegraphic Transfers or Drafts provided by WUBS.

Counterparty(s) means each party to a contract.

Currency Pair means the currency that is bought and the currency that is sold in a foreign exchange contract.

Customer/Client means the entity or person who signs WUBS' Terms and Conditions.

Direct Debit Request means a type of preauthorised payment under which a Client authorises its bank to pay amounts to WUBS for Settlement of Vanilla Option obligations.

Draft means a written order to pay a specified sum issued by or through WUBS.

Exchange Rate means the value of one currency for the purpose of conversion to another.

Exercise means an election by the buyer of a Vanilla Option to buy or sell currency (as applicable) at the Strike Rate on the Expiry Date.

Exercise Notice means an Instruction by the buyer of a Vanilla Option to the seller of the Vanilla Option of its intent to Exercise.

Expiry Date means the date on which a Vanilla Option expires.

Expiry Time means the time of day on the Expiry Date that a Vanilla Option expires.

Forward Exchange Contract or **FEC** means a legally binding agreement between a Client and WUBS to exchange one currency for another currency at an agreed Exchange Rate on a Value Date more than two (2) Business Days after the Trade Date.

Forward Exchange Rate means the Exchange Rate at which WUBS agrees to exchange one currency for another at a future date when it enters into a Forward Exchange Contract.

Hedge means activity initiated in order to mitigate or reduce currency exposure to adverse unfavourable price or currency movements, by taking a related offsetting or mitigating position, such as a Vanilla Option.

Hedging Counterparties means the counterparties with whom WUBS contracts to mitigate its exposure when acting as principal to Vanilla Options by taking related offsetting or mitigating positions.

Instructions is a request by a Client for WUBS to provide services, including any request for services made by mail, electronic mail, telephone, a standing order, or other means which request may be accepted or rejected in WUBS' absolute discretion.

Interbank Exchange Rate means the wholesale Spot Rate that WUBS receives from the foreign exchange Interbank Market.

Interbank Market means the wholesale markets for transacting in foreign exchange restricted to Authorised Dealers and banks.

Interbank Premium means the wholesale Premium that WUBS receives from the foreign exchange Interbank Market.

Interest Rate Differential means the difference in interest rate between two currencies in a pair.

Intermediary Bank means any bank through which a payment must go to reach the Beneficiary Bank.

In-The-Money or (ITM) means where the current market price/Exchange Rate for the Currency Pair in a Vanilla Option is less favourable than the Strike Rate for the Vanilla Option.

Issuer means WUBS Financial Services (Singapore) Pte Ltd.

Liquidity means the ability to buy or sell a Currency Pair without a real effect on the price.

Notional Amount means the predetermined SGD or foreign currency amount to be bought or sold pursuant to a Vanilla Option.

Out-of-The-Money or (OTM) means where the current market price/Exchange Rate for the Currency Pair in a Vanilla Option is more favourable than the Strike Rate for the Vanilla Option.

Over-The-Counter Market or (OTC) means a decentralised market, without a central physical location, where market participants trade with one another through various communication modes.

PDS means Product Disclosure Statement.

Premium means the amount payable by you to WUBS on the Trade Date of a Vanilla Option.

Put Option means an agreement that gives the buyer the right (but not the obligation) to sell a currency at a specified price at a specific time.

Retail Mark Up or (Mark Up) means an amount added to the Interbank Premium to obtain the **Retail Price**.

Retail Price means the sum of the Interbank Premium and Retail Mark Up.

Senior Management means a group of high level executives, determined by WUBS from time to time, that actively participate in the daily supervision, planning and administrative processes.

Settlement means the total amount, including the cost of currency acquisition as well as any fees and charges, Client owes to WUBS.

SGD means Singapore Dollars.

Spot Rate means the Exchange Rate applicable to a foreign exchange transaction with a Value Date of up to two (2) Business Days from the date the transaction was entered.

Strike Rate means the Exchange Rate at which the parties have agreed to exchange the Currency Pair on the Value Date if the Vanilla Option is Exercised on the Expiry Date.

Terms and Conditions means WUBS Financial Services (Singapore) Pte Ltd's terms and conditions of doing business as amended from time to time and located at <http://business.westernunion.com.sg/About/Compliance-Legal>.

Trade Date means the day you and WUBS agree to a Vanilla Option.

USD means United States Dollars.

Value Date means the day where payment for currency is made.

Vanilla Option means a Call Option or Put Option that has standardised terms and no special or unusual features as described in this PDS.

Volatility means the pace at which prices move higher or lower.

Wire Transfer means the electronic exchange, transfer of money from one account to another, either within a single financial institution or across multiple institutions, through computer-based systems.

WUBS means WUBS Financial Services (Singapore) Pte Ltd, Registration Number: 200619104D, Capital Markets Services License Number: CMS100116-3.

WUBS Compliance Manager means a senior member of WUBS's compliance department who actively participates in the daily supervision, planning and administrative processes of the compliance function.

WUBS Representative means a person designated to act on behalf of WUBS in the provision of financial services specifically Vanilla Options.