
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number: 001-32903



THE WESTERN UNION COMPANY
(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

20-4531180
(I.R.S. Employer
Identification No.)

7001 EAST BELLEVIEW AVENUE
Denver, Colorado 80237
(Address of principal executive offices)

Registrant's telephone number, including area code: (866) 405-5012

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading symbol</u> | <u>Name of each exchange on which registered</u> |
|--------------------------------|-----------------------|--|
| Common Stock, \$0.01 Par Value | WU | The New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer
Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of July 29, 2019, 423,891,013 shares of the registrant's common stock were outstanding.

THE WESTERN UNION COMPANY

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PART I
FINANCIAL INFORMATION

Item 1. Financial Statements

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(in millions, except per share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues | \$ 1,340.5 | \$ 1,411.1 | \$ 2,677.5 | \$ 2,800.5 |
| Expenses: | | | | |
| Cost of services | 776.4 | 829.2 | 1,561.4 | 1,654.6 |
| Selling, general and administrative | 305.2 | 298.3 | 606.0 | 597.4 |
| Total expenses | 1,081.6 | 1,127.5 | 2,167.4 | 2,252.0 |
| Operating income | 258.9 | 283.6 | 510.1 | 548.5 |
| Other income/(expense): | | | | |
| Gain on divestitures of businesses (Note 4) | 524.6 | — | 524.6 | — |
| Interest income | 1.0 | 1.3 | 3.1 | 2.0 |
| Interest expense | (38.6) | (37.5) | (78.3) | (73.0) |
| Other income/(expense), net | (0.3) | 8.1 | 2.2 | 12.5 |
| Total other income/(expense), net | 486.7 | (28.1) | 451.6 | (58.5) |
| Income before income taxes | 745.6 | 255.5 | 961.7 | 490.0 |
| Provision for income taxes | 130.8 | 37.9 | 173.8 | 58.8 |
| Net income | \$ 614.8 | \$ 217.6 | \$ 787.9 | \$ 431.2 |
| Earnings per share: | | | | |
| Basic | \$ 1.43 | \$ 0.48 | \$ 1.82 | \$ 0.94 |
| Diluted | \$ 1.42 | \$ 0.47 | \$ 1.81 | \$ 0.93 |
| Weighted-average shares outstanding: | | | | |
| Basic | 430.0 | 457.2 | 433.8 | 458.8 |
| Diluted | 432.3 | 459.6 | 436.1 | 461.6 |

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(in millions)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|--------------------------------|-----------------|------------------------------|-----------------|
| | 2019 | 2018 | 2019 | 2018 |
| Net income | \$ 614.8 | \$ 217.6 | \$ 787.9 | \$ 431.2 |
| Other comprehensive income/(loss), net of tax (Note 10): | | | | |
| Unrealized gains/(losses) on investment securities | 9.9 | 0.8 | 22.9 | (7.9) |
| Unrealized gains/(losses) on hedging activities | (5.9) | 37.4 | (2.0) | 34.3 |
| Foreign currency translation adjustments | — | (12.5) | — | (19.5) |
| Defined benefit pension plan adjustments | 1.9 | 2.3 | 4.4 | 4.4 |
| Total other comprehensive income | 5.9 | 28.0 | 25.3 | 11.3 |
| Comprehensive income | <u>\$ 620.7</u> | <u>\$ 245.6</u> | <u>\$ 813.2</u> | <u>\$ 442.5</u> |

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
(in millions, except per share amounts)

| | <u>June 30,</u> <u>2019</u> | <u>December 31,</u> <u>2018</u> |
|---|--------------------------------|------------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,210.2 | \$ 973.4 |
| Settlement assets | 3,728.4 | 3,813.8 |
| Property and equipment, net of accumulated depreciation of \$698.9 and \$702.4, respectively | 224.1 | 270.4 |
| Goodwill | 2,566.6 | 2,725.0 |
| Other intangible assets, net of accumulated amortization of \$1,053.0 and \$1,047.6, respectively | 535.5 | 598.2 |
| Other assets (Note 5) | 778.5 | 616.0 |
| Total assets | <u>\$ 9,043.3</u> | <u>\$ 8,996.8</u> |
| Liabilities and Stockholders' Equity/(Deficit) | | |
| Liabilities: | | |
| Accounts payable and accrued liabilities | \$ 467.2 | \$ 564.9 |
| Settlement obligations | 3,728.4 | 3,813.8 |
| Income taxes payable | 1,076.2 | 1,054.0 |
| Deferred tax liability, net | 166.3 | 161.1 |
| Borrowings | 3,080.2 | 3,433.7 |
| Other liabilities (Note 5) | 494.8 | 279.1 |
| Total liabilities | <u>9,013.1</u> | <u>9,306.6</u> |
| Commitments and contingencies (Note 7) | | |
| Stockholders' equity/(deficit): | | |
| Preferred stock, \$1.00 par value; 10 shares authorized; no shares issued | — | — |
| Common stock, \$0.01 par value; 2,000 shares authorized; 425.9 shares and 441.2 shares issued and outstanding as of June 30, 2019 and December 31, 2018, respectively | 4.3 | 4.4 |
| Capital surplus | 801.3 | 755.6 |
| Accumulated deficit | (569.7) | (838.8) |
| Accumulated other comprehensive loss | (205.7) | (231.0) |
| Total stockholders' equity/(deficit) | <u>30.2</u> | <u>(309.8)</u> |
| Total liabilities and stockholders' equity/(deficit) | <u>\$ 9,043.3</u> | <u>\$ 8,996.8</u> |

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

| | Six Months Ended | |
|--|-------------------------|-----------------|
| | June 30, | |
| | 2019 | 2018 |
| Cash flows from operating activities | | |
| Net income | \$ 787.9 | \$ 431.2 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 38.2 | 38.7 |
| Amortization | 91.4 | 93.7 |
| Gain on divestitures of businesses, excluding transaction costs (Note 4) | (532.1) | — |
| Other non-cash items, net | 52.3 | (0.7) |
| Increase/(decrease) in cash, excluding the effects of divestitures, resulting from changes in: | | |
| Other assets | 12.3 | (42.7) |
| Accounts payable and accrued liabilities | (59.3) | (140.4) |
| Income taxes payable | 21.5 | (84.4) |
| Other liabilities | (9.6) | 3.3 |
| Net cash provided by operating activities | <u>402.6</u> | <u>298.7</u> |
| Cash flows from investing activities | | |
| Capitalization of contract costs | (24.5) | (19.2) |
| Capitalization of purchased and developed software | (19.1) | (13.0) |
| Purchases of property and equipment | (31.4) | (58.3) |
| Proceeds from divestitures of businesses, net of cash divested (Note 4) | 732.6 | — |
| Purchases of non-settlement related investments and other | (4.5) | (2.5) |
| Proceeds from maturity of non-settlement related investments | 19.8 | 12.9 |
| Purchases of held-to-maturity non-settlement related investments | (1.3) | (1.4) |
| Proceeds from held-to-maturity non-settlement related investments | 15.4 | 12.8 |
| Net cash provided by/(used in) investing activities | <u>687.0</u> | <u>(68.7)</u> |
| Cash flows from financing activities | | |
| Cash dividends paid | (172.9) | (173.3) |
| Common stock repurchased (Note 10) | (341.6) | (252.6) |
| Net proceeds from commercial paper | 143.0 | — |
| Net proceeds from issuance of borrowings | — | 297.8 |
| Principal payments on borrowings | (500.0) | — |
| Proceeds from exercise of options | 20.5 | 8.9 |
| Other financing activities | (0.8) | (5.2) |
| Net cash used in financing activities | <u>(851.8)</u> | <u>(124.4)</u> |
| Net change in cash, cash equivalents and restricted cash | 237.8 | 105.6 |
| Cash, cash equivalents and restricted cash at beginning of period | 979.7 | 844.4 |
| Cash, cash equivalents and restricted cash at end of period | <u>\$ 1,217.5</u> | <u>\$ 950.0</u> |
| Supplemental cash flow information: | | |
| Interest paid | \$ 78.1 | \$ 68.0 |
| Income taxes paid | \$ 156.6 | \$ 149.1 |
| Cash paid for lease liabilities | \$ 24.3 | \$ — |
| Non-cash lease liabilities arising from obtaining right-of-use assets (Note 5) | \$ 269.1 | \$ — |
| Restricted cash at end of period (included in Other assets) | \$ 7.3 | \$ 11.7 |

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY/(DEFICIT)
(Unaudited)
(in millions)

| | Common Stock | | Capital Surplus | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity/(Deficit) |
|--|--------------|---------------|-----------------|---------------------|--------------------------------------|--------------------------------------|
| | Shares | Amount | | | | |
| Balance, December 31, 2018 | 441.2 | \$ 4.4 | \$ 755.6 | \$ (838.8) | \$ (231.0) | \$ (309.8) |
| Net income | — | — | — | 173.1 | — | 173.1 |
| Stock-based compensation | — | — | 13.7 | — | — | 13.7 |
| Common stock dividends (\$0.20 per share) | — | — | — | (87.4) | — | (87.4) |
| Repurchase and retirement of common shares | (10.2) | (0.1) | — | (184.9) | — | (185.0) |
| Shares issued under stock-based compensation plans | 1.9 | — | 1.8 | — | — | 1.8 |
| Other comprehensive income (Note 10) | — | — | — | — | 19.4 | 19.4 |
| Balance, March 31, 2019 | 432.9 | 4.3 | 771.1 | (938.0) | (211.6) | (374.2) |
| Net income | — | — | — | 614.8 | — | 614.8 |
| Stock-based compensation | — | — | 11.6 | — | — | 11.6 |
| Common stock dividends (\$0.20 per share) | — | — | — | (85.5) | — | (85.5) |
| Repurchase and retirement of common shares | (8.3) | — | — | (161.0) | — | (161.0) |
| Shares issued under stock-based compensation plans | 1.3 | — | 18.6 | — | — | 18.6 |
| Other comprehensive income (Note 10) | — | — | — | — | 5.9 | 5.9 |
| Balance, June 30, 2019 | <u>425.9</u> | <u>\$ 4.3</u> | <u>\$ 801.3</u> | <u>\$ (569.7)</u> | <u>\$ (205.7)</u> | <u>\$ 30.2</u> |

| | Common Stock | | Capital Surplus | Accumulated Deficit | Accumulated Other Comprehensive Loss | Total Stockholders' Equity/(Deficit) |
|---|--------------|---------------|-----------------|---------------------|--------------------------------------|--------------------------------------|
| | Shares | Amount | | | | |
| Balance, December 31, 2017 | 459.0 | \$ 4.6 | \$ 697.8 | \$ (965.9) | \$ (227.9) | \$ (491.4) |
| Adoption of accounting pronouncements as of January 1, 2018 | — | — | — | 30.7 | (31.4) | (0.7) |
| Net income | — | — | — | 213.6 | — | 213.6 |
| Stock-based compensation | — | — | 13.8 | — | — | 13.8 |
| Common stock dividends (\$0.19 per share) | — | — | — | (87.5) | — | (87.5) |
| Repurchase and retirement of common shares | (0.5) | — | — | (11.8) | — | (11.8) |
| Shares issued under stock-based compensation plans | 2.1 | — | 3.8 | — | — | 3.8 |
| Other comprehensive loss (Note 10) | — | — | — | — | (16.7) | (16.7) |
| Balance, March 31, 2018 | 460.6 | 4.6 | 715.4 | (820.9) | (276.0) | (376.9) |
| Net income | — | — | — | 217.6 | — | 217.6 |
| Stock-based compensation | — | — | 11.6 | — | — | 11.6 |
| Common stock dividends (\$0.19 per share) | — | — | — | (85.8) | — | (85.8) |
| Repurchase and retirement of common shares | (12.4) | (0.1) | — | (250.8) | — | (250.9) |
| Shares issued under stock-based compensation plans | 0.5 | — | 5.1 | — | — | 5.1 |
| Other comprehensive income (Note 10) | — | — | — | — | 28.0 | 28.0 |
| Balance, June 30, 2018 | <u>448.7</u> | <u>\$ 4.5</u> | <u>\$ 732.1</u> | <u>\$ (939.9)</u> | <u>\$ (248.0)</u> | <u>\$ (451.3)</u> |

See Notes to Condensed Consolidated Financial Statements.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Business and Basis of Presentation

Business

The Western Union Company ("Western Union" or the "Company") is a leader in global money movement and payment services, providing people and businesses with fast, reliable, and convenient ways to send money and make payments around the world. The Western Union[®] brand is globally recognized. The Company's services are primarily available through a network of agent locations in more than 200 countries and territories and through online money transfer transactions conducted through Western Union branded websites and mobile apps ("westernunion.com"). Each location in the Company's agent network is capable of providing one or more of the Company's services.

The Western Union business consists of the following segments:

- *Consumer-to-Consumer* - The Consumer-to-Consumer operating segment facilitates money transfers between two consumers, primarily through a network of third-party agents. The Company views its multi-currency money transfer service as one interconnected global network where a money transfer can be sent from one location to another, around the world. This service is available for international cross-border transfers and, in certain countries, intra-country transfers. This segment also includes money transfer transactions that can be initiated through websites and mobile devices.
- *Business Solutions* - The Business Solutions operating segment facilitates payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The majority of the segment's business relates to exchanges of currency at spot rates, which enable customers to make cross-currency payments. In addition, in certain countries, the Company writes foreign currency forward and option contracts for customers to facilitate future payments.

All businesses and other services that have not been classified in the above segments are reported as "Other," which primarily includes the Company's cash-based and electronic-based bill payment services which facilitate payments from consumers to businesses and other organizations. In May 2019, the Company sold a substantial majority of its United States based electronic bill payments services, as discussed in Note 4. The Company's money order and other services, in addition to certain corporate costs such as costs related to strategic initiatives, including costs for the review and closing of mergers, acquisitions, and divestitures are also included in "Other." See Note 15 for further information regarding the Company's segments.

There are legal or regulatory limitations on transferring certain assets of the Company outside of the countries where these assets are located. However, there are generally no limitations on the use of these assets within those countries. Additionally, the Company must meet minimum capital requirements in some countries in order to maintain operating licenses. As of December 31, 2018, the amount of these net asset limitations totaled approximately \$365 million.

Various aspects of the Company's services and businesses are subject to United States federal, state and local regulation, as well as regulation by foreign jurisdictions, including certain banking and other financial services regulations.

Basis of Presentation

The accompanying condensed consolidated financial statements are unaudited and were prepared in accordance with the instructions for Form 10-Q and Article 10 of Regulation S-X. In compliance with those instructions, certain information and footnote disclosures normally included in annual consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") have been condensed or omitted.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The unaudited condensed consolidated financial statements in this quarterly report are presented on a consolidated basis and include the accounts of the Company and its majority-owned subsidiaries. Results of operations and cash flows for the interim periods are not necessarily indicative of the results that may be expected for the entire year. All significant intercompany transactions and accounts were eliminated as of June 30, 2019 and December 31, 2018 and for all periods presented.

In the opinion of management, these condensed consolidated financial statements include all the normal recurring adjustments necessary to fairly present the Company's condensed consolidated results of operations, financial position, and cash flows as of June 30, 2019 and for all periods presented. These condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements within the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

Consistent with industry practice, the accompanying Condensed Consolidated Balance Sheets are unclassified due to the short-term nature of the Company's settlement obligations contrasted with the Company's ability to invest cash awaiting settlement in long-term investment securities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

Recently Adopted Accounting Pronouncements

On January 1, 2019, the Company adopted a new accounting standard, as amended, that requires the Company to record assets and liabilities on the balance sheet for lease-related rights and obligations and disclose key information about its leasing arrangements. The Company elected the effective date method, utilized the modified retrospective approach upon adoption, and elected the package of practical expedients available under the new standard, including the expedients to not reassess whether an existing contract is a lease or contains a lease and whether the lease is an operating or finance lease. This new standard establishes a right-of-use ("ROU") model that requires the Company to recognize ROU assets and lease liabilities on the balance sheet for all leases with a term longer than 12 months at commencement of the lease. Refer to Note 5 for additional information and the related disclosures.

Accounting Pronouncements Not Yet Adopted

In June 2016, the Financial Accounting Standards Board issued a new accounting pronouncement regarding credit losses for financial instruments. The new standard requires entities to measure expected credit losses for certain financial assets held at the reporting date using a current expected credit loss model, which is based on historical experience, adjusted for current conditions and reasonable and supportable forecasts. Additionally, the standard requires certain credit losses relating to investment securities classified as available-for-sale to be recorded through an allowance for credit losses. The Company is required to adopt the new standard on January 1, 2020. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's financial position, results of operations, cash flows, and related disclosures.

2. Revenue

The Company's revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon channel, send and receive locations, the principal amount sent, whether the money transfer involves different send and receive currencies, the difference between the exchange rate set by the Company to the customer and the rate available in the wholesale foreign exchange market, and speed of service, as applicable. The Company also offers several other services, including foreign exchange and payment services and other bill payment

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

services, for which revenue is impacted by similar factors. For the substantial majority of the Company's revenues, the Company acts as the principal in transactions and reports revenue on a gross basis, as the Company controls the service at all times prior to transfer to the customer, is primarily responsible for fulfilling the customer contracts, has the risk of loss, and has the ability to establish transaction prices. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Company recognized \$1,275.0 million and \$1,361.3 million for the three months ended June 30, 2019 and 2018, and \$2,550.4 million and \$2,707.3 million for the six months ended June 30, 2019 and 2018, in revenues from contracts with customers, respectively. There are no material upfront costs incurred to obtain contracts with customers. Under the Company's loyalty programs, which are primarily offered in its money transfer services, the Company must fulfill loyalty program rewards earned by customers. The loyalty program redemption activity has been and continues to be insignificant to the Company's results of operations, and the Company has immaterial contract liability balances, which primarily relate to its customer loyalty programs and other services. Contract asset balances related to customers were also immaterial as of the periods presented, as the Company typically receives payment of consideration from its customers prior to satisfying performance obligations under the customer contracts. In addition to revenue generated from contracts with customers, the Company recognizes revenue from other sources, including the sale of derivative financial instruments and investment income generated on settlement assets primarily related to money transfer and money order services.

The Company analyzes its different services individually to determine the appropriate basis for revenue recognition, as further described below. Revenues from consumer money transfers are included in the Company's Consumer-to-Consumer segment, revenues from foreign exchange and payment services are included in the Company's Business Solutions segment, and revenues from consumer bill payments and other services are not included in the Company's segments and are reported as "Other." See Note 15 for further information on the Company's segments.

Consumer Money Transfers

For the Company's money transfer services, customers agree to the Company's terms and conditions at the time of initiating a transaction. In a money transfer, the Company has one performance obligation as the customer engages the Company to perform one integrated service which typically occurs within minutes — collect the customer's money and make funds available for payment to a designated person in the currency requested. Therefore, the Company recognizes revenue upon completion of the following: 1) the customer's acknowledgment of the Company's terms and conditions and payment information has been received by the Company, 2) the Company has agreed to process the money transfer, 3) the Company has provided the customer a unique transaction identification number, and 4) funds are available to be picked up by the customer's designated receiving party. The transaction price is comprised of a transaction fee and the difference between the exchange rate set by the Company to the customer and the rate available in the wholesale foreign exchange market, as applicable, both of which are readily determinable at the time the transaction is initiated.

Foreign Exchange and Payment Services

For the Company's foreign exchange and payment services, customers agree to terms and conditions for all transactions, either at the time of initiating a transaction or signing a contract with the Company to provide payment services on the customer's behalf. In the majority of the Company's foreign exchange and payment services, the Company makes payments to the recipient to satisfy its performance obligation to the customer, and therefore, the Company recognizes revenue on foreign exchange and payment services when this performance obligation has been fulfilled. Revenues from foreign exchange and payment services are primarily comprised of the difference between the exchange rate set by the Company to the customer and the rate available in the wholesale foreign exchange market.

Consumer Bill Payments

The Company offers several different bill payment services that vary by considerations such as: 1) who pays the fee to the Company (consumer or biller), 2) whether the service is offered to all potential consumers, or only to those for

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

which the Company has a relationship with the biller, and 3) whether the service utilizes a physical agent network offered for consumers' convenience, among other factors. The determination of which party is the Company's customer for revenue recognition purposes is based on these considerations for each of the Company's bill payment services. For all transactions, the Company's customers agree to the Company's terms and conditions, either at the time of initiating a transaction (where the consumer is determined to be the customer for revenue recognition purposes) or upon signing a contract with the Company to provide services on the biller's behalf (where the biller is determined to be the customer for revenue recognition purposes). As with consumer money transfers, customers engage the Company to perform one integrated service — collect money from the consumer and process the bill payment transaction, thereby providing the billers real-time or near real-time information regarding their customers' payments and simplifying the billers' collection efforts. The significant majority of the Company's revenues from bill payment services are generated from contracts to process transactions at any time during the duration of the contract.

Management has determined that the significant majority of the Company's revenue is recognized at a point in time. The following tables represent the disaggregation of revenue earned from contracts with customers by product type and region for the three and six months ended June 30, 2019 and 2018 (in millions). The regional split of revenue shown in the tables below is based upon where transactions are initiated.

| | Three Months Ended June 30, 2019 | | | | |
|--|----------------------------------|---------------------------------------|----------------------------|----------------|------------|
| | Consumer Money Transfers | Foreign Exchange and Payment Services | Consumer Bill Payments (c) | Other Services | Total |
| Regions: | | | | | |
| North America | \$ 424.3 | \$ 23.3 | \$ 61.1 | \$ 14.1 | \$ 522.8 |
| Europe and Russia/CIS | 339.8 | 31.6 | 0.9 | 1.0 | 373.3 |
| Middle East, Africa, and South Asia | 159.9 | 0.5 | 0.1 | — | 160.5 |
| Latin America and the Caribbean | 98.8 | 1.0 | 32.3 | 4.1 | 136.2 |
| East Asia and Oceania | 65.4 | 16.4 | 0.4 | — | 82.2 |
| Revenues from contracts with customers | \$ 1,088.2 | \$ 72.8 | \$ 94.8 | \$ 19.2 | \$ 1,275.0 |
| Other revenues (a) | 24.7 | 22.8 | 11.3 | 6.7 | 65.5 |
| Total revenues (b) | \$ 1,112.9 | \$ 95.6 | \$ 106.1 | \$ 25.9 | \$ 1,340.5 |

| | Six Months Ended June 30, 2019 | | | | |
|--|--------------------------------|---------------------------------------|----------------------------|----------------|------------|
| | Consumer Money Transfers | Foreign Exchange and Payment Services | Consumer Bill Payments (c) | Other Services | Total |
| Regions: | | | | | |
| North America | \$ 819.8 | \$ 45.4 | \$ 176.2 | \$ 28.6 | \$ 1,070.0 |
| Europe and Russia/CIS | 663.0 | 63.5 | 1.5 | 1.9 | 729.9 |
| Middle East, Africa, and South Asia | 313.2 | 1.0 | 0.2 | — | 314.4 |
| Latin America and the Caribbean | 194.1 | 2.0 | 65.9 | 7.6 | 269.6 |
| East Asia and Oceania | 131.9 | 33.9 | 0.7 | — | 166.5 |
| Revenues from contracts with customers | \$ 2,122.0 | \$ 145.8 | \$ 244.5 | \$ 38.1 | \$ 2,550.4 |
| Other revenues (a) | 47.8 | 45.4 | 20.8 | 13.1 | 127.1 |
| Total revenues (b) | \$ 2,169.8 | \$ 191.2 | \$ 265.3 | \$ 51.2 | \$ 2,677.5 |

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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| | Three Months Ended June 30, 2018 | | | | |
|--|----------------------------------|--|-------------------------------|-------------------|------------|
| | Consumer Money Transfers | Foreign Exchange and Payment Services | Consumer Bill Payments (c) | Other Services | Total |
| Regions: | | | | | |
| North America | \$ 416.5 | \$ 23.8 | \$ 115.5 | \$ 14.5 | \$ 570.3 |
| Europe and Russia/CIS | 356.2 | 30.6 | 0.8 | 1.0 | 388.6 |
| Middle East, Africa, and South Asia | 165.1 | 0.3 | 0.1 | — | 165.5 |
| Latin America and the Caribbean | 95.4 | 0.8 | 42.3 | 3.7 | 142.2 |
| East Asia and Oceania | 76.7 | 17.5 | 0.5 | — | 94.7 |
| Revenues from contracts with customers | \$ 1,109.9 | \$ 73.0 | \$ 159.2 | \$ 19.2 | \$ 1,361.3 |
| Other revenues (a) | 17.6 | 20.1 | 6.5 | 5.6 | 49.8 |
| Total revenues (b) | \$ 1,127.5 | \$ 93.1 | \$ 165.7 | \$ 24.8 | \$ 1,411.1 |

| | Six Months Ended June 30, 2018 | | | | |
|--|--------------------------------|--|-------------------------------|-------------------|------------|
| | Consumer Money Transfers | Foreign Exchange and Payment Services | Consumer Bill Payments (c) | Other Services | Total |
| Regions: | | | | | |
| North America | \$ 811.1 | \$ 48.7 | \$ 238.6 | \$ 29.1 | \$ 1,127.5 |
| Europe and Russia/CIS | 701.7 | 62.9 | 1.6 | 2.0 | 768.2 |
| Middle East, Africa, and South Asia | 331.9 | 0.3 | 0.2 | — | 332.4 |
| Latin America and the Caribbean | 193.1 | 1.0 | 87.3 | 6.9 | 288.3 |
| East Asia and Oceania | 155.2 | 34.8 | 0.9 | — | 190.9 |
| Revenues from contracts with customers | \$ 2,193.0 | \$ 147.7 | \$ 328.6 | \$ 38.0 | \$ 2,707.3 |
| Other revenues (a) | 25.5 | 42.1 | 14.6 | 11.0 | 93.2 |
| Total revenues (b) | \$ 2,218.5 | \$ 189.8 | \$ 343.2 | \$ 49.0 | \$ 2,800.5 |

- (a) Includes revenue from the sale of derivative financial instruments, investment income generated on settlement assets primarily related to money transfer and money order services, and other sources.
- (b) Revenues from "Consumer money transfers" are included in the Company's Consumer-to-Consumer segment, revenues from "Foreign exchange and payment services" are included in the Company's Business Solutions segment, and revenues from "Consumer bill payments" and "Other services" are not included in the Company's segments and are reported as "Other." See Note 15 for further information on the Company's segments.
- (c) On February 28, 2019, the Company entered into an agreement with ACI Worldwide Corp. and ACW Worldwide, Inc. to sell its United States electronic bill payments business known as "Speedpay," and closed the transaction on May 9, 2019. Included within North America revenues are Speedpay revenues of \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively.

3. Earnings Per Share

The calculation of basic earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Outstanding options to purchase Western Union stock and unvested shares of restricted stock are excluded from basic shares outstanding. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options at the presented dates are exercised and shares of restricted stock have vested, using the treasury stock method. The treasury stock method assumes proceeds from the exercise price of stock options and the unamortized compensation expense of options and restricted stock are available to acquire shares at an average market price throughout the period, and therefore, reduce the dilutive effect.

THE WESTERN UNION COMPANY**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)**

Shares excluded from the diluted earnings per share calculation under the treasury stock method, primarily due to outstanding options to purchase shares of Western Union stock, as their exercise prices were above the Company's weighted-average share price during the periods and their effect was anti-dilutive, were 2.3 million and 1.9 million for the three months ended June 30, 2019 and 2018, respectively, and 3.4 million and 2.0 million for the six months ended June 30, 2019 and 2018, respectively.

The following table provides the calculation of diluted weighted-average shares outstanding (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------|------------------------------|-------|
| | 2019 | 2018 | 2019 | 2018 |
| Basic weighted-average shares outstanding | 430.0 | 457.2 | 433.8 | 458.8 |
| Common stock equivalents | 2.3 | 2.4 | 2.3 | 2.8 |
| Diluted weighted-average shares outstanding | 432.3 | 459.6 | 436.1 | 461.6 |

4. Divestitures and Assets Held For Sale

On February 28, 2019, the Company entered into an agreement with ACI Worldwide Corp. and ACW Worldwide, Inc. to sell its United States electronic bill payments business known as "Speedpay," which had been included as a component of "Other" in the Company's segment reporting. The Company received approximately \$750 million and recorded a pre-tax gain on the sale of approximately \$524 million, which is included in "Gain on divestitures of businesses" in the accompanying Condensed Consolidated Statements of Income, in the all-cash transaction that closed on May 9, 2019. The final consideration and gain on sale is subject to a working capital adjustment to be settled in the third quarter of 2019. Speedpay revenues included in the Company's results were \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively. Speedpay direct operating expenses were \$30.6 million and \$61.6 million for the three months ended June 30, 2019 and 2018, respectively, and \$98.2 million and \$127.7 million for the six months ended June 30, 2019 and 2018, respectively.

On May 6, 2019, the Company completed the sale of Paymap Inc. ("Paymap"), which provides electronic mortgage bill payment services, for contingent consideration and immaterial cash proceeds received at closing. The Company recorded an immaterial pre-tax gain related to this sale in the three and six months ended June 30, 2019.

Property and equipment related to the Company's former headquarters of \$35.6 million, which is net of accumulated depreciation of \$35.1 million, is included in "Other assets" in the accompanying Condensed Consolidated Balance Sheets as of June 30, 2019, as the Company has classified this property and equipment as held for sale.

5. Leases

The Company leases real properties for use as administrative and sales offices, in addition to automobiles and office equipment. The Company determines if a contract contains a lease arrangement at the inception of the contract. For leases in which the Company is the lessee, leases are classified as either finance or operating, with classification affecting the pattern of expense recognition. Operating lease ROU assets are initially measured at the present value of lease payments over the lease term plus initial direct costs, if any. If a lease does not provide a discount rate and the rate cannot be readily determined, an incremental borrowing rate is used to determine the future lease payments. Lease and variable non-lease components within the Company's lease agreements are accounted for separately. The Company has no material leases in which the Company is the lessor.

Substantially all of the Company's leasing arrangements are classified as operating leases, for which expense is recognized on a straight-line basis. As of June 30, 2019, the total ROU asset and lease liability were \$214.3 million and \$259.3 million, respectively, and were included in "Other assets" and "Other liabilities," respectively, in the Company's

THE WESTERN UNION COMPANY**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Condensed Consolidated Balance Sheets. The Company's finance leases were not material as of June 30, 2019. Cash paid for lease liabilities is recorded as cash flows from operating activities in the Company's Condensed Consolidated Statements of Cash Flows. For the three and six months ended June 30, 2019, operating lease costs were \$14.3 million and \$29.3 million, respectively, which were included in the Company's Condensed Consolidated Statements of Income. Short-term and variable lease costs were not material for the three and six months ended June 30, 2019.

The Company's leases have remaining terms from less than 1 year to 12 years. Certain of these leases contain escalation provisions and/or renewal options, giving the Company the right to extend the lease by up to 12 years. However, a substantial majority of these options are not reflected in the calculation of the ROU asset and lease liability due to uncertainty surrounding the likelihood of renewal.

The following table summarizes the weighted-average lease terms and discount rates for operating lease liabilities:

| | June 30, 2019 |
|--|----------------------|
| Weighted-average remaining lease term (in years) | 7.9 |
| Weighted-average discount rate | 6.7 % |

The following table represents maturities of operating lease liabilities as of June 30, 2019 (in millions):

| | |
|-------------------------------------|-----------------|
| Due within 1 year | \$ 53.7 |
| Due after 1 year through 2 years | 47.8 |
| Due after 2 years through 3 years | 40.7 |
| Due after 3 years through 4 years | 34.7 |
| Due after 4 years through 5 years | 31.3 |
| Due after 5 years | 118.9 |
| Total future minimum lease payments | <u>327.1</u> |
| Less imputed interest | <u>(67.8)</u> |
| Total | <u>\$ 259.3</u> |

6. Fair Value Measurements

Fair value, as defined by the relevant accounting standards, represents the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. For additional information on how the Company measures fair value, refer to the Company's consolidated financial statements within the Company's Annual Report on Form 10-K for the year ended December 31, 2018.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following tables present the Company's assets and liabilities which are measured at fair value on a recurring basis, by balance sheet line item (in millions):

| June 30, 2019 | Fair Value Measurement Using | | | Assets/ Liabilities at Fair Value |
|--|------------------------------|-------------------|-------------|--|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Settlement assets: | | | | |
| Measured at fair value through net income: | | | | |
| Money market funds | \$ 9.2 | \$ — | \$ — | \$ 9.2 |
| Measured at fair value through other comprehensive income: | | | | |
| State and municipal debt securities | — | 1,144.7 | — | 1,144.7 |
| State and municipal variable rate demand notes | — | 316.3 | — | 316.3 |
| Corporate and other debt securities | — | 75.1 | — | 75.1 |
| United States Treasury securities | 10.0 | — | — | 10.0 |
| Other assets: | | | | |
| Derivatives | — | 202.8 | — | 202.8 |
| Total assets | \$ 19.2 | \$ 1,738.9 | \$ — | \$ 1,758.1 |
| Liabilities: | | | | |
| Other liabilities: | | | | |
| Derivatives | \$ — | \$ 145.9 | \$ — | \$ 145.9 |
| Total liabilities | \$ — | \$ 145.9 | \$ — | \$ 145.9 |

| December 31, 2018 | Fair Value Measurement Using | | | Assets/ Liabilities at Fair Value |
|--|------------------------------|-------------------|-------------|--|
| | Level 1 | Level 2 | Level 3 | |
| Assets: | | | | |
| Cash and cash equivalents: | | | | |
| Measured at fair value through net income: | | | | |
| Money market funds | \$ 27.0 | \$ — | \$ — | \$ 27.0 |
| Settlement assets: | | | | |
| Measured at fair value through net income: | | | | |
| Money market funds | 23.9 | — | — | 23.9 |
| Measured at fair value through other comprehensive income: | | | | |
| State and municipal debt securities | — | 962.7 | — | 962.7 |
| State and municipal variable rate demand notes | — | 168.7 | — | 168.7 |
| Corporate and other debt securities | — | 69.5 | — | 69.5 |
| United States Treasury securities | 9.7 | — | — | 9.7 |
| Other assets: | | | | |
| Derivatives | — | 245.5 | — | 245.5 |
| Total assets | \$ 60.6 | \$ 1,446.4 | \$ — | \$ 1,507.0 |
| Liabilities: | | | | |
| Other liabilities: | | | | |
| Derivatives | \$ — | \$ 176.2 | \$ — | \$ 176.2 |
| Total liabilities | \$ — | \$ 176.2 | \$ — | \$ 176.2 |

No non-recurring fair value adjustments were recorded during the three and six months ended June 30, 2019 and 2018.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Other Fair Value Measurements

The carrying amounts for many of the Company's financial instruments, including certain cash and cash equivalents, settlement cash and cash equivalents, and settlement receivables and settlement obligations approximate fair value due to their short maturities. The Company's borrowings are classified as Level 2 in the fair value hierarchy, and the aggregate fair value of these borrowings was based on quotes from multiple banks and excluded the impact of related interest rate swaps. Fixed-rate notes are carried in the Company's Condensed Consolidated Balance Sheets at their original issuance values as adjusted over time to accrete that value to par, except for portions of notes hedged by these interest rate swaps, as disclosed in Note 11. As of June 30, 2019, the carrying value and fair value of the Company's borrowings were \$3,080.2 million and \$3,175.1 million, respectively (see Note 12). As of December 31, 2018, the carrying value and fair value of the Company's borrowings were \$3,433.7 million and \$3,394.6 million, respectively.

The Company holds investments in foreign corporate debt securities that are classified as held-to-maturity securities within Level 2 of the fair value hierarchy and are recorded at amortized cost in "Other assets" in the Company's Condensed Consolidated Balance Sheets. As of June 30, 2019, the carrying value and fair value of the Company's foreign corporate debt securities were \$18.2 million and \$18.4 million, respectively. As of December 31, 2018, both the carrying value and fair value of the Company's foreign corporate debt securities were \$32.9 million.

7. Commitments and Contingencies

Letters of Credit and Bank Guarantees

The Company had approximately \$310 million in outstanding letters of credit and bank guarantees as of June 30, 2019 that are primarily held in connection with safeguarding consumer funds, lease arrangements, and certain agent agreements. The letters of credit and bank guarantees have expiration dates through 2024, with many having a one-year renewal option. The Company expects to renew the letters of credit and bank guarantees prior to expiration in most circumstances. These letters of credit and bank guarantees exclude guarantees that the Company may provide as part of its legal matters, as described below.

Litigation and Related Contingencies

The Company is subject to certain claims and litigation that could result in losses, including damages, fines and/or civil penalties, which could be significant, and in some cases, criminal charges. The Company regularly evaluates the status of legal matters to assess whether a loss is probable and reasonably estimable in determining whether an accrual is appropriate. Furthermore, in determining whether disclosure is appropriate, the Company evaluates each legal matter to assess if there is at least a reasonable possibility that a loss or additional loss may have been incurred and whether an estimate of possible loss or range of loss can be made. Unless otherwise specified below, the Company believes that there is at least a reasonable possibility that a loss or additional loss may have been incurred for each of the matters described below.

For those matters that the Company believes there is at least a reasonable possibility that a loss or additional loss may have been incurred and can reasonably estimate the loss or potential loss, the reasonably possible potential litigation losses in excess of the Company's recorded liability for probable and estimable losses was approximately \$50 million as of June 30, 2019. For the remaining matters, management is unable to provide a meaningful estimate of the possible loss or range of loss because, among other reasons: (a) the proceedings are in preliminary stages; (b) specific damages have not been sought; (c) damage claims are unsupported and/or unreasonable; (d) there is uncertainty as to the outcome of pending appeals or motions; (e) there are significant factual issues to be resolved; or (f) novel legal issues or unsettled legal theories are being asserted.

The outcomes of legal actions are unpredictable and subject to significant uncertainties, and it is inherently difficult to determine whether any loss is probable or even possible. It is also inherently difficult to estimate the amount of any loss

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and there may be matters for which a loss is probable or reasonably possible but not currently estimable. Accordingly, actual losses may be in excess of the established liability or the range of reasonably possible loss.

United States Department of Justice, Federal Trade Commission, Financial Crimes Enforcement Network, and State Attorneys General Settlements

In late November 2016, the Company entered into discussions with the United States Department of Justice (the "DOJ"), the United States Attorney's Office for the Central District of California ("USAO-CDCA"), the United States Attorney's Office for the Eastern District of Pennsylvania ("USAO-EDPA"), the United States Attorney's Office for the Middle District of Pennsylvania ("USAO-MDPA"), and the United States Attorney's Office for the Southern District of Florida ("USAO-SDFL") to resolve the investigations by the USAO-CDCA, USAO-EDPA, USAO-MDPA, and USAO-SDFL (collectively, the "USAOs") (collectively, the "USAO Investigations"). On January 19, 2017, the Company announced that it, or its subsidiary Western Union Financial Services, Inc. ("WUFSI"), had entered into (1) a Deferred Prosecution Agreement (the "DPA") with the DOJ and the USAOs; (2) a Stipulated Order for Permanent Injunction and Final Judgment (the "Consent Order") with the United States Federal Trade Commission ("FTC") resolving claims by the FTC alleging unfair acts and practices under the Federal Trade Commission Act and for violations of the FTC Telemarketing Sales Rule; and (3) a Consent to the Assessment of Civil Money Penalty with the Financial Crimes Enforcement Network ("FinCEN") of the United States Department of Treasury (the "FinCEN Agreement"), to resolve the respective investigations of those agencies. FinCEN provided notice to the Company dated December 16, 2016 of its investigation regarding possible violations of the United States Bank Secrecy Act ("BSA"). On January 31, 2017, the Company entered into assurances of discontinuance/assurances of voluntary compliance with the attorneys general of 49 U.S. states and the District of Columbia named therein to resolve investigations by the state attorneys general, which sought information and documents relating to money transfers sent from the United States to certain countries, consumer fraud complaints that the Company had received and the Company's procedures to help identify and prevent fraudulent transfers. On April 12, 2017, the Company settled with the one remaining state attorney general under effectively the same terms as the January 31, 2017 agreement with no additional monetary payment required. The agreements with the state attorneys general are collectively referred to herein as the "State AG Agreement." The DPA, Consent Order, FinCEN Agreement, and State AG Agreement are collectively referred to herein as the "Joint Settlement Agreements."

Pursuant to the DPA, the USAOs filed a two-count criminal information in the United States District Court for the Middle District of Pennsylvania, charging the Company with aiding and abetting wire fraud and willfully failing to implement an effective anti-money laundering ("AML") program. The USAOs agreed that if the Company fully complies with all of its obligations under the DPA, the USAOs will, at the conclusion of the DPA's term, seek dismissal with prejudice of the criminal information filed against the Company.

Under the Joint Settlement Agreements, the Company was required to (1) pay an aggregate amount of \$586 million to the DOJ to be used to reimburse consumers who were the victims of third-party fraud conducted through the Company's money transfer services (the "Compensation Payment"), (2) pay an aggregate amount of \$5 million to the State Attorneys General to reimburse investigative, enforcement, and other costs, and (3) retain an independent compliance auditor for three years to review and assess actions taken by the Company under the Consent Order to further enhance its oversight of agents and protection of consumers. The FinCEN Agreement also set forth a civil penalty of \$184 million, the full amount of which was deemed satisfied by the Compensation Payment, without any additional payment or non-monetary obligations. No separate payment to the FTC was required under the Joint Settlement Agreements. The Company paid the Compensation Payment and the aggregate amount due to the State Attorneys General during 2017.

The Joint Settlement Agreements also require, among other things, the Company to adopt certain new or enhanced practices with respect to its compliance program relating to consumer reimbursement, agent due diligence, agent training, monitoring, reporting, and record-keeping by the Company and its agents, consumer fraud disclosures, agent suspensions and terminations, and other items. The changes in the Company's compliance program required by the Joint Settlement Agreements have had and are expected to have adverse effects on the Company's business, including additional costs and potential loss of business. The Company has faced (as described below) and could also face additional actions from other

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regulators as a result of the Joint Settlement Agreements. Further, if the Company fails to comply with the Joint Settlement Agreements, it could face criminal prosecution, civil litigation, significant fines, damage awards or other regulatory consequences. Any or all of these outcomes could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Shareholder Derivative Actions

On January 13, 2014, Natalie Gordon served the Company with a Verified Shareholder Derivative Complaint and Jury Demand that was filed in District Court, Douglas County, Colorado naming the Company's President and Chief Executive Officer, one of its former executive officers, one of its former directors, and all but one of its current directors as individual defendants, and the Company as a nominal defendant. The complaint asserts claims for breach of fiduciary duty and gross mismanagement against all of the individual defendants and unjust enrichment against the President and Chief Executive Officer and the former executive officer based on allegations that between February 12, 2012 to October 30, 2012, the individual defendants made or caused the Company to issue false and misleading statements or failed to make adequate disclosures regarding the effects of a settlement agreement signed on February 11, 2010 between WUFSI and the State of Arizona regarding WUFSI's AML compliance programs along the United States and Mexico border ("Southwest Border Agreement"), including regarding the anticipated costs of compliance with the Southwest Border Agreement, potential effects on business operations, and Company projections. Plaintiff also alleges that the individual defendants caused or allowed the Company to lack requisite internal controls, caused or allowed financial statements to be misstated, and caused the Company to be subject to the costs, expenses and liabilities associated with City of Taylor Police and Fire Retirement System v. The Western Union Company, et al., a lawsuit that was subsequently renamed and dismissed. Plaintiff further alleges that the Company's President and Chief Executive Officer and the former executive officer received excessive compensation based on the allegedly inaccurate financial statements. On March 12, 2014, the Court entered an order granting the parties' joint motion to stay proceedings in the case during the pendency of certain of the shareholder derivative actions described below. On February 13, 2019, the case was administratively closed, although the Court indicated that a motion could be filed to re-open the matter.

In 2014, Stanley Lieblein, R. Andre Klein, City of Cambridge Retirement System, Mayar Fund Ltd, Louisiana Municipal Police Employees' Retirement System, MARTA/ATU Local 732 Employees Retirement Plan, and The Police Retirement System of St. Louis filed shareholder derivative complaints in the United States District Court for the District of Colorado (or were removed to the United States District Court for the District of Colorado) naming the Company's President and Chief Executive Officer and certain current and former directors and a former executive officer as individual defendants, and the Company as a nominal defendant. On January 5, 2015, the court entered an order consolidating the actions and appointing City of Cambridge Retirement System and MARTA/ATU Local 732 Employees Retirement Plan as co-lead plaintiffs. On February 4, 2015, co-lead plaintiffs filed a verified consolidated shareholder derivative complaint naming the Company's President and Chief Executive Officer and nine current or former executive officers and directors as individual defendants, and the Company as a nominal defendant. The consolidated complaint asserts separate claims for breach of fiduciary duty against the director defendants and the officer defendants, claims against all of the individual defendants for violations of section 14(a) of the Securities Exchange Act of 1934 ("Exchange Act"), corporate waste and unjust enrichment, and a claim against the former executive officer for breach of fiduciary duties for insider selling and misappropriation of information. The breach of fiduciary duty claim against the director defendants includes allegations that they declined to implement an effective AML compliance system after receiving numerous red flags indicating prolonged willful illegality, obstructed the efforts of the monitor assigned to the Company pursuant to the Southwest Border Agreement to impose effective compliance systems on the Company, failed to take action in response to alleged Western Union management efforts to undermine the monitor, reappointed the same directors to the Audit Committee and Corporate Governance and Public Policy Committees constituting a majority of those committees between 2006 and 2014, appointed a majority of directors to the Compliance Committee who were directly involved in overseeing the alleged misconduct as members of the Audit Committee and the Corporate Governance and Public Policy Committee, caused the Company to materially breach the Southwest Border Agreement, caused the Company to repurchase its stock at artificially inflated prices, awarded the Company's senior executives excessive compensation despite their responsibility for the Company's alleged willful non-compliance with state and federal AML laws, and failed to prevent the former executive

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officer from misappropriating and profiting from nonpublic information when making allegedly unlawful stock sales. The breach of fiduciary duty claim against the officer defendants includes allegations that they caused the Company and allowed its agents to ignore the recording and reporting requirements of the BSA and parallel AML laws and regulations for a prolonged period of time, authorized and implemented AML policies and practices that they knew or should have known to be inadequate, caused the Company to fail to comply with the Southwest Border Agreement and refused to implement and maintain adequate internal controls.

The claim for violations of section 14(a) of the Exchange Act includes allegations that the individual defendants caused the Company to issue proxy statements in 2012, 2013 and 2014 containing materially incomplete and inaccurate disclosures - in particular, by failing to disclose the extent to which the Company's financial results depended on the non-compliance with AML requirements, the Board's awareness of the regulatory and criminal enforcement actions in real time pursuant to the 2003 Consent Agreement with the California Department of Financial Institutions and that the directors were not curing violations and preventing misconduct, the extent to which the Board considered the flood of increasingly severe red flags in their determination to re-nominate certain directors to the Audit Committee between 2006 and 2010, and the extent to which the Board considered ongoing regulatory and criminal investigations in awarding multi-million dollar compensation packages to senior executives. The corporate waste claim includes allegations that the individual defendants paid or approved the payment of undeserved executive and director compensation based on the illegal conduct alleged in the consolidated complaint, which exposed the Company to civil liabilities and fines. The corporate waste claim also includes allegations that the individual defendants made improper statements and omissions, which forced the Company to expend resources in defending itself in City of Taylor Police and Fire Retirement System v. The Western Union Company, et al., a lawsuit that was subsequently renamed and dismissed, authorized the repurchase of over \$1.565 billion of the Company's stock at prices they knew or recklessly were aware, were artificially inflated, failed to maintain sufficient internal controls over the Company's marketing and sales process, failed to consider the interests of the Company and its shareholders, and failed to conduct the proper supervision. The claim for unjust enrichment includes allegations that the individual defendants derived compensation, fees and other benefits from the Company and were otherwise unjustly enriched by their wrongful acts and omissions in managing the Company. The claim for breach of fiduciary duties for insider selling and misappropriation of information includes allegations that the former executive sold Company stock while knowing material, nonpublic information that would have significantly reduced the market price of the stock. On March 16, 2015, the defendants filed a motion to dismiss the consolidated complaint. On March 31, 2016, the Court entered an order granting the defendants' collective motion to dismiss without prejudice, denying as moot a separate motion to dismiss that was filed by the former executive officer, and staying the order for 30 days, within which plaintiffs could file an amended complaint that cured the defects noted in the order. On May 2, 2016, co-lead plaintiffs filed a verified amended consolidated shareholder derivative complaint naming the Company's President and Chief Executive Officer, six of its current directors (including the Company's President and Chief Executive Officer, who also serves as a director) and three of its former directors as individual defendants, and the Company as a nominal defendant. The amended complaint, among other things, drops the claims against the former executive officer named in the prior complaint, realleges and narrows the breach of fiduciary duty claims, and drops the remaining claims. On June 15, 2016, defendants filed a motion to dismiss the amended consolidated shareholder derivative complaint. On August 1, 2016, plaintiffs filed an opposition to the motion to dismiss. On September 1, 2016, defendants filed a reply brief in support of the motion to dismiss. On February 24, 2017, plaintiffs filed a motion to supplement the amended complaint with allegations relating to the DPA, the criminal information filed in the United States District Court for the Middle District of Pennsylvania, and the FTC's January 19, 2017 Complaint for Permanent Injunctive and Other Equitable Relief and the Consent Order referenced in the *United States Department of Justice, Federal Trade Commission, Financial Crimes Enforcement Network, and State Attorneys General Settlements* section above. The same day, the Court granted plaintiffs' request to supplement the complaint, ordered them to file a second amended complaint, denied without prejudice defendants' motion to dismiss and granted defendants leave to renew the motion to dismiss. On March 17, 2017, plaintiffs filed a second amended derivative complaint. On September 29, 2017, the Court granted defendants' motion to dismiss the second amended derivative complaint. On December 19, 2017, plaintiffs filed an appeal brief in the United States Court of Appeals for the Tenth Circuit, seeking reversal of the dismissal, to which the Company filed an opposition on February 20, 2018. Plaintiffs filed a reply brief on March 30, 2018. On April 16, 2019, the United States Court of Appeals for the Tenth Circuit affirmed the dismissal of the second amended derivative complaint.

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Due to the stages of the actions described above under "Shareholder Derivative Actions," the Company is unable to predict the outcome, or reasonably estimate the possible loss or range of loss, if any, which could be associated with these actions. The Company and the named individuals intend to vigorously defend themselves in all of these matters.

Other Matters

On March 12, 2014, Jason Douglas filed a purported class action complaint in the United States District Court for the Northern District of Illinois asserting a claim under the Telephone Consumer Protection Act, 47 U.S.C. § 227, et seq., based on allegations that since 2009, the Company has sent text messages to class members' wireless telephones without their consent. During the first quarter of 2015, the Company's insurance carrier and the plaintiff reached an agreement to create an \$8.5 million settlement fund that will be used to pay all class member claims, class counsel's fees and the costs of administering the settlement. The agreement has been signed by the parties and, on November 10, 2015, the Court granted preliminary approval to the settlement. On January 9, 2018, plaintiff filed a motion requesting decisions on its pending motion to approve the settlement and motion for attorneys' fees, costs, and incentive award. On August 31, 2018, the Court issued an order approving the settlement, in which the Court modified the class definition slightly and ordered the parties to provide additional notice to the class. The Company accrued an amount equal to the retention under its insurance policy in previous quarters and believes that any amounts in excess of this accrual will be covered by the insurer. However, if the Company's insurer is unable to or refuses to satisfy its obligations under the policy or the parties are unable to reach a definitive agreement or otherwise agree on a resolution, the Company's financial condition, results of operations, and cash flows could be adversely impacted. As the parties have reached an agreement in this matter, the Company believes that the potential for additional loss in excess of amounts already accrued is remote.

In October 2015, Consumidores Financieros Asociación Civil para su Defensa, an Argentinian consumer association, filed a purported class action lawsuit in Argentina's National Commercial Court No. 19 against the Company's subsidiary Western Union Financial Services Argentina S.R.L. ("WUFSA"). The lawsuit alleges, among other things, that WUFSA's fees for money transfers sent from Argentina are excessive and that WUFSA does not provide consumers with adequate information about foreign exchange rates. The plaintiff is seeking, among other things, an order requiring WUFSA to reimburse consumers for the fees they paid and the foreign exchange revenue associated with money transfers sent from Argentina, plus punitive damages. The complaint does not specify a monetary value of the claim or a time period. In November 2015, the Court declared the complaint formally admissible as a class action. The notice of claim was served on WUFSA in May 2016, and in June 2016 WUFSA filed a response to the claim and moved to dismiss it on statute of limitations and standing grounds. In April 2017, the Court deferred ruling on the motion until later in the proceedings. The process for notifying potential class members has been completed and the case is currently in the evidentiary stage. Due to the stage of this matter, the Company is unable to predict the outcome or the possible loss or range of loss, if any, associated with this matter. WUFSA intends to defend itself vigorously.

On February 22, 2017, the Company, its President and Chief Executive Officer, its Chief Financial Officer, and a former executive officer of the Company were named as defendants in two purported class action lawsuits, both of which asserted claims under section 10(b) of the Exchange Act and Securities and Exchange Commission rule 10b-5 and section 20(a) of the Exchange Act. On May 3, 2017, the two cases were consolidated by the United States District Court for the District of Colorado under the caption Lawrence Henry Smallen and Laura Anne Smallen Revocable Living Trust et al. v. The Western Union Company et al., Civil Action No. 1:17-cv-00474-KLM (D. Colo.). On September 6, 2017, the Court appointed Lawrence Henry Smallen and Laura Anne Smallen Revocable Living Trust as the lead plaintiff. On November 6, 2017, the plaintiffs filed a consolidated amended complaint ("Amended Complaint") that, among other things, added two other former executive officers as defendants, one of whom subsequently was voluntarily dismissed by the plaintiffs. The Amended Complaint asserts claims under section 10(b) of the Exchange Act and Securities and Exchange Commission rule 10b-5 and section 20(a) of the Exchange Act, and alleges that, during the purported class period of February 24, 2012, through May 2, 2017, the defendants made false or misleading statements or failed to disclose purported adverse material facts regarding, among other things, the Company's compliance with AML and anti-fraud regulations, the status and likely outcome of certain governmental investigations targeting the Company, the reasons behind the Company's decisions to make certain regulatory enhancements, and the Company's premium pricing. The defendants filed a motion to dismiss the

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complaint on January 16, 2018, and on March 27, 2019, the Court dismissed the action in its entirety with prejudice and entered final judgment in the defendants' favor on March 28, 2019. On April 26, 2019, plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Tenth Circuit. On June 24, 2019, plaintiffs filed their opening brief on appeal. Plaintiffs did not appeal the dismissal of one former executive officer and only appealed the district court's conclusion that the remaining defendants did not make statements concerning the Company's compliance programs with the requisite intent. Due to the stage of this matter, the Company is unable to predict the outcome, or the possible loss or range of loss, if any, which could be associated with it. The Company and the individual defendants intend to vigorously defend themselves in this matter.

On February 13, 2017, the Company's subsidiary, Western Union Payment Services Ireland Limited ("WUPSIL"), was served with a writ of accusation from the National Court of Spain. The writ charges 98 former Western Union money transfer agents or agent representatives with fraud and money laundering in connection with consumer fraud scams they allegedly perpetrated using Western Union money transfer transactions. The writ also names WUPSIL as a civil defendant, allegedly responsible under Spanish law to pay any portion of the alleged amount in victim losses that cannot be repaid by any of the criminal defendants who are convicted. In accordance with Spanish law, on January 4, 2018, the Company, through its subsidiary Western Union International Limited, provided a corporate guaranty in an amount of approximately €23 million to cover any liability that could theoretically attach to WUPSIL. Due to the preliminary stage of this matter, the Company is unable to predict the outcome, or the amount of loss, if any, associated with this matter.

On March 31, 2017, the Company received a request for the production of documents from the New York State Department of Financial Services (the "NYDFS"), following up on a meeting the Company had with the NYDFS on March 7, 2017. The requests pertain to the Company's oversight of one current and two former Western Union agents located in New York state. The two former agents were identified in the DPA described in the United States Department of Justice, Federal Trade Commission, Financial Crimes Enforcement Network, and State Attorneys General Settlements section above, and were terminated as agents by the Company prior to 2013. On July 28, 2017, the NYDFS informed the Company that the facts set forth in the DPA regarding the Company's anti-money laundering programs over the 2004 through 2012 period gave the NYDFS a basis to take additional enforcement action. On January 4, 2018, the Company's subsidiary, WUFSI, and the NYDFS agreed to a consent order (the "NYDFS Consent Order"), which resolved the NYDFS investigation into these matters. Under the NYDFS Consent Order, the Company was required, among other things, to pay to the NYDFS a civil monetary penalty of \$60 million, which the Company paid on January 12, 2018. The NYDFS Consent Order also imposes certain non-monetary obligations, including a requirement to provide to the NYDFS a remediation plan within 90 days after the date of the NYDFS Consent Order, which the Company provided on April 4, 2018.

On April 26, 2018, the Company, its WUFSI subsidiary, its President and Chief Executive Officer, and various "Doe Defendants" (purportedly including Western Union officers, directors, and agents) were named as defendants in a purported class action lawsuit asserting claims for alleged violations of civil Racketeer Influenced and Corrupt Organizations Act and the Colorado Organized Crime Act, civil theft, negligence, unjust enrichment, and conversion under the caption Frazier et al. v. The Western Union Company et al., Civil Action No. 1:18-cv-00998-KLM (D. Colo.). The complaint alleges that, during the purported class period of January 1, 2004 to the present, and based largely on the admissions and allegations relating to the DPA, the FTC Consent Order, and the NYDFS Consent Order, the defendants engaged in a scheme to defraud customers through Western Union's money transfer system. The plaintiffs filed an amended complaint on July 17, 2018. The amended complaint is similar to the original complaint, although it adds additional named plaintiffs and additional counts, including claims on behalf of putative California, Florida, Georgia, Illinois, and New Jersey subclasses for alleged violations of the California Unfair Competition Law, the Florida Deceptive and Unfair Trade Practices Act, the Georgia Fair Business Practices Act, the Illinois Consumer Fraud and Deceptive Business Practices Act, and the New Jersey Consumer Fraud Act. On August 28, 2018, the Company and the other defendants moved to stay the action in favor of individual arbitrations with the named plaintiffs, which defendants contend are contractually required. On March 27, 2019, the Court granted that motion and stayed the action pending individual arbitrations with the named plaintiffs. To date, no such individual arbitration requests have been filed. Due to the stage of the matter, the Company is unable to predict the outcome, or the possible loss or range of loss, if any, which could be associated with it. The Company and the other defendants intend to vigorously defend themselves in this matter.

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In addition to the principal matters described above, the Company is a party to a variety of other legal matters that arise in the normal course of the Company's business. While the results of these other legal matters cannot be predicted with certainty, management believes that the final outcome of these matters will not have a material adverse effect either individually or in the aggregate on the Company's financial condition, results of operations, or cash flows.

8. Related Party Transactions

The Company has ownership interests in certain of its agents accounted for under the equity method of accounting. The Company pays these agents commissions for money transfer and other services provided on the Company's behalf. Commission expense recognized for these agents for the three months ended June 30, 2019 and 2018 totaled \$14.4 million and \$14.6 million, respectively, and \$27.4 million and \$28.4 million for the six months ended June 30, 2019 and 2018, respectively.

9. Settlement Assets and Obligations and Non-Settlement Related Investments

Settlement assets represent funds received or to be received from agents for unsettled money transfers, money orders, and consumer payments. The Company records corresponding settlement obligations relating to amounts payable under money transfers, money orders, and consumer payment service arrangements. Settlement assets and obligations also include amounts receivable from, and payable to, customers for the value of their cross-currency payment transactions related to the Business Solutions segment.

Settlement assets and obligations consisted of the following (in millions):

| | June 30, 2019 | December 31, 2018 |
|--|-------------------|----------------------|
| Settlement assets: | | |
| Cash and cash equivalents | \$ 791.7 | \$ 1,247.8 |
| Receivables from selling agents and Business Solutions customers | 1,390.6 | 1,355.4 |
| Investment securities | 1,546.1 | 1,210.6 |
| | <u>\$ 3,728.4</u> | <u>\$ 3,813.8</u> |
| Settlement obligations: | | |
| Money transfer, money order, and payment service payables | \$ 2,812.9 | \$ 2,793.6 |
| Payables to agents | 915.5 | 1,020.2 |
| | <u>\$ 3,728.4</u> | <u>\$ 3,813.8</u> |

Investment securities included in "Settlement assets" in the Company's Condensed Consolidated Balance Sheets consist primarily of highly-rated state and municipal debt securities, including fixed-rate term notes and variable-rate demand notes. Variable-rate demand note securities can be put (sold at par) typically on a daily basis with settlement periods ranging from the same day to one week, but have varying maturities through 2052. These securities may be used by the Company for short-term liquidity needs and held for short periods of time. The Company is required to hold highly-rated, investment grade securities and such investments are restricted to satisfy outstanding settlement obligations in accordance with applicable state and foreign country requirements.

The substantial majority of the Company's investment securities are classified as available-for-sale and recorded at fair value. Investment securities are exposed to market risk due to changes in interest rates and credit risk. Western Union regularly monitors credit risk and attempts to mitigate its exposure by investing in highly-rated securities and through investment diversification.

Unrealized gains and losses on available-for-sale securities are excluded from earnings and presented as a component of accumulated other comprehensive loss, net of related deferred taxes. Proceeds from the sale and maturity of available-for-sale securities during the six months ended June 30, 2019 and 2018 were \$3.5 billion and \$4.9 billion, respectively.

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Gains and losses on investments are calculated using the specific-identification method and are recognized during the period in which the investment is sold or when an investment experiences an other-than-temporary decline in value. Factors that could indicate an impairment exists include, but are not limited to: earnings performance, changes in credit rating or adverse changes in the regulatory or economic environment of the asset. If potential impairment exists, the Company assesses whether it has the intent to sell the debt security, more likely than not will be required to sell the debt security before its anticipated recovery or expects that some of the contractual cash flows will not be received.

The components of investment securities are as follows (in millions):

| | Amortized Cost | Fair Value | Gross Unrealized Gains | Gross Unrealized Losses | Net Unrealized Gains/(Losses) |
|--|-------------------|-------------------|------------------------------|-------------------------------|-------------------------------------|
| June 30, 2019 | | | | | |
| Settlement assets: | | | | | |
| Cash and cash equivalents: | | | | | |
| Money market funds | \$ 9.2 | \$ 9.2 | \$ — | \$ — | \$ — |
| Available-for-sale securities: | | | | | |
| State and municipal debt securities (a) | 1,117.5 | 1,144.7 | 27.5 | (0.3) | 27.2 |
| State and municipal variable rate demand notes | 316.3 | 316.3 | — | — | — |
| Corporate and other debt securities | 74.6 | 75.1 | 0.6 | (0.1) | 0.5 |
| United States Treasury securities | 9.9 | 10.0 | 0.1 | — | 0.1 |
| | <u>1,518.3</u> | <u>1,546.1</u> | <u>28.2</u> | <u>(0.4)</u> | <u>27.8</u> |
| Other assets: | | | | | |
| Held-to-maturity securities: | | | | | |
| Foreign corporate debt securities | 18.2 | 18.4 | 0.2 | — | 0.2 |
| | <u>\$ 1,545.7</u> | <u>\$ 1,573.7</u> | <u>\$ 28.4</u> | <u>\$ (0.4)</u> | <u>\$ 28.0</u> |
| | | | | | |
| | Amortized Cost | Fair Value | Gross Unrealized Gains | Gross Unrealized Losses | Net Unrealized Gains/(Losses) |
| December 31, 2018 | | | | | |
| Cash and cash equivalents: | | | | | |
| Money market funds | \$ 27.0 | \$ 27.0 | \$ — | \$ — | \$ — |
| Settlement assets: | | | | | |
| Cash and cash equivalents: | | | | | |
| Money market funds | 23.9 | 23.9 | — | — | — |
| Available-for-sale securities: | | | | | |
| State and municipal debt securities (a) | 963.4 | 962.7 | 6.1 | (6.8) | (0.7) |
| State and municipal variable rate demand notes | 168.7 | 168.7 | — | — | — |
| Corporate and other debt securities | 70.0 | 69.5 | — | (0.5) | (0.5) |
| United States Treasury securities | 9.9 | 9.7 | — | (0.2) | (0.2) |
| | <u>1,212.0</u> | <u>1,210.6</u> | <u>6.1</u> | <u>(7.5)</u> | <u>(1.4)</u> |
| Other assets: | | | | | |
| Held-to-maturity securities: | | | | | |
| Foreign corporate debt securities | 32.9 | 32.9 | — | — | — |
| | <u>\$ 1,295.8</u> | <u>\$ 1,294.4</u> | <u>\$ 6.1</u> | <u>\$ (7.5)</u> | <u>\$ (1.4)</u> |

(a) The majority of these securities are fixed-rate instruments.

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The following summarizes the contractual maturities of settlement-related debt securities as of June 30, 2019 (in millions):

| | Fair Value |
|------------------------------------|-----------------------|
| Due within 1 year | \$ 141.2 |
| Due after 1 year through 5 years | 508.3 |
| Due after 5 years through 10 years | 403.8 |
| Due after 10 years | 492.8 |
| | <u>\$ 1,546.1</u> |

Actual maturities may differ from contractual maturities because issuers may have the right to call or prepay the obligations or the Company may have the right to put the obligation prior to its contractual maturity, as with variable-rate demand notes. Variable-rate demand notes, having a fair value of \$7.6 million, \$21.6 million, and \$287.1 million were included in the categories "Due after 1 year through 5 years," "Due after 5 years through 10 years," and "Due after 10 years", respectively, in the table above. The held-to-maturity foreign corporate debt securities are due within one year.

10. Stockholders' Equity/(Deficit)*Accumulated Other Comprehensive Loss*

The following table summarizes the components of accumulated other comprehensive loss, net of tax (in millions). All amounts reclassified from accumulated other comprehensive loss affect the line items as indicated below within the Condensed Consolidated Statements of Income. Additionally, as described in the Company's 2018 Annual Report on Form 10-K, in the first quarter of 2018, the Company adopted an accounting pronouncement and reclassified tax effects included within accumulated other comprehensive income/(loss) as a result of the United States tax reform legislation enacted in December 2017 (the "Tax Act") to "Accumulated deficit" in the Condensed Consolidated Balance Sheets.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|------------|------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 |
| Unrealized gains/(losses) on investment securities, beginning of period | \$ 11.9 | \$ (5.5) | \$ (1.1) | \$ 2.7 |
| Unrealized gains/(losses) | 13.0 | 1.1 | 29.8 | (10.6) |
| Tax (expense)/benefit | (2.7) | (0.2) | (6.5) | 2.4 |
| Reclassification of (gains)/losses into "Revenues" | (0.6) | (0.1) | (0.6) | 0.4 |
| Tax expense/(benefit) related to reclassifications | 0.2 | — | 0.2 | (0.1) |
| Net unrealized gains/(losses) on investment securities | 9.9 | 0.8 | 22.9 | (7.9) |
| Reclassification of Tax Act effects into "Accumulated deficit" | — | — | — | 0.5 |
| Unrealized gains/(losses) on investment securities, end of period | \$ 21.8 | \$ (4.7) | \$ 21.8 | \$ (4.7) |
| Unrealized gains/(losses) on hedging activities, beginning of period | \$ 11.3 | \$ (46.0) | \$ 7.4 | \$ (40.6) |
| Unrealized gains/(losses) | (3.9) | 31.8 | 0.5 | 19.5 |
| Tax (expense)/benefit | 0.1 | (0.5) | 1.0 | (1.0) |
| Reclassification of (gains)/losses into "Revenues" | (2.1) | 5.4 | (3.5) | 14.8 |
| Reclassification of losses into "Interest expense" | — | 0.9 | — | 1.7 |
| Tax benefit related to reclassifications | — | (0.2) | — | (0.7) |
| Net unrealized gains/(losses) on hedging activities | (5.9) | 37.4 | (2.0) | 34.3 |
| Reclassification of Tax Act effects into "Accumulated deficit" | — | — | — | (2.3) |
| Unrealized gains/(losses) on hedging activities, end of period | \$ 5.4 | \$ (8.6) | \$ 5.4 | \$ (8.6) |
| Foreign currency translation adjustments, beginning of period | \$ (101.2) | \$ (88.7) | \$ (101.2) | \$ (76.9) |
| Foreign currency translation adjustments (a) | — | (12.5) | — | (19.5) |
| Net foreign currency translation adjustments | — | (12.5) | — | (19.5) |
| Reclassification of Tax Act effects into "Accumulated deficit" | — | — | — | (4.8) |
| Foreign currency translation adjustments, end of period | \$ (101.2) | \$ (101.2) | \$ (101.2) | \$ (101.2) |
| Defined benefit pension plan adjustments, beginning of period | \$ (133.6) | \$ (135.8) | \$ (136.1) | \$ (113.1) |
| Reclassification of losses into "Other income, net" | 2.7 | 2.9 | 5.4 | 5.8 |
| Tax benefit related to reclassifications | (0.8) | (0.6) | (1.0) | (1.4) |
| Net defined benefit pension plan adjustments | 1.9 | 2.3 | 4.4 | 4.4 |
| Reclassification of Tax Act effects into "Accumulated deficit" | — | — | — | (24.8) |
| Defined benefit pension plan adjustments, end of period | \$ (131.7) | \$ (133.5) | \$ (131.7) | \$ (133.5) |
| Accumulated other comprehensive loss, end of period | \$ (205.7) | \$ (248.0) | \$ (205.7) | \$ (248.0) |

- (a) Beginning in the third quarter of 2018, all changes in the value of the Argentine peso on the Company's monetary assets and liabilities are reflected in net income, given Argentina's status as a highly inflationary economy. Prior to the third quarter of 2018, changes in the Argentine peso exchange rate were reflected in net income for the Company's money transfer operations, whereas these effects were reflected in other comprehensive income for the Company's bill payment operations. This designation did not have a material impact on the Company's financial position and results of operations during the three and six months ended June 30, 2019 and 2018.

Cash Dividends Paid

The Company's Board of Directors declared quarterly cash dividends of \$0.20 in both the first and second quarters of 2019, representing \$172.9 million in total dividends. Of this amount, \$85.5 million was paid on June 28, 2019 and \$87.4 million was paid on March 29, 2019. The Company's Board of Directors declared quarterly cash dividends of \$0.19 per common share in both the first and second quarters of 2018, representing \$173.3 million in total dividends. Of this amount, \$85.8 million was paid on June 29, 2018 and \$87.5 million was paid on March 30, 2018.

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On July 18, 2019, the Company's Board of Directors declared a quarterly cash dividend of \$0.20 per common share payable on September 30, 2019.

Share Repurchases

During the six months ended June 30, 2019 and 2018, 17.9 million and 12.3 million shares were repurchased for \$335.5 million and \$250.0 million, respectively, excluding commissions, at an average cost of \$18.73 and \$20.34, respectively. These amounts represent shares authorized by the Board of Directors for repurchase under publicly announced authorizations. As of June 30, 2019, \$208.8 million and \$1.0 billion remained available under the share repurchase authorizations approved by the Company's Board of Directors through December 31, 2019 and December 31, 2021, respectively. The amounts included in the "Common stock repurchased" line in the Company's Condensed Consolidated Statements of Cash Flows represent both shares authorized by the Board of Directors for repurchase under publicly announced authorizations as well as shares withheld from employees to cover tax withholding obligations on restricted stock units that have vested.

11. Derivatives

The Company is exposed to foreign currency exchange risk resulting from fluctuations in exchange rates, primarily the euro, and to a lesser degree the Canadian dollar, British pound, and other currencies, related to forecasted revenues and on settlement assets and obligations as well as on certain foreign currency denominated cash and other asset and liability positions. The Company is also exposed to risk from derivative contracts, primarily from customer derivatives, arising from its cross-currency Business Solutions payment operations. Additionally, the Company is exposed to interest rate risk related to changes in market rates both prior to and subsequent to the issuance of debt. The Company uses derivatives to (a) minimize its exposures related to changes in foreign currency exchange rates and interest rates and (b) facilitate cross-currency Business Solutions payments by writing derivatives to customers.

The Company executes derivatives with established financial institutions, with the substantial majority of these financial institutions having credit ratings of "A-" or better from a major credit rating agency. The Company also writes Business Solutions derivatives mostly with small and medium size enterprises. The primary credit risk inherent in derivative agreements represents the possibility that a loss may occur from the nonperformance of a counterparty to the agreements. The Company performs a review of the credit risk of these counterparties at the inception of the contract and on an ongoing basis. The Company also monitors the concentration of its contracts with any individual counterparty. The Company anticipates that the counterparties will be able to fully satisfy their obligations under the agreements, but takes action when doubt arises about the counterparties' ability to perform. These actions may include requiring Business Solutions customers to post or increase collateral, and for all counterparties, the possible termination of the related contracts. The Company's hedged foreign currency exposures are in liquid currencies; consequently, there is minimal risk that appropriate derivatives to maintain the hedging program would not be available in the future.

Foreign Currency Derivatives

The Company's policy is to use longer-term foreign currency forward contracts, with maturities of up to 36 months at inception and a targeted weighted-average maturity of approximately one year, to help mitigate some of the risk that changes in foreign currency exchange rates compared to the United States dollar could have on forecasted revenues denominated in other currencies related to its business. As of June 30, 2019, the Company's longer-term foreign currency forward contracts had maturities of a maximum of 24 months with a weighted-average maturity of approximately one year. These contracts are accounted for as cash flow hedges of forecasted revenue, with effectiveness assessed based on changes in the spot rate of the affected currencies during the period of designation and thus time value is excluded from the assessment of effectiveness.

As described in the Company's consolidated financial statements within the Company's 2018 Annual Report on Form 10-K, the Company early adopted an accounting pronouncement related to hedging activities as of January 1, 2018.

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As a result of the new accounting pronouncement, for foreign currency cash flow hedges entered into on or after January 1, 2018, the Company excludes time value from the assessment of effectiveness, and the initial value of the excluded components is amortized into “Revenues” within the Company’s Condensed Consolidated Statements of Income. For foreign currency cash flow hedges entered into before January 1, 2018, all changes in the fair value of the excluded components are recognized immediately in “Revenues.”

The Company also uses short duration foreign currency forward contracts, generally with maturities from a few days up to one month, to offset foreign exchange rate fluctuations on settlement assets and obligations between initiation and settlement. In addition, forward contracts, typically with maturities of less than one year at inception, are utilized to offset foreign exchange rate fluctuations on certain foreign currency denominated cash and other asset and liability positions. None of these contracts are designated as accounting hedges.

The aggregate equivalent United States dollar notional amounts of foreign currency forward contracts as of June 30, 2019 were as follows (in millions):

| | |
|-------------------------------------|----------|
| Contracts designated as hedges: | |
| Euro | \$ 372.5 |
| Canadian dollar | 97.8 |
| British pound | 65.1 |
| Australian dollar | 39.5 |
| Other | 77.9 |
| Contracts not designated as hedges: | |
| Euro | \$ 295.0 |
| British pound | 81.0 |
| Canadian dollar | 72.2 |
| Indian rupee | 60.5 |
| Mexican peso | 34.7 |
| Australian dollar | 32.7 |
| Japanese yen | 29.5 |
| Brazilian real | 27.8 |
| Other (a) | 126.1 |

(a) Comprised of exposures to 20 different currencies. None of these individual currency exposures is greater than \$25 million.

Business Solutions Operations

The Company writes derivatives, primarily foreign currency forward contracts and option contracts, mostly with small and medium size enterprises and derives a currency spread from this activity as part of its Business Solutions operations. The Company aggregates its Business Solutions foreign currency exposures arising from customer contracts, including the derivative contracts described above, and hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties (economic hedge contracts). The derivatives written are part of the broader portfolio of foreign currency positions arising from the Company’s cross-currency payments operations, which primarily include spot exchanges of currency in addition to forwards and options. Foreign exchange revenues from the total portfolio of positions were \$84.2 million and \$82.8 million for the three months ended June 30, 2019 and 2018, respectively, and \$168.9 million and \$168.6 million for the six months ended June 30, 2019 and 2018. None of the derivative contracts used in Business Solutions operations are designated as accounting hedges. The duration of these derivative contracts at inception is generally less than one year.

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The aggregate equivalent United States dollar notional amount of derivative customer contracts held by the Company in its Business Solutions operations as of June 30, 2019 was approximately \$6.5 billion. The significant majority of customer contracts are written in currencies such as the United States dollar, euro, and Canadian dollar.

Interest Rate Hedging

The Company utilizes interest rate swaps to effectively change the interest rate payments on a portion of its notes from fixed-rate payments to short-term LIBOR-based variable rate payments in order to manage its overall exposure to interest rates. The Company designates these derivatives as fair value hedges. The change in fair value of the interest rate swaps is offset by a change in the carrying value of the debt being hedged within "Borrowings" in the Condensed Consolidated Balance Sheets and "Interest expense" in the Condensed Consolidated Statements of Income has been adjusted to include the effects of interest accrued on the swaps.

The Company held interest rate swaps in an aggregate notional amount of \$175.0 million as of June 30, 2019 related to notes due in 2020.

Balance Sheet

The following table summarizes the fair value of derivatives reported in the Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018 (in millions):

| | Derivative Assets | | | Derivative Liabilities | | |
|--|------------------------|---------------|-------------------|------------------------|---------------|-------------------|
| | Balance Sheet Location | Fair Value | | Balance Sheet Location | Fair Value | |
| | | June 30, 2019 | December 31, 2018 | | June 30, 2019 | December 31, 2018 |
| Derivatives designated as hedges: | | | | | | |
| Interest rate fair value hedges | Other assets | \$ 1.6 | \$ 0.1 | Other liabilities | \$ — | \$ — |
| Foreign currency cash flow hedges | Other assets | 26.4 | 28.6 | Other liabilities | 1.9 | 2.8 |
| Total | | \$ 28.0 | \$ 28.7 | | \$ 1.9 | \$ 2.8 |
| Derivatives not designated as hedges: | | | | | | |
| Business Solutions operations - foreign currency (a) | Other assets | \$ 173.9 | \$ 214.2 | Other liabilities | \$ 141.7 | \$ 170.9 |
| Foreign currency | Other assets | 0.9 | 2.6 | Other liabilities | 2.3 | 2.5 |
| Total | | \$ 174.8 | \$ 216.8 | | \$ 144.0 | \$ 173.4 |
| Total derivatives | | \$ 202.8 | \$ 245.5 | | \$ 145.9 | \$ 176.2 |

(a) In many circumstances, the Company allows its Business Solutions customers to settle part or all of their derivative contracts prior to maturity. However, the offsetting positions originally entered into with financial institution counterparties do not allow for similar settlement. To mitigate this, additional foreign currency contracts are entered into with financial institution counterparties to offset the original economic hedge contracts. This frequently results in changes in the Company's derivative assets and liabilities that may not directly align to the growth in the underlying derivatives business.

The fair values of derivative assets and liabilities associated with contracts that include netting language that the Company believes to be enforceable have been netted in the following tables to present the Company's net exposure with these counterparties. The Company's rights under these agreements generally allow for transactions to be settled on a net basis, including upon early termination, which could occur upon the counterparty's default, a change in control, or other conditions.

In addition, certain of the Company's other agreements include netting provisions, the enforceability of which may vary from jurisdiction to jurisdiction and depending on the circumstances. Due to the uncertainty related to the enforceability of these provisions, the derivative balances associated with these agreements are included within "Derivatives that are not or may not be subject to master netting arrangement or similar agreement" in the following tables.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

In certain circumstances, the Company may require its Business Solutions customers to maintain collateral balances which may mitigate the risk associated with potential customer defaults.

The following tables summarize the gross and net fair value of derivative assets and liabilities as of June 30, 2019 and December 31, 2018 (in millions):

Offsetting of Derivative Assets

| | Gross Amounts of Recognized Assets | Gross Amounts Offset in the Condensed Consolidated Balance Sheets | Net Amounts Presented in the Condensed Consolidated Balance Sheets | Derivatives Not Offset in the Condensed Consolidated Balance Sheets | Net Amounts |
|---|---|--|---|--|-------------|
| June 30, 2019 | | | | | |
| Derivatives subject to a master netting arrangement or similar agreement | \$ 136.5 | \$ — | \$ 136.5 | \$ (81.6) | \$ 54.9 |
| Derivatives that are not or may not be subject to master netting arrangement or similar agreement | 66.3 | | | | |
| Total | <u>\$ 202.8</u> | | | | |
| December 31, 2018 | | | | | |
| Derivatives subject to a master netting arrangement or similar agreement | \$ 162.6 | \$ — | \$ 162.6 | \$ (95.7) | \$ 66.9 |
| Derivatives that are not or may not be subject to master netting arrangement or similar agreement | 82.9 | | | | |
| Total | <u>\$ 245.5</u> | | | | |

Offsetting of Derivative Liabilities

| | Gross Amounts of Recognized Liabilities | Gross Amounts Offset in the Condensed Consolidated Balance Sheets | Net Amounts Presented in the Condensed Consolidated Balance Sheets | Derivatives Not Offset in the Condensed Consolidated Balance Sheets | Net Amounts |
|---|--|--|---|--|-------------|
| June 30, 2019 | | | | | |
| Derivatives subject to a master netting arrangement or similar agreement | \$ 90.5 | \$ — | \$ 90.5 | \$ (81.6) | \$ 8.9 |
| Derivatives that are not or may not be subject to master netting arrangement or similar agreement | 55.4 | | | | |
| Total | <u>\$ 145.9</u> | | | | |
| December 31, 2018 | | | | | |
| Derivatives subject to a master netting arrangement or similar agreement | \$ 104.1 | \$ — | \$ 104.1 | \$ (95.7) | \$ 8.4 |
| Derivatives that are not or may not be subject to master netting arrangement or similar agreement | 72.1 | | | | |
| Total | <u>\$ 176.2</u> | | | | |

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)*Income Statement*

The following tables summarize the location and amount of gains and losses of derivatives in the Condensed Consolidated Statements of Income segregated by designated, qualifying hedging instruments and those that are not.

Cash Flow and Fair Value Hedges

The effective portion of the change in fair value of derivatives that qualify as cash flow hedges is recorded in "Accumulated other comprehensive loss." Generally, amounts are recognized in income when the related forecasted transaction affects earnings.

The following table presents the amount of gains and losses recognized in other comprehensive income from cash flow hedges for the three and six months ended June 30, 2019 and 2018 (in millions):

| Derivatives | Amount of Gain/(Loss) Recognized in Other Comprehensive Income on Derivatives | | | |
|--------------------------------|--|---------|------------------------------|---------|
| | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | 2019 | 2018 | 2019 | 2018 |
| Cash flow hedges: | | | | |
| Foreign currency contracts (a) | \$ (3.9) | \$ 31.8 | \$ 0.5 | \$ 19.5 |

- (a) For the three months ended June 30, 2019, gains of \$1.2 million, represent the amounts excluded from the assessment of effectiveness that were recognized in other comprehensive income, and there were no amounts recorded in other comprehensive income for amounts excluded from the measurement of effectiveness for the three months ended June 30, 2018, for which an amortization approach is applied. For the six months ended June 30, 2019 and 2018, gains/(losses) of \$1.7 million and \$(0.2) million, respectively, represent amounts recorded in other comprehensive income for amounts excluded from the measurement of effectiveness.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents the location and amount of gains and losses from fair value and cash flow hedges for the three months ended June 30, 2019 and 2018 (in millions):

| | Location and Amount of Gain/(Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships | | | | | |
|--|---|------------------|-----------------------------|---------------|------------------|-------------------|
| | June 30, 2019 | | | June 30, 2018 | | |
| | Revenues | Interest Expense | Other Income/(Expense), net | Revenues | Interest Expense | Other Income, net |
| Total amounts presented in the condensed consolidated statements of income in which the effects of fair value or cash flow hedges are recorded | \$ 1,340.5 | \$ (38.6) | \$ (0.3) | \$ 1,411.1 | \$ (37.5) | \$ 8.1 |
| The effects of fair value and cash flow hedging: | | | | | | |
| Gain/(loss) on fair value hedges: | | | | | | |
| Interest rate contracts: | | | | | | |
| Hedged items | — | (0.6) | — | — | — | — |
| Derivatives designated as hedging instruments | — | 0.6 | — | — | (0.5) | — |
| Loss on cash flow hedges: | | | | | | |
| Foreign exchange contracts: | | | | | | |
| Amount of gain/(loss) reclassified from accumulated other comprehensive loss into income | 2.1 | — | — | (5.4) | — | — |
| Amount excluded from effectiveness testing recognized in earnings based on an amortization approach | 2.8 | — | — | 0.8 | — | — |
| Amount excluded from effectiveness testing recognized in earnings based on changes in fair value | 1.0 | — | — | 2.4 | — | — |

The following table presents the location and amount of gains and losses from fair value and cash flow hedges for the six months ended June 30, 2019 and 2018 (in millions):

| | Location and Amount of Gain/(Loss) Recognized in Income on Fair Value and Cash Flow Hedging Relationships | | | | | |
|--|---|------------------|-----------------------------|---------------|------------------|-------------------|
| | June 30, 2019 | | | June 30, 2018 | | |
| | Revenues | Interest Expense | Other Income/(Expense), net | Revenues | Interest Expense | Other Income, net |
| Total amounts presented in the condensed consolidated statements of income in which the effects of fair value or cash flow hedges are recorded | \$ 2,677.5 | \$ (78.3) | \$ 2.2 | \$ 2,800.5 | \$ (73.0) | \$ 12.5 |
| The effects of fair value and cash flow hedging: | | | | | | |
| Gain/(loss) on fair value hedges: | | | | | | |
| Interest rate contracts: | | | | | | |
| Hedged items | — | (0.9) | — | — | 1.4 | — |
| Derivatives designated as hedging instruments | — | 1.0 | — | — | (2.0) | — |
| Loss on cash flow hedges: | | | | | | |
| Foreign exchange contracts: | | | | | | |
| Amount of gain/(loss) reclassified from accumulated other comprehensive loss into income | 3.5 | — | — | (14.8) | — | — |
| Amount excluded from effectiveness testing recognized in earnings based on an amortization approach | 5.1 | — | — | 1.0 | — | — |
| Amount excluded from effectiveness testing recognized in earnings based on changes in fair value | 2.3 | — | — | 3.8 | — | — |

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)*Undesignated Hedges*

The following table presents the location and amount of net gains and losses from undesignated hedges for the three and six months ended June 30, 2019 and 2018 (in millions):

| Derivatives | Income Statement Location | Gain/(Loss) Recognized in Income on Derivatives (a) | | | |
|--------------------------------|-------------------------------------|---|----------------|------------------------------|----------------|
| | | Amount | | | |
| | | Three Months Ended June 30, | | Six Months Ended June 30, | |
| | | 2019 | 2018 | 2019 | 2018 |
| Foreign currency contracts (b) | Selling, general and administrative | \$ 1.0 | \$ 35.3 | \$ 7.6 | \$ 35.2 |
| Foreign currency contracts (c) | Revenues | — | 2.1 | 0.2 | 1.6 |
| Foreign currency contracts (c) | Other income, net | — | 0.1 | — | (1.9) |
| Total gain | | <u>\$ 1.0</u> | <u>\$ 37.5</u> | <u>\$ 7.8</u> | <u>\$ 34.9</u> |

- (a) The Company uses foreign currency forward and option contracts as part of its Business Solutions payments operations. These derivative contracts are excluded from this table as they are managed as part of a broader currency portfolio that includes non-derivative currency exposures. The gains and losses on these derivatives are included as part of the broader disclosure of portfolio revenue for this business discussed above.
- (b) The Company uses foreign currency forward contracts to offset foreign exchange rate fluctuations on settlement assets and obligations as well as certain foreign currency denominated positions. Foreign exchange losses on settlement assets and obligations, cash balances, and other assets and liabilities, not including amounts related to derivatives activity as displayed above and included in "Selling, general and administrative" in the Condensed Consolidated Statements of Income, were \$(4.3) million and \$(33.6) million for the three months ended June 30, 2019 and 2018, respectively, and \$(15.1) million and \$(31.3) million for the six months ended June 30, 2019 and 2018, respectively.
- (c) All derivative contracts executed in the Company's revenue hedging program prior to January 1, 2018 are not designated as hedges in the final month of the contract. The change in fair value in this final month was recorded to "Revenues" for the three and six months ended June 30, 2019 and 2018. The amount recorded to "Other income, net" for the three and six months ended June 30, 2019 relates to losses on certain undesignated foreign currency derivative contracts that were recognized after the Company determined that certain forecasted transactions were no longer probable of occurring.

All cash flows associated with derivatives are included in "Cash flows from operating activities" in the Condensed Consolidated Statements of Cash Flows.

An accumulated other comprehensive pre-tax gain of \$11.9 million related to the foreign currency forward contracts is expected to be reclassified into revenue within the next 12 months as of June 30, 2019.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)**12. Borrowings**

The Company's outstanding borrowings consisted of the following (in millions):

| | <u>June 30, 2019</u> | <u>December 31, 2018</u> |
|---|----------------------|--------------------------|
| Commercial paper (a) | \$ 268.0 | \$ 125.0 |
| Notes: | | |
| 3.350% notes due 2019 (b) | — | 250.0 |
| Floating rate notes due 2019 (b) | — | 250.0 |
| 5.253% notes due 2020 (effective rate of 5.7%) | 324.9 | 324.9 |
| 3.600% notes due 2022 (c) | 500.0 | 500.0 |
| 4.250% notes due 2023 (c) | 300.0 | 300.0 |
| 6.200% notes due 2036 (c) | 500.0 | 500.0 |
| 6.200% notes due 2040 (c) | 250.0 | 250.0 |
| Term loan facility borrowing (effective rate of 3.7%) | 950.0 | 950.0 |
| Total borrowings at par value | <u>3,092.9</u> | <u>3,449.9</u> |
| Fair value hedge accounting adjustments, net (d) | 0.8 | (0.1) |
| Debt issuance costs and unamortized discount, net | <u>(13.5)</u> | <u>(16.1)</u> |
| Total borrowings at carrying value (e) | <u>\$ 3,080.2</u> | <u>\$ 3,433.7</u> |

- (a) Pursuant to the Company's commercial paper program, the Company may issue unsecured commercial paper notes in an amount not to exceed \$1.5 billion outstanding at any time, reduced to the extent of borrowings outstanding on the Company's revolving credit facility. The commercial paper notes may have maturities of up to 397 days from date of issuance. The Company's commercial paper borrowings as of June 30, 2019 had a weighted-average annual interest rate of approximately 2.6% and a weighted-average term of approximately 1 day .
- (b) Proceeds from the Speedpay divestiture, commercial paper, and cash, including cash generated from operations, were used to repay the May 2019 maturities of \$250.0 million of aggregate principal amount unsecured notes and \$250.0 million of aggregate principal amount unsecured floating rate notes.
- (c) The difference between the stated interest rate and the effective interest rate is not significant.
- (d) The Company utilizes interest rate swaps designated as fair value hedges to effectively change the interest rate payments on a portion of its notes from fixed-rate payments to short-term LIBOR-based variable rate payments in order to manage its overall exposure to interest rates. The changes in fair value of these interest rate swaps result in an offsetting hedge accounting adjustment recorded to the carrying value of the related note. These hedge accounting adjustments will be reclassified as reductions to or increases in "Interest expense" in the Condensed Consolidated Statements of Income over the life of the related notes, and cause the effective rate of interest to differ from the notes' stated rate.
- (e) As of June 30, 2019, the Company's weighted-average effective rate on total borrowings was approximately 4.5% .

The following summarizes the Company's maturities of notes and term loan at par value as of June 30, 2019 (in millions):

| | |
|-----------------------------------|----------|
| Due within 1 year | \$ 324.9 |
| Due after 1 year through 2 years | 23.8 |
| Due after 2 years through 3 years | 547.5 |
| Due after 3 years through 4 years | 371.3 |
| Due after 4 years through 5 years | 807.4 |
| Due after 5 years | 750.0 |

The Company's obligations with respect to its outstanding notes, as described above, rank equally.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

13. Income Taxes

The Company's provision for income taxes for the three and six months ended June 30, 2019 and 2018 is based on the estimated annual effective tax rate, in addition to discrete items. The Company's effective tax rates on pre-tax income were 17.5% and 14.8% for the three months ended June 30, 2019 and 2018, respectively, and 18.1% and 12.0% for the six months ended June 30, 2019 and 2018. The increase in the Company's effective tax rate for both the three and six months ended June 30, 2019 compared to the prior periods was primarily due to discrete tax benefits recognized in the prior periods and an increase in 2019 domestic pre-tax income due to the net gain on the sales of the Speedpay and Paymap businesses. The discrete benefits in the prior year periods included adjustments to the Company's accounting for the implementation of the Tax Act during the first half of 2018 which reduced the Company's effective tax rate by 2.5 percentage points for both the three and six months ended June 30, 2018, as certain of the Tax Act's impacts had been provisionally estimated during the prior period. The Company currently expects that approximately 67% of the Company's pre-tax income will be derived from foreign sources for the year ending December 31, 2019. Certain portions of the Company's foreign source income are subject to United States federal and state income tax as earned due to the nature of the income.

Uncertain Tax Positions

The Company has established contingency reserves for a variety of material, known tax exposures. The Company's tax reserves reflect management's judgment as to the resolution of the issues involved if subject to judicial review or other settlement. While the Company believes its reserves are adequate to cover reasonably expected tax risks, there can be no assurance that, in all instances, an issue raised by a tax authority will be resolved at a financial cost that does not exceed its related reserve. With respect to these reserves, the Company's income tax expense would include (i) any changes in tax reserves arising from material changes during the period in the facts and circumstances (i.e., new information) surrounding a tax issue and (ii) any difference from the Company's tax position as recorded in the financial statements and the final resolution of a tax issue during the period. Such resolution could materially increase or decrease income tax expense in the Company's consolidated financial statements in future periods and could impact operating cash flows.

Unrecognized tax benefits represent the aggregate tax effect of differences between tax return positions and the amounts otherwise recognized in the Company's consolidated financial statements, and are reflected in "Income taxes payable" in the Condensed Consolidated Balance Sheets. The total amount of unrecognized tax benefits as of June 30, 2019 and December 31, 2018 was \$298.8 million and \$295.0 million, respectively, excluding interest and penalties. The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$286.6 million and \$284.2 million as of June 30, 2019 and December 31, 2018, respectively, excluding interest and penalties.

The Company recognizes interest and penalties with respect to unrecognized tax benefits in "Provision for income taxes" in its Condensed Consolidated Statements of Income, and records the associated liability in "Income taxes payable" in its Condensed Consolidated Balance Sheets. The Company recognized immaterial amounts of interest and penalties during the three and six months ended June 30, 2019 and 2018, respectively. The Company has accrued \$27.3 million and \$23.9 million for the payment of interest and penalties as of June 30, 2019 and December 31, 2018, respectively.

The Company and its subsidiaries file tax returns for the United States, for multiple states and localities, and for various non-United States jurisdictions, and the Company has identified the United States as its major tax jurisdiction, as the income tax imposed by any one foreign country is not material to the Company. The Company's United States federal income tax returns since 2015 are eligible to be examined.

14. Stock Compensation Plans

For both the three months ended June 30, 2019 and 2018, the Company recognized stock-based compensation expense of \$11.6 million resulting from stock options, restricted stock units, performance-based restricted stock units and deferred stock units in the Condensed Consolidated Statements of Income. For the six months ended June 30, 2019 and 2018, the Company recognized stock-based compensation expense of \$25.3 million and \$25.4 million, respectively.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

During the six months ended June 30, 2019, the Company granted 0.6 million options at a weighted-average exercise price of \$17.63 and 3.4 million performance-based restricted stock units and restricted stock units at a weighted-average grant date fair value of \$15.82. As of June 30, 2019, the Company had 5.4 million outstanding options at a weighted-average exercise price of \$18.26, of which 4.2 million options were exercisable at a weighted-average exercise price of \$18.14. The Company had 7.9 million performance-based restricted stock units (based on target performance) and restricted stock units at a weighted-average grant date fair value of \$17.00 as of June 30, 2019.

15. Segments

As further described in Note 1, the Company classifies its business into two segments: Consumer-to-Consumer and Business Solutions. Operating segments are defined as components of an enterprise that engage in business activities, about which separate financial information is available that is evaluated regularly by the Company's Chief Operating Decision Maker ("CODM") in deciding where to allocate resources and in assessing performance.

The Consumer-to-Consumer operating segment facilitates money transfers between two consumers. The Company views its money transfer service as one interconnected global network where a money transfer can be sent from one location to another, around the world. The segment includes five geographic regions whose functions are primarily related to generating, managing and maintaining agent relationships and localized marketing activities. The Company includes westernunion.com in its regions. By means of common processes and systems, these regions, including westernunion.com, create an interconnected network for consumer transactions, thereby constituting one global Consumer-to-Consumer money transfer business and one operating segment.

The Business Solutions operating segment facilitates payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals.

All businesses and other services that have not been classified in the above segments are reported as "Other," which primarily include the Company's cash-based and electronic-based bill payment services which facilitate payments from consumers to businesses and other organizations. The CODM allocates resources and assesses performance using discrete information for these separate bill payments components, neither of which is material from either a quantitative or qualitative perspective. In May 2019, the Company sold a substantial majority of its United States based electronic bill payments services, as discussed in Note 4. The Company's money order and other services are also included in "Other."

Corporate costs, including stock-based compensation and other overhead, are allocated to the segments primarily based on a percentage of the segments' revenue compared to total revenue.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents the Company's reportable segment results for the three and six months ended June 30, 2019 and 2018 (in millions):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|--------------------------------|-------------------|------------------------------|-------------------|
| | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | |
| Consumer-to-Consumer | \$ 1,112.9 | \$ 1,127.5 | \$ 2,169.8 | \$ 2,218.5 |
| Business Solutions | 95.6 | 93.1 | 191.2 | 189.8 |
| Other (a) | 132.0 | 190.5 | 316.5 | 392.2 |
| Total consolidated revenues | \$ 1,340.5 | \$ 1,411.1 | \$ 2,677.5 | \$ 2,800.5 |
| Operating income: | | | | |
| Consumer-to-Consumer | \$ 250.2 | \$ 266.2 | \$ 483.5 | \$ 507.9 |
| Business Solutions | 10.5 | 1.1 | 19.1 | 3.9 |
| Other (a) | 5.6 | 16.3 | 14.9 | 36.7 |
| Total segment operating income (b) | \$ 266.3 | \$ 283.6 | \$ 517.5 | \$ 548.5 |

- (a) Other primarily consists of the Company's electronic-based and cash-based bill payment services which facilitate payments from consumers to businesses and other organizations. In May 2019, the Company sold a substantial majority of its United States based electronic bill payments services, as discussed in Note 4. Speedpay revenues included in the Company's results were \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively. Speedpay direct operating expenses were \$30.6 million and \$61.6 million for the three months ended June 30, 2019 and 2018, respectively, and \$98.2 million and \$127.7 million for the six months ended June 30, 2019 and 2018, respectively. Paymap revenues included in the Company's results were \$1.6 million and \$4.2 million for the three months ended June 30, 2019 and 2018, respectively, and \$5.3 million and \$8.3 million for the six months ended June 30, 2019 and 2018, respectively. Paymap direct operating expenses were \$0.5 million and \$1.5 million for the three months ended June 30, 2019 and 2018, respectively, and \$2.2 million and \$3.2 million for the six months ended June 30, 2019 and 2018, respectively.
- (b) During the three and six months ended June 30, 2019, the Company incurred approximately \$7.4 million of restructuring-related expenses, as further discussed in Note 16. While these expenses are identifiable to the Company's segments, they have been excluded from the measurement of segment operating income provided to the CODM for purposes of assessing segment performance and decision making with respect to resource allocation.

THE WESTERN UNION COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

16. Restructuring-Related Expenses

On August 1, 2019, the Company's Board of Directors approved an overall plan to change the Company's operating model and improve its business processes and cost structure by reducing its headcount and consolidating various facilities. If implemented as currently planned, the Company expects to incur approximately \$150 million of total expenses in 2019 and 2020, with approximately \$110 million related to severance and employee-related benefits and approximately \$40 million related to costs associated with the relocation of various operations to other Company facilities, costs related to facility closures, including lease terminations, consulting, and other expenses. Substantially all of these expenses are expected to be paid in cash. The foregoing figures are the Company's estimates and are subject to change as the plan is implemented. During the three and six months ended June 30, 2019, the Company incurred \$7.4 million of expenses related to this initiative, all of which were included within "Selling, general and administrative" expenses in the Condensed Consolidated Statements of Income.

While certain of the expenses may be identifiable to the Company's segments, the expenses are not expected to be included in the measurement of segment operating income provided to the CODM for purposes of assessing segment performance and decision making with respect to resource allocation. While these expenses are specific to this initiative, the types of expenses related to this initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.

THE WESTERN UNION COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Item 2.

This report on Form 10-Q contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from those expressed in, or implied by, our forward-looking statements. Words such as "expects," "intends," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook" and other similar expressions or future or conditional verbs such as "may," "will," "should," "would," "could," and "might" are intended to identify such forward-looking statements. Readers of the Form 10-Q of The Western Union Company (the "Company," "Western Union," "we," "our" or "us") should not rely solely on the forward-looking statements and should consider all uncertainties and risks discussed in the "Risk Factors" section and throughout the Annual Report on Form 10-K for the year ended December 31, 2018. The statements are only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement.

Possible events or factors that could cause results or performance to differ materially from those expressed in our forward-looking statements include the following: (i) events related to our business and industry, such as: changes in general economic conditions and economic conditions in the regions and industries in which we operate, including global economic downturns and trade disruptions, or significantly slower growth or declines in the money transfer, payment service, and other markets in which we operate, including downturns or declines related to interruptions in migration patterns, or non-performance by our banks, lenders, insurers, or other financial services providers; failure to compete effectively in the money transfer and payment service industry, including among other things, with respect to price, with global and niche or corridor money transfer providers, banks and other money transfer and payment service providers, including electronic, mobile and Internet-based services, card associations, and card-based payment providers, and with digital currencies and related protocols, and other innovations in technology and business models; political conditions and related actions, including trade restrictions and government sanctions in the United States and abroad which may adversely affect our business and economic conditions as a whole, including interruptions of United States or other government relations with countries in which we have or are implementing significant business relationships with agents or clients; deterioration in customer confidence in our business, or in money transfer and payment service providers generally; our ability to adopt new technology and develop and gain market acceptance of new and enhanced services in response to changing industry and consumer needs or trends; changes in, and failure to manage effectively, exposure to foreign exchange rates, including the impact of the regulation of foreign exchange spreads on money transfers and payment transactions; any material breach of security, including cybersecurity, or safeguards of or interruptions in any of our systems or those of our vendors or other third parties; cessation of or defects in various services provided to us by third-party vendors; mergers, acquisitions, and the integration of acquired businesses and technologies into our Company, divestitures and the failure to realize anticipated financial benefits from these transactions, and events requiring us to write down our goodwill; decisions to change our business mix; failure to manage credit and fraud risks presented by our agents, clients and consumers; failure to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place, including due to increased costs or loss of business as a result of increased compliance requirements or difficulty for us, our agents or their subagents in establishing or maintaining relationships with banks needed to conduct our services; changes in tax laws, or their interpretation, including with respect to United States tax reform legislation enacted in December 2017 (the "Tax Act"), any subsequent regulation and potential related state income tax impacts, and unfavorable resolution of tax contingencies; adverse rating actions by credit rating agencies; our ability to realize the anticipated benefits from business transformation, productivity and cost-savings, and other related initiatives, which may include decisions to downsize or to transition operating activities from one location to another, and to minimize any disruptions in our workforce that may result from those initiatives; our ability to protect our brands and our other intellectual property rights and to defend ourselves against potential intellectual property infringement claims; our ability to attract and retain qualified key employees and to manage our workforce successfully; material changes in the market value or liquidity of securities that we hold; restrictions imposed by our debt obligations; (ii) events related to our regulatory and litigation environment, such as: liabilities or

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loss of business resulting from a failure by us, our agents or their subagents to comply with laws and regulations and regulatory or judicial interpretations thereof, including laws and regulations designed to protect consumers, or detect and prevent money laundering, terrorist financing, fraud and other illicit activity; increased costs or loss of business due to regulatory initiatives and changes in laws, regulations and industry practices and standards, including changes in interpretations in the United States, and abroad, affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services, including related to anti-money laundering regulations, anti-fraud measures, our licensing arrangements, customer due diligence, agent and subagent due diligence, registration and monitoring requirements, consumer protection requirements, remittances, and immigration; liabilities, increased costs or loss of business and unanticipated developments resulting from governmental investigations and consent agreements with or enforcement actions by regulators, including those associated with the settlement agreements with the United States Department of Justice, certain United States Attorney's Offices, the United States Federal Trade Commission, the Financial Crimes Enforcement Network of the United States Department of Treasury, and various state attorneys general (the "Joint Settlement Agreements"), and those associated with the January 4, 2018 consent order which resolved a matter with the New York State Department of Financial Services (the "NYDFS Consent Order"); liabilities resulting from litigation, including class-action lawsuits and similar matters, and regulatory enforcement actions, including costs, expenses, settlements and judgments; failure to comply with regulations and evolving industry standards regarding consumer privacy and data use and security, including with respect to the General Data Protection Regulation ("GDPR") approved by the European Union ("EU"); failure to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), as well as regulations issued pursuant to it and the actions of the Consumer Financial Protection Bureau and similar legislation and regulations enacted by other governmental authorities in the United States and abroad related to consumer protection and derivative transactions; effects of unclaimed property laws or their interpretation or the enforcement thereof; failure to maintain sufficient amounts or types of regulatory capital or other restrictions on the use of our working capital to meet the changing requirements of our regulators worldwide; changes in accounting standards, rules and interpretations or industry standards affecting our business; and (iii) other events, such as: catastrophic events; and management's ability to identify and manage these and other risks.

Overview

We are a leading provider of money movement and payment services, operating in two business segments:

- *Consumer-to-Consumer* - The Consumer-to-Consumer operating segment facilitates money transfers between two consumers, primarily through a network of third-party agents. We view our multi-currency money transfer service as one interconnected global network where a money transfer can be sent from one location to another, around the world. This service is available for international cross-border transfers and, in certain countries, intra-country transfers. This segment also includes money transfer transactions that can be initiated through websites and mobile devices.
- *Business Solutions* - The Business Solutions operating segment facilitates payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The majority of the segment's business relates to exchanges of currency at spot rates, which enable customers to make cross-currency payments. In addition, in certain countries, we write foreign currency forward and option contracts for customers to facilitate future payments.

All businesses and other services that have not been classified in the above segments are reported as "Other," which primarily include our cash-based and electronic-based bill payment services which facilitate payments from consumers to businesses and other organizations. The Chief Operating Decision Maker ("CODM") allocates resources and assesses performance using discrete information for these separate bill payments components, neither of which is material from either a quantitative or qualitative perspective. Our money order and other services, in addition to certain corporate costs such as costs related to strategic initiatives, including costs for the review and closing of mergers, acquisitions, and divestitures, are also included in "Other." Additional information on our reportable segments is further described in the Segment Discussion below.

Results of Operations

The following discussion of our consolidated results of operations and segment results refers to the three and six months ended June 30, 2019 compared to the same periods in 2018. The results of operations should be read in conjunction with the discussion of our segment results of operations, which provide more detailed discussions concerning certain components of the Condensed Consolidated Statements of Income. All significant intercompany accounts and transactions between our segments have been eliminated. The below information has been prepared in conformity with generally accepted accounting principles in the United States of America ("GAAP") unless otherwise noted. All amounts provided in this section are rounded to the nearest tenth of a million, except as otherwise noted. As a result, the percentage changes and margins disclosed herein may not recalculate precisely using the rounded amounts provided.

Our revenues and operating income for the three and six months ended June 30, 2019 were negatively impacted by fluctuations in the United States dollar compared to foreign currencies. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, resulted in a reduction to revenues of \$74.2 million and \$151.4 million for the three and six months ended June 30, 2019, relative to the corresponding periods in the prior year. Included within these amounts are impacts related to the strengthening of the dollar against the Argentine peso, which resulted in a reduction to revenues of \$48.2 million and \$98.2 million for the three and six months ended June 30, 2019, relative to the corresponding periods in the prior year. Fluctuations in the United States dollar compared to foreign currencies negatively impacted operating income by \$21.0 million and \$39.1 million for the three and six months ended June 30, 2019, relative to the corresponding periods in the prior year. Included within these amounts are impacts related to the strengthening of the dollar against the Argentine peso, which resulted in a reduction to operating income of \$13.3 million and \$27.0 million for the three and six months ended June 30, 2019, relative to the corresponding periods in the prior year.

On February 28, 2019, we entered into an agreement with ACI Worldwide Corp. and ACW Worldwide, Inc. to sell our United States electronic bill payments business known as "Speedpay", which is included as a component of "Other" in our segment reporting. We received approximately \$750 million and recorded a pre-tax gain on the sale of approximately \$524 million in the all-cash transaction that closed on May 9, 2019. The final consideration and gain on sale is subject to a working capital adjustment to be settled in the third quarter of 2019. Speedpay revenues included in our results were \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively. Speedpay direct operating expenses were \$30.6 million and \$61.6 million for the three months ended June 30, 2019 and 2018, respectively, and \$98.2 million and \$127.7 million for the six months ended June 30, 2019 and 2018, respectively.

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The following table sets forth our consolidated results of operations for the three and six months ended June 30, 2019 and 2018:

| (in millions, except per share amounts) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|-----------------------------|-----------------|----------|---------------------------|-----------------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Revenues | \$ 1,340.5 | \$ 1,411.1 | (5) % | \$ 2,677.5 | \$ 2,800.5 | (4) % |
| Expenses: | | | | | | |
| Cost of services | 776.4 | 829.2 | (6) % | 1,561.4 | 1,654.6 | (6) % |
| Selling, general and administrative | 305.2 | 298.3 | 2 % | 606.0 | 597.4 | 1 % |
| Total expenses | 1,081.6 | 1,127.5 | (4) % | 2,167.4 | 2,252.0 | (4) % |
| Operating income | 258.9 | 283.6 | (9) % | 510.1 | 548.5 | (7) % |
| Other income/(expense): | | | | | | |
| Gain on divestitures of businesses | 524.6 | — | (a) | 524.6 | — | (a) |
| Interest income | 1.0 | 1.3 | (27) % | 3.1 | 2.0 | 55 % |
| Interest expense | (38.6) | (37.5) | 3 % | (78.3) | (73.0) | 7 % |
| Other income/(expense), net | (0.3) | 8.1 | (a) | 2.2 | 12.5 | (82) % |
| Total other income/(expense), net | 486.7 | (28.1) | (a) | 451.6 | (58.5) | (a) |
| Income before income taxes | 745.6 | 255.5 | (a) | 961.7 | 490.0 | (a) |
| Provision for income taxes | 130.8 | 37.9 | (a) | 173.8 | 58.8 | (a) |
| Net income | <u>\$ 614.8</u> | <u>\$ 217.6</u> | (a) | <u>\$ 787.9</u> | <u>\$ 431.2</u> | (a) |
| Earnings per share: | | | | | | |
| Basic | \$ 1.43 | \$ 0.48 | (a) | \$ 1.82 | \$ 0.94 | 94 % |
| Diluted | \$ 1.42 | \$ 0.47 | (a) | \$ 1.81 | \$ 0.93 | 95 % |
| Weighted-average shares outstanding: | | | | | | |
| Basic | 430.0 | 457.2 | | 433.8 | 458.8 | |
| Diluted | 432.3 | 459.6 | | 436.1 | 461.6 | |

(a) Calculation not meaningful.

Revenues Overview

Transaction volume is the primary generator of revenue in our businesses. Revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon channel, send and receive locations, the principal amount sent, whether the money transfer involves different send and receive currencies, the difference between the exchange rate we set to the customer and the rate available in the wholesale foreign exchange market, and speed of service, as applicable. We also offer several other services, including foreign exchange and payment services and other bill payment services, for which revenue is impacted by similar factors.

Due to the significance of the effect that foreign exchange fluctuations against the United States dollar can have on our reported revenues, constant currency results have been provided in the table below for consolidated revenues. Additionally, due to the significance of our Consumer-to-Consumer segment to our overall results, we have also provided constant currency results for our Consumer-to-Consumer segment revenues. Constant currency results assume foreign revenues are translated from foreign currencies to the United States dollar, net of the effect of foreign currency hedges, at rates consistent with those in the same

periods of the prior year. Constant currency measures are non-GAAP financial measures and are provided so that revenue can be viewed without the effect of fluctuations in foreign currency exchange rates, which is consistent with how management evaluates our revenue results and trends. We believe that these measures provide management and investors with information about revenue results and trends that eliminates currency volatility and provides greater clarity regarding, and increases the comparability of, our underlying results and trends. This constant currency disclosure is provided in addition to, and not as a substitute for, the percentage change in revenue on a GAAP basis for the three and six months ended June 30, 2019 compared to the corresponding period in the prior year. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of this measure for comparative purposes.

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The following table sets forth our consolidated revenue results for the three and six months ended June 30, 2019 and 2018:

| (dollars in millions) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|-----------------------------|------------|----------|---------------------------|------------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Revenues, as reported - (GAAP) | \$ 1,340.5 | \$ 1,411.1 | (5) % | \$ 2,677.5 | \$ 2,800.5 | (4) % |
| Foreign currency impact (a) | | | 5 % | | | 5 % |
| Divestitures impact (b) | | | 4 % | | | 2 % |
| Revenue change, constant currency adjusted and excluding divestitures - (Non-GAAP) | | | 4 % | | | 3 % |

- (a) Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, resulted in a reduction to revenues of \$74.2 million and \$151.4 million for the three and six months ended June 30, 2019 when compared to foreign currency rates in the prior year period. Included within these amounts are impacts related to the strengthening of the dollar against the Argentine peso, which resulted in a reduction to revenues of \$48.2 million and \$98.2 million for the three and six months ended June 30, 2019, when compared to foreign currency rates in the prior year period.
- (b) In May 2019, we sold a substantial majority of our United States based electronic bill payments services. Speedpay revenues included in our results were \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively. Paymap Inc. ("Paymap"), which provides electronic mortgage bill payment services, revenues included in our results were \$1.6 million and \$4.2 million for the three months ended June 30, 2019 and 2018, respectively, and \$5.3 million and \$8.3 million for the six months ended June 30, 2019 and 2018, respectively. We have included the impact of these divestitures on our revenues because management believes that presenting the revenue change, as adjusted, to exclude divestitures will provide investors with a more meaningful comparison of results for the periods presented.

For both the three and six months ended June 30, 2019, GAAP revenues decreased, when compared to the corresponding periods in the prior year, due to fluctuations in the exchange rate between the United States dollar and other currencies, which negatively impacted revenue for both periods by 5%, and a decrease in revenues as a result of the Speedpay and Paymap divestitures during the second quarter of 2019, partially offset by an increase in transactions in our Consumer-to-Consumer segment. The increase in revenues constant currency adjusted and excluding divestitures (Non-GAAP) for both the three and six months ended June 30, 2019 was primarily the result of an increase in local currency revenue per transaction in our Argentine operations, including in our cash-based bill payment business, primarily due to inflation, and an increase in transactions in our Consumer-to-Consumer segment.

Operating Expenses Overview

Enhanced Regulatory Compliance

The financial services industry, including money services businesses, continues to be subject to increasingly strict legal and regulatory requirements, and we continue to focus on and regularly review our compliance programs. In connection with these reviews, and in light of growing and rapidly evolving regulatory complexity and heightened attention of, and increased dialogue with, governmental and regulatory authorities related to our compliance activities, we have made, and continue to make enhancements to our processes and systems designed to detect and prevent money laundering, terrorist financing, and fraud and other illicit activity, along with enhancements to improve consumer protection, including related to the Joint Settlement Agreements and the NYDFS Consent Order described further in Part I, Item 1, *Financial Statements*, Note 7, "Commitments and Contingencies," and similar regulations outside the United States, and other matters. In coming periods, we expect these enhancements will continue to result in changes to certain of our business practices and increased costs. Some of these changes have had, and we believe will continue to have, an adverse effect on our business, financial condition and results of operations.

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Restructuring-Related Expenses

On August 1, 2019, our Board of Directors approved an overall plan to change our operating model and improve our business processes and cost structure by reducing our headcount and consolidating various facilities. If implemented as currently planned, we expect to incur approximately \$150 million of total expenses in 2019 and 2020, with approximately \$110 million related to severance and employee-related benefits and approximately \$40 million related to costs associated with the relocation of various operations to other Company facilities, costs related to facility closures, including lease terminations, consulting, and other expenses. Substantially all of these expenses are expected to be paid in cash. The foregoing figures are our estimates and are subject to change as the plan is implemented. During the three and six months ended June 30, 2019, we incurred \$7.4 million of expenses related to this initiative, all of which were included within “Selling, general and administrative” expenses in the Condensed Consolidated Statements of Income.

While certain of the expenses may be identifiable to our segments, the expenses are not expected to be included in the measurement of segment operating income provided to the CODM for purposes of assessing segment performance and decision making with respect to resource allocation. While these expenses are specific to this initiative, the types of expenses related to this initiative are similar to expenses that we have previously incurred and can reasonably be expected to incur in the future.

Cost of Services

Cost of services primarily consists of agent commissions, which represented approximately 60% of total cost of services for both the three and six months ended June 30, 2019. Cost of services decreased for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, due to decreased variable costs, including agent commissions in our Consumer-to-Consumer money transfer business, which vary with revenues, including due to fluctuations in the exchange rate between the United States dollar and foreign currencies. In addition, cost of services decreased for both periods as a result of the Speedpay divestiture during the second quarter of 2019.

Selling, General and Administrative

Selling, general and administrative increased for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, due to increases in costs related to strategic initiatives, including for the review and closing of mergers, acquisitions, and divestitures, and for restructuring-related expenses. In addition, selling, general and administrative expenses increased for the three months ended June 30, 2019 due to increases in marketing expenses.

Total Other Income/Expense, Net

Total other income/expense, net for both the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, was favorably impacted by the gain on the sale of Speedpay during the second quarter of 2019, partially offset by foreign exchange gains in the prior periods on certain U.S. dollar-denominated assets in our Argentina cash-based bill payments business which did not recur. In addition, total other income/expense, net for the six months ended June 30, 2019 was negatively impacted by higher interest expense related to an increase in our weighted-average debt balances outstanding compared to the prior periods.

Income Taxes

Our effective tax rates on pre-tax income were 17.5% and 14.8% for the three months ended June 30, 2019 and 2018, respectively, and 18.1% and 12.0% for the six months ended June 30, 2019, respectively. The increase in our effective tax rate for both the three and six months ended June 30, 2019 compared to the prior periods was primarily due to discrete tax benefits recognized in prior periods and an increase in 2019 domestic pre-tax income due to the net gain on the sales of the Speedpay and Paymap businesses. The discrete benefits in the prior year periods included adjustments to our accounting for the implementation of the Tax Act during the first half of 2018 which reduced our effective tax rate by 2.5 percentage points for both the three and six months ended June 30, 2018, as certain of the Tax Act’s impacts had been provisionally estimated during the prior period.

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We have established contingency reserves for a variety of material, known tax exposures. As of June 30, 2019, the total amount of tax contingency reserves was \$312.3 million, including accrued interest and penalties, net of related items. Our tax reserves reflect our judgment as to the resolution of the issues involved if subject to judicial review or other settlement. While we believe that our reserves are adequate to cover reasonably expected tax risks, there can be no assurance that, in all instances, an issue raised by a tax authority will be resolved at a financial cost that does not exceed our related reserve. With respect to these reserves, our income tax expense would include (i) any changes in tax reserves arising from material changes in facts and circumstances (i.e. new information) surrounding a tax issue during the period and (ii) any difference from our tax position as recorded in the financial statements and the final resolution of a tax issue during the period. Such resolution could materially increase or decrease income tax expense in our consolidated financial statements in future periods and could impact our operating cash flows.

Earnings Per Share

During the three months ended June 30, 2019 and 2018, basic earnings per share were \$1.43 and \$0.48, respectively, and diluted earnings per share were \$1.42 and \$0.47, respectively. During the six months ended June 30, 2019 and 2018, basic earnings per share were \$1.82 and \$0.94, respectively, and diluted earnings per share were \$1.81 and \$0.93, respectively. Outstanding options to purchase Western Union stock and unvested shares of restricted stock are excluded from basic shares outstanding. Diluted earnings per share reflects the potential dilution that could occur if outstanding stock options at the presented dates are exercised and shares of restricted stock have vested. Shares excluded from the diluted earnings per share calculation under the treasury stock method, primarily due to outstanding options to purchase shares of Western Union stock, as their exercise prices were above our weighted-average share price during the periods and their effect was anti-dilutive, were 2.3 million and 1.9 million for the three months ended June 30, 2019 and 2018, respectively, and 3.4 million and 2.0 million for the six months ended June 30, 2019 and 2018, respectively.

Earnings per share for both the three and six months ended June 30, 2019 compared to the corresponding periods in the prior year were impacted by the previously described factors impacting net income, primarily as a result of the gain on the sale of Speedpay, in addition to lower weighted-average shares outstanding. The lower number of shares outstanding is due to stock repurchases exceeding stock issuances related to our stock compensation programs.

Segment Discussion

We manage our business around the consumers and businesses we serve and the types of services we offer. Each of our segments addresses a different combination of consumer groups, distribution networks, and services offered. Our reportable segments are Consumer-to-Consumer and Business Solutions.

During the three and six months ended June 30, 2019, we incurred approximately \$7.4 million of restructuring-related expenses, as further discussed above. While these expenses are identifiable to our segments, they have been excluded from the measurement of segment operating income provided to the CODM for purposes of assessing segment performance and decision making with respect to resource allocation.

The following table sets forth the components of segment revenues as a percentage of the consolidated totals for the three and six months ended June 30, 2019 and 2018:

| | Three Months Ended | | | | Six Months Ended | | | | |
|----------------------|--------------------|----------|------------|----------|------------------|----------|------------|----------|---|
| | June 30, | | 2018 | | June 30, | | 2018 | | |
| | 2019 | | 2018 | | 2019 | | 2018 | | |
| Consumer-to-Consumer | 83 | % | 80 | % | 81 | % | 79 | % | |
| Business Solutions | | 7 | % | | 7 | % | | 7 | % |
| Other | 10 | % | 13 | % | 12 | % | 14 | % | |
| | <u>100</u> | <u>%</u> | <u>100</u> | <u>%</u> | <u>100</u> | <u>%</u> | <u>100</u> | <u>%</u> | |

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Corporate costs, including stock-based compensation and other overhead, continue to be consistently allocated to the segments based on historical practice. For the three and six months ended June 30, 2019, approximately \$12 million of corporate expenses were allocated to the Consumer-to-Consumer segment that would have been previously included in Other prior to the sale of Speedpay on May 9, 2019.

Consumer-to-Consumer Segment

The following table sets forth our Consumer-to-Consumer segment results of operations for the three and six months ended June 30, 2019 and 2018:

| (dollars and transactions in millions) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|--------------------------------|------------|----------|------------------------------|------------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Revenues | \$ 1,112.9 | \$ 1,127.5 | (1) % | \$ 2,169.8 | \$ 2,218.5 | (2) % |
| Operating income | \$ 250.2 | \$ 266.2 | (6) % | \$ 483.5 | \$ 507.9 | (5) % |
| Operating income margin | 22 % | 24 % | | 22 % | 23 % | |
| Key indicator: | | | | | | |
| Consumer-to-Consumer transactions | 73.5 | 73.1 | 1 % | 142.6 | 140.9 | 1 % |

We view our Consumer-to-Consumer money transfer service, including our online money transfer transactions through Western Union branded websites and mobile apps (“westernunion.com”), as one interconnected global network where a money transfer can be sent from one location to another, around the world. The segment includes five geographic regions whose functions are primarily related to generating, managing and maintaining agent relationships and localized marketing activities. We include westernunion.com in our regions. By means of common processes and systems, these regions, including westernunion.com, create an interconnected network for consumer transactions, thereby constituting one global Consumer-to-Consumer money transfer business and one operating segment.

The geographic split for transactions and revenue in the table that follows, including transactions conducted through westernunion.com, is determined entirely based upon the region where the money transfer is initiated. Included in each region’s transaction and revenue percentages in the tables below are transactions conducted through westernunion.com for the three and six months ended June 30, 2019 and 2018, respectively. Where reported separately in the discussion below, westernunion.com consists of 100% of the transactions that are conducted through westernunion.com and the related revenues.

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The table below sets forth revenue and transaction changes by geographic region compared to the same period in the prior year. Consumer-to-Consumer segment constant currency revenue growth/(decline) is a non-GAAP financial measure, as further discussed in "Revenues overview" above.

| | Three Months Ended June 30, 2019 | | | | Six Months Ended June 30, 2019 | | | |
|---|--|-------------------------------------|---|------------------------------|--|-------------------------------------|---|------------------------------|
| | Revenue Growth/(Decline), as Reported - (GAAP) | Foreign Exchange Translation Impact | Constant Currency Revenue Growth/(Decline) (a) - (Non-GAAP) | Transaction Growth/(Decline) | Revenue Growth/(Decline), as Reported - (GAAP) | Foreign Exchange Translation Impact | Constant Currency Revenue Growth/(Decline) (a) - (Non-GAAP) | Transaction Growth/(Decline) |
| Consumer-to-Consumer regional growth/(decline): | | | | | | | | |
| North America (United States & Canada) ("NA") | 2 % | 0 % | 2 % | (1)% | 1 % | (1)% | 2 % | (1)% |
| Europe and Russia/CIS ("EU & CIS") | (3)% | (4)% | 1 % | 4 % | (3)% | (4)% | 1 % | 5 % |
| Middle East, Africa, and South Asia ("MEASA") | (3)% | (2)% | (1)% | (3)% | (5)% | (1)% | (4)% | (1)% |
| Latin America and the Caribbean ("LACA") (b) | 4 % | (12)% | 16 % | 11 % | 1 % | (13)% | 14 % | 10 % |
| East Asia and Oceania ("APAC") | (14)% | (2)% | (12)% | (9)% | (13)% | (1)% | (12)% | (8)% |
| Total Consumer-to-Consumer growth/(decline): | (1)% | (2)% | 1 % | 1 % | (2)% | (3)% | 1 % | 1 % |
| westernunion.com (c) | 18 % | (2)% | 20 % | 15 % | 17 % | (2)% | 19 % | 17 % |

- (a) Constant currency revenue growth assumes that revenues denominated in foreign currencies are translated to the United States dollar, net of the effect of foreign currency hedges, at rates consistent with those in the corresponding prior period.
- (b) Our LACA region results were impacted by the strengthening of the United States dollar against the Argentine peso, in addition to an increase in local currency revenue per transaction, primarily due to inflation.
- (c) Westernunion.com revenues have also been included in each region, as described earlier.

The table below sets forth regional revenues as a percentage of our Consumer-to-Consumer revenue for the three and six months ended June 30, 2019 and 2018.

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|------|---------------------------|------|
| | 2019 | 2018 | 2019 | 2018 |
| Consumer-to-Consumer revenue as a percentage of segment revenue: | | | | |
| NA | 38 % | 37 % | 38 % | 37 % |
| EU & CIS | 32 % | 32 % | 32 % | 32 % |
| MEASA | 15 % | 15 % | 15 % | 15 % |
| LACA | 9 % | 9 % | 9 % | 9 % |
| APAC | 6 % | 7 % | 6 % | 7 % |

Westernunion.com, which is included in the regional percentages above, represented approximately 13% of our Consumer-to-Consumer revenues for both the three and six months ended June 30, 2019. Westernunion.com represented approximately 11% of our Consumer-to-Consumer revenues for both the three and six months ended June 30, 2018.

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Our consumers transferred \$22.2 billion and \$22.4 billion in Consumer-to-Consumer principal for the three months ended June 30, 2019 and 2018, of which \$20.5 billion and \$20.4 billion related to cross-border principal for the same corresponding periods described above, respectively. Our consumers transferred \$43.1 billion and \$43.2 billion in Consumer-to-Consumer principal for the six months ended June 30, 2019 and 2018, of which \$39.6 billion and \$39.3 billion related to cross-border principal for the same corresponding periods described above, respectively.

Revenues

All comparisons in the discussion below are for the three and six months ended June 30, 2019 compared to the corresponding periods in the prior year.

Consumer-to-Consumer money transfer revenue decreased 1% and 2% for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, respectively, with transaction growth of 1% for both periods. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, negatively impacted revenue by 2% and 3% for the three and six months ended June 30, 2019 compared to the corresponding periods in the prior year, respectively. Constant currency revenue increased 1% for both the three and six months ended June 30, 2019, primarily due to transaction growth.

Our NA region revenue increased 2% and 1% for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, respectively, with transaction decreases of 1% for both periods. The increase in revenue for the three and six months ended June 30, 2019 was primarily due to net price increases and transaction growth in our United States outbound services, including to Mexico, partially offset by lower revenue generated from money transfers sent and received within the United States.

Our EU & CIS region revenue decreased 3% for both the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, with transaction growth of 4% and 5%, respectively. Fluctuations in the exchange rate between the United States dollar and the euro, the British pound, and other currencies, net of the impact of foreign currency hedges, negatively impacted revenue by 4% for both the three and six months ended June 30, 2019. Revenue was positively impacted by transaction growth in Spain and France for both the three and six months ended June 30, 2019.

Our MEASA region revenue decreased 3% and 5% for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, with transaction decreases of 3% and 1%, respectively. Fluctuations in the exchange rate between the United States dollar and other currencies negatively impacted revenue by 2% and 1% for the three and six months ended June 30, 2019, respectively.

Our LACA region revenue increased 4% and 1% for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, with transaction growth of 11% and 10%, respectively. Fluctuations in the exchange rate between the United States dollar and other currencies negatively impacted revenue by 12% and 13% for the three and six months ended June 30, 2019, respectively. Revenues were negatively impacted by the strengthening of the United States dollar against the Argentine peso, partially offset by an increase in local currency revenue per transaction, primarily due to inflation.

Our APAC region revenue decreased 14% and 13% for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, with transaction decreases of 9% and 8%, respectively. Revenue for both the three and six months ended June 30, 2019 was negatively impacted by net price decreases.

We have historically implemented price reductions or price increases throughout many of our global corridors. We will likely continue to implement price reductions from time to time in response to competition and other factors. Price reductions generally reduce margins and adversely affect financial results in the short term and may also adversely affect financial results in the long term if transaction volumes do not increase sufficiently.

[Table of Contents](#)*Operating Income*

Consumer-to-Consumer operating income decreased 6% and 5% during the three and six months ended June 30, 2019 compared to the corresponding periods in the prior year. Results for the three and six months ended June 30, 2019 were negatively impacted by the revenue declines described above and increased allocations of corporate overhead as a result of the Speedpay divestiture, as previously discussed, partially offset by decreased variable costs, including agent commissions. In addition, operating income was negatively impacted by increases in marketing expenses for the three months ended June 30, 2019. Revenues were negatively impacted, and expenses were favorably impacted by fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges. The changes in operating margins for both the three and six months ended June 30, 2019 are due to the factors described above.

Business Solutions

The following table sets forth our Business Solutions segment results of operations for the three and six months ended June 30, 2019 and 2018:

| <i>(dollars in millions)</i> | <i>Three Months Ended June 30,</i> | | | <i>Six Months Ended June 30,</i> | | |
|------------------------------|------------------------------------|-------------|-----------------|----------------------------------|-------------|-----------------|
| | <i>2019</i> | <i>2018</i> | <i>% Change</i> | <i>2019</i> | <i>2018</i> | <i>% Change</i> |
| Revenues | \$ 95.6 | \$ 93.1 | 3 % | \$ 191.2 | \$ 189.8 | 1 % |
| Operating income | \$ 10.5 | \$ 1.1 | (a) | \$ 19.1 | \$ 3.9 | (a) |
| Operating income margin | 11 % | 1 % | | 10 % | 2 % | |

(a) Calculation not meaningful.

Revenues

Business Solutions revenue increased 3% and 1% for the three and six months ended June 30, 2019 when compared to the corresponding periods in the prior year, primarily due to increases in hedging activity in Europe and Australia. Fluctuations in the exchange rate between the United States dollar and other currencies negatively impacted revenue by 4% for both the three and six months ended June 30, 2019.

Operating Income

For the both the three and six months ended June 30, 2019, operating income and operating income margin increased when compared to the corresponding period in the prior year due to certain expense reductions, some of which are not expected to recur.

Other

Other primarily consists of Speedpay and our cash-based bill payments businesses in Argentina, both of which facilitate bill payments from consumers to businesses and other organizations. As previously described, we entered into an agreement on February 28, 2019 to sell Speedpay, and closed the transaction on May 9, 2019. Speedpay revenues included in our results were \$37.2 million and \$87.4 million for the three months ended June 30, 2019 and 2018, respectively, and \$125.4 million and \$182.4 million for the six months ended June 30, 2019 and 2018, respectively. Speedpay direct operating expenses were \$30.6 million and \$61.6 million for the three months ended June 30, 2019 and 2018, respectively, and \$98.2 million and \$127.7 million for the six months ended June 30, 2019 and 2018, respectively.

On May 6, 2019, we completed the sale of Paymap for contingent consideration and immaterial cash proceeds received at closing. Paymap revenues included in our results were \$1.6 million and \$4.2 million for the three months ended June 30, 2019 and 2018, respectively, and \$5.3 million and \$8.3 million for the six months ended June 30, 2019 and 2018, respectively. Paymap direct operating expenses were \$0.5 million and \$1.5 million for the three months ended

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June 30, 2019 and 2018, respectively, and \$2.2 million and \$3.2 million for the six months ended June 30, 2019 and 2018, respectively.

The following table sets forth Other results for the three and six months ended June 30, 2019 and 2018:

| (dollars in millions) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------|-----------------------------|----------|----------|---------------------------|----------|----------|
| | 2019 | 2018 | % Change | 2019 | 2018 | % Change |
| Revenues | \$ 132.0 | \$ 190.5 | (31) % | \$ 316.5 | \$ 392.2 | (19) % |
| Operating income | \$ 5.6 | \$ 16.3 | (65) % | \$ 14.9 | \$ 36.7 | (59) % |
| Operating income margin | 4 % | 9 % | | 5 % | 9 % | |

Revenues

Other revenue decreased 31% and 19% for the three and six months ended June 30, 2019 compared to the corresponding periods in the prior year, primarily due to the sale of Speedpay and the strengthening of the United States dollar against foreign currencies, including the Argentine peso.

Operating Income

Other operating income decreased for the three and six months ended June 30, 2019, compared to the corresponding periods in the prior year, due to a decrease in Speedpay and Paymap revenues, net of a reduction in direct expenses and allocated expenses, as previously discussed, and an increase in costs related to strategic initiatives, including for the review and closing of mergers, acquisitions, and divestitures. The change in operating margin was also due to these factors.

Capital Resources and Liquidity

Our primary source of liquidity has been cash generated from our operating activities, primarily from net income and fluctuations in working capital. Our working capital is affected by the timing of interest payments on our outstanding borrowings and timing of income tax payments, among other items. The majority of our interest payments are due in the second and fourth quarters which results in a decrease in the amount of cash provided by operating activities in those quarters and a corresponding increase to the first and third quarters. The annual payments of our 2017 United States federal tax liability, including amounts related to the United States taxation of certain previously undistributed earnings of foreign subsidiaries as specified in the Tax Act, are due in the second quarter of each year through 2025.

Our future cash flows could be impacted by a variety of factors, some of which are out of our control, including changes in economic conditions, especially those impacting migrant populations, changes in income tax laws or the status of income tax audits, including the resolution of outstanding tax matters, and the settlement or resolution of legal contingencies.

Substantially all of our cash flows from operating activities have been generated from subsidiaries. Most of these cash flows are generated from our regulated subsidiaries. Our regulated subsidiaries may transfer all excess cash to the parent company for general corporate use, except for assets subject to legal or regulatory restrictions, including: 1) requirements to maintain cash and other qualifying investment balances, free of any liens or other encumbrances, related to the payment of certain of our money transfer and other payment obligations, 2) other legal or regulatory restrictions, including statutory or formalized minimum net worth requirements, and 3) restrictions on transferring assets outside of the countries where these assets are located.

We currently believe we have adequate liquidity to meet our business needs, including payments under our debt and other obligations, through our existing cash balances, our ability to generate cash flows through operations, and our \$1.5 billion revolving credit facility ("Revolving Credit Facility"), which expires in January 2024 and supports our commercial paper program. Our commercial paper program enables us to issue unsecured commercial paper notes in an amount not to exceed \$1.5 billion outstanding at any time, reduced to the extent of any borrowings outstanding on our Revolving Credit Facility. As of June 30, 2019, we had no outstanding borrowings on our Revolving Credit Facility and \$268.0 million of outstanding borrowings on the commercial paper program.

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To help ensure availability of our worldwide cash where needed, we utilize a variety of planning and financial strategies, including decisions related to the amounts, timing and manner by which cash is made available from our international subsidiaries. These decisions can influence our overall tax rate and impact our total liquidity. We regularly evaluate, taking tax consequences and other factors into consideration, our United States cash requirements and also the potential uses of cash internationally to determine the appropriate level of dividend repatriations of our foreign source income.

Cash and Investment Securities

As of June 30, 2019 and December 31, 2018, we had cash and cash equivalents of \$1,210.2 million and \$973.4 million, respectively. As described in Note 4 of the Condensed Consolidated Financial Statements, we completed the sale of Speedpay during the second quarter of 2019 and received approximately \$750 million in cash, a portion of which we used to fund our note maturities, as discussed below, and for ongoing share repurchases. In many cases, we receive funds from money transfers and certain other payment services before we settle the payment of those transactions. These funds, referred to as "Settlement assets" on our Condensed Consolidated Balance Sheets, are not used to support our operations. However, we earn income from investing these funds. We maintain a portion of these settlement assets in highly liquid investments, classified as "Cash and cash equivalents" within "Settlement assets," to fund settlement obligations.

Investment securities, classified within "Settlement assets," were \$1.5 billion and \$1.2 billion as of June 30, 2019 and December 31, 2018, respectively, and consist primarily of highly-rated state and municipal debt securities, including fixed-rate term notes and variable-rate demand notes. The substantial majority of our investment securities are held in order to comply with state licensing requirements in the United States and are required to have credit ratings of "A-" or better from a major credit rating agency.

Investment securities are exposed to market risk due to changes in interest rates and credit risk. We regularly monitor credit risk and attempt to mitigate our exposure by investing in highly-rated securities and diversifying our investment portfolio. Our investment securities are also actively managed with respect to concentration. As of June 30, 2019, all investments with a single issuer and each individual security represented less than 10% of our investment securities portfolio.

Cash Flows from Operating Activities

Cash provided by operating activities increased to \$402.6 million during the six months ended June 30, 2019, from \$298.7 million in the comparable period in the prior year. Cash provided by operating activities for the six months ended June 30, 2018 was impacted by cash payments of \$60 million related to the NYDFS Consent Order, in addition to payments related to our prior business transformation initiative. Cash provided by operating activities can also be impacted by changes to our consolidated net income, in addition to fluctuations in our working capital balances, among other factors.

Financing Resources

As of June 30, 2019, we have outstanding borrowings at par value of \$3,092.9 million. The majority of these outstanding borrowings consist of unsecured fixed-rate notes and associated swaps with maturities ranging from 2020 to 2040, and our borrowings also include our floating rate term loan.

Our Revolving Credit Facility expires in January 2024 and provides for unsecured financing facilities in an aggregate amount of \$1.5 billion, including a \$250.0 million letter of credit sub-facility. Interest due under the Revolving Credit Facility is fixed for the term of each borrowing and is payable according to the terms of that borrowing. Generally, interest is calculated using a selected LIBOR rate plus an interest rate margin of 110 basis points. A facility fee is also payable quarterly at an annual rate of 15 basis points on the total facility, regardless of usage. Both the interest rate margin and facility fee percentage are based on certain of our credit ratings.

The purpose of our Revolving Credit Facility, which is diversified through a group of 19 participating institutions, is to provide general liquidity and to support our commercial paper program, which we believe enhances our short-term credit rating. The largest commitment from any single financial institution within the total committed balance of \$1.5

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billion is approximately 11%. As of June 30, 2019, we had no outstanding borrowings under our Revolving Credit Facility. If the amount available to borrow under the Revolving Credit Facility decreased, or if the Revolving Credit Facility were eliminated, the cost and availability of borrowing under the commercial paper program may be impacted.

Pursuant to our commercial paper program, we may issue unsecured commercial paper notes in an amount not to exceed \$1.5 billion outstanding at any time, reduced to the extent of borrowings outstanding on our Revolving Credit Facility. Our commercial paper borrowings may have maturities of up to 397 days from date of issuance. Interest rates for borrowings are based on market rates at the time of issuance. We had \$268.0 million of commercial paper borrowings outstanding as of June 30, 2019. During the six months ended June 30, 2019, the average commercial paper balance outstanding was \$159.2 million and the maximum balance outstanding was \$630.0 million. Proceeds from our commercial paper borrowings were used to repay portions of the May 2019 maturities of our 2019 notes of \$250.0 million and floating rate notes of \$250.0 million and were used for general corporate purposes and working capital needs.

Cash Priorities

Liquidity

Our objective is to maintain strong liquidity and a capital structure consistent with investment-grade credit ratings. We have existing cash balances, cash flows from operating activities, access to the commercial paper markets and our Revolving Credit Facility available to support the needs of our business.

Capital Expenditures

The total aggregate amount paid for contract costs, purchases of property and equipment and purchased and developed software was \$75.0 million and \$90.5 million for the six months ended June 30, 2019 and 2018, respectively. Amounts paid for new and renewed agent contracts vary depending on the terms of existing contracts as well as the timing of new and renewed contract signings.

Share Repurchases and Dividends

During the six months ended June 30, 2019 and 2018, 17.9 million and 12.3 million shares were repurchased for \$335.5 million and \$250.0 million, respectively, excluding commissions, at an average cost of \$18.73 and \$20.34, respectively. As of June 30, 2019, \$208.8 million and \$1.0 billion remained available under the share repurchase authorizations approved by our Board of Directors through December 31, 2019 and December 31, 2021, respectively.

Our Board of Directors declared quarterly cash dividends of \$0.20 per common share in the first and second quarters of 2019, representing \$172.9 million in total dividends.

On July 18, 2019, our Board of Directors declared a quarterly cash dividend of \$0.20 per common share payable on September 30, 2019.

Debt Service Requirements

Our 2019 and future debt service requirements will include payments on all outstanding indebtedness, including any borrowings under our commercial paper program. In May 2019, our 2019 notes of \$250.0 million and floating rate notes of \$250.0 million matured. We funded these maturities using proceeds from the Speedpay divestiture, commercial paper, and cash, including cash generated from operating activities.

2017 United States Federal Tax Liability

As previously discussed, the Tax Act imposed a tax on certain of our previously undistributed foreign earnings. This tax charge, combined with our other 2017 United States taxable income and tax attributes, resulted in a 2017 United States federal tax liability of approximately \$800 million, which we have elected to pay in periodic installments through 2025. Under the terms of the law, we are required to pay the remaining installment payments as summarized in Part II, Item 7,

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“Management’s Discussion and Analysis of Financial Condition and Results of Operations - Contractual Obligations” in our Annual Report on Form 10-K for the year ended December 31, 2018. These payments have affected and will continue to adversely affect our cash flows and liquidity and may adversely affect future share repurchases.

Our ability to grow the business, make investments in our business, make acquisitions, return capital to shareholders, including through dividends and share repurchases, and service our debt and tax obligations will depend on our ability to continue to generate excess operating cash through our operating subsidiaries and to continue to receive dividends from those operating subsidiaries, our ability to obtain adequate financing and our ability to identify acquisitions that align with our long-term strategy.

Off-Balance Sheet Arrangements

We have no material off-balance sheet arrangements that have or are reasonably likely to have a material current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Other Commercial Commitments

We had approximately \$310 million in outstanding letters of credit and bank guarantees as of June 30, 2019 that are primarily held in connection with safeguarding consumer funds, lease arrangements, and certain agent agreements. The letters of credit and bank guarantees have expiration dates through 2024, with many having a one-year renewal option. We expect to renew the letters of credit and bank guarantees prior to expiration in most circumstances. These letters of credit and bank guarantees exclude guarantees that we may provide as part of our legal matters described in Part I, Item 1, *Financial Statements*, Note 7, "Commitments and Contingencies."

As of June 30, 2019, our total amount of unrecognized income tax benefits was \$324.1 million, including associated interest and penalties. The timing of related cash payments for substantially all of these liabilities is inherently uncertain because the ultimate amount and timing of such liabilities are affected by factors which are variable and outside our control.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts and disclosures in the financial statements and accompanying notes. Actual results could differ from those estimates. Our Critical Accounting Policies and Estimates disclosed in "Management’s Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Policies and Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2018, for which there were no material changes, included:

- Income taxes, including income tax contingencies
- Derivative financial instruments
- Other intangible assets
- Goodwill
- Legal contingencies

In our Annual Report on Form 10-K, we disclosed that the fair value of the Business Solutions reporting unit was sensitive to changes in projections for revenue growth rates and EBITDA margins, quantified the decrease in the projected revenue growth rate that would result in the fair value of the reporting unit approximating its carrying value, and described key factors impacting our ability to achieve the projected revenue growth and EBITDA margins. The reporting unit's fair value continues to be sensitive to changes in projected revenue growth rates and EBITDA margins, which are impacted by these same factors. As of June 30, 2019, the Business Solutions reporting unit had goodwill of \$532 million.

Recent Accounting Pronouncements

Refer to Part I, Item 1, *Financial Statements*, Note 1, “Business and Basis of Presentation” for further discussion.

Risk Management

We are exposed to market risks arising from changes in market rates and prices, including changes in foreign currency exchange rates and interest rates and credit risk related to our agents and customers. A risk management program is in place to manage these risks.

Foreign Currency Exchange Rates

We provide our services primarily through a network of agent locations in more than 200 countries and territories. We manage foreign exchange risk through the structure of the business and an active risk management process. We currently settle with the substantial majority of our agents in United States dollars, euros, or Mexican pesos, requiring those agents to obtain local currency to pay recipients, and we generally do not rely on international currency markets to obtain and pay illiquid currencies. However, in certain circumstances, we settle in other currencies. The foreign currency exposure that does exist is limited by the fact that the majority of transactions are paid by the next day after they are initiated. To mitigate this risk further, we enter into short duration foreign currency forward contracts, generally with maturities from a few days up to one month, to offset foreign exchange rate fluctuations between transaction initiation and settlement. We also have exposure to certain foreign currency denominated cash and other asset and liability positions and may utilize foreign currency forward contracts, typically with maturities of less than one year at inception, to offset foreign exchange rate fluctuations on these positions. In certain consumer money transfer, bill payment and Business Solutions transactions involving different send and receive currencies, we generate revenue based on the difference between the exchange rate set by us to the consumer or business and the rate available in the wholesale foreign exchange market, helping to provide protection against currency fluctuations. We attempt to promptly buy and sell foreign currencies as necessary to cover our net payables and receivables which are denominated in foreign currencies.

We use longer-term foreign currency forward contracts to help mitigate risks associated with changes in foreign currency exchange rates on revenues denominated primarily in the euro, and to a lesser degree the Canadian dollar, British pound, and other currencies. We use contracts with maturities of up to 36 months at inception to mitigate some of the impact that changes in foreign currency exchange rates could have on forecasted revenues, with a targeted weighted-average maturity of approximately one year. We believe the use of longer-term foreign currency forward contracts provides predictability of future cash flows from our international operations.

We have bill payment, money transfer, and other operations in Argentina, which together represented less than 5% of our total consolidated revenues for both the three and six months ended June 30, 2019 and 2018. The strengthening of the United States dollar against the Argentine peso has had adverse impacts on our historical results of operations and cash flows, as our Argentine peso-denominated revenue and operating income have been reduced when translated into United States dollars for inclusion in our financial statements. Additionally, beginning in the third quarter of 2018, we reflected the impact of all changes in the value of the Argentine peso on our monetary assets and liabilities in net income, given Argentina’s status as a highly inflationary economy. Prior to the third quarter of 2018, changes in the Argentine peso exchange rate were reflected in net income for our money transfer operations, whereas these effects were reflected in other comprehensive income for our bill payment operations. This designation did not have a material impact on our financial position and results of operations during the three and six months ended June 30, 2019. To mitigate the risks associated with fluctuations in the value of the Argentine peso, we manage our working capital balances to have minimal net monetary assets denominated in the Argentine peso. Furthermore, the impact on our results of operations from potential declines in the value of Argentine peso may be limited because of fee increases we implement that correspond to inflation in Argentina.

We have additional foreign exchange risk and associated foreign exchange risk management requirements due to the nature of our Business Solutions business. The majority of this business’ revenue is from exchanges of currency at spot rates, which enable customers to make cross-currency payments. In certain countries, this business also writes foreign currency forward and option contracts for our customers to facilitate future payments. The duration of these derivative

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contracts at inception is generally less than one year. Business Solutions aggregates its foreign exchange exposures arising from customer contracts, including the derivative contracts described above, and hedges the resulting net currency risks by entering into offsetting contracts with established financial institution counterparties.

As of December 31, 2018, a hypothetical uniform 10% strengthening or weakening in the value of the United States dollar relative to all other currencies in which our net income is generated would have resulted in a decrease/increase to pre-tax annual income of approximately \$30 million based on our 2019 forecast of unhedged exposure to foreign currency at that date. As of June 30, 2019, the exposure for the next twelve months is not materially different based on our forecast of unhedged exposure to foreign currency. There are inherent limitations in this sensitivity analysis, primarily due to the following assumptions: (a) that foreign exchange rate movements are linear and instantaneous, (b) that fixed exchange rates between certain currency pairs are retained, (c) that the unhedged exposure is static, and (d) that we would not hedge any additional exposure. As a result, the analysis is unable to reflect the potential effects of more complex market changes that could arise, which may positively or negatively affect income.

Interest Rates

We invest in several types of interest-bearing assets, with a total value as of June 30, 2019 of approximately \$2.5 billion. Approximately \$1.4 billion of these assets bear interest at floating rates and are therefore sensitive to changes in interest rates. These assets primarily include cash in banks, money market instruments, and state and municipal variable rate securities and are included in our Condensed Consolidated Balance Sheets within "Cash and cash equivalents" and "Settlement assets." To the extent these assets are held in connection with money transfers and other related payment services awaiting redemption, they are classified as "Settlement assets." Earnings on these investments will increase and decrease with changes in the underlying short-term interest rates.

The remainder of our interest-bearing assets primarily consists of highly-rated state and municipal debt securities which are fixed rate term notes. These investments may include investments made from cash received from our money order services, money transfer business, and other related payment services awaiting redemption classified within "Settlement assets" in the Condensed Consolidated Balance Sheets. As interest rates rise, the fair value of these fixed-rate interest-bearing securities will decrease; conversely, a decrease to interest rates would result in an increase to the fair values of the securities. We have classified these investments as available-for-sale within "Settlement assets" in the Condensed Consolidated Balance Sheets, and accordingly, recorded these instruments at their fair value with the net unrealized gains and losses, net of the applicable deferred income tax effect, being added to or deducted from our "Total stockholders' equity/(deficit)" on our Condensed Consolidated Balance Sheets.

As of June 30, 2019, we had a total of approximately \$1.1 billion of borrowings, not including commercial paper, that are subject to floating interest rates. A total of \$175.0 million of our fixed-rate borrowings at par value are effectively floating rate debt through interest rate swap agreements, changing this fixed-rate debt to LIBOR-based floating rate debt, with weighted-average spreads of approximately 325 basis points above LIBOR. Additionally, interest on \$950 million borrowed under our Term Loan Facility is calculated using a selected LIBOR rate plus an interest rate margin of 125 basis points. Borrowings of \$268.0 million under our commercial paper program mature in such a short period that the financing is also effectively floating rate.

We review our overall exposure to floating and fixed rates by evaluating our net asset or liability position in each, also considering the duration of the individual positions. We manage this mix of fixed versus floating exposure in an attempt to minimize risk, reduce costs and improve returns. Our exposure to interest rates can be modified by changing the mix of our interest-bearing assets as well as adjusting the mix of fixed versus floating rate debt. The latter is accomplished primarily through the use of interest rate swaps and the decision regarding terms of any new debt issuances (i.e., fixed versus floating). We use interest rate swaps designated as hedges to vary the percentage of fixed to floating rate debt, subject to market conditions. As of June 30, 2019, our weighted-average effective rate on total borrowings was approximately 4.5%. For further detail on our variable rate borrowings, see risk factor "*We have substantial debt and other obligations that could restrict our operations*" in Part I, Item 1A, *Risk Factors* in our Annual Report on Form 10-K for the year ended December 31, 2018.

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A hypothetical 100 basis point increase/decrease in interest rates would result in a decrease/increase to pre-tax income for the next twelve months of approximately \$14 million based on borrowings, net of the impact of hedges, on June 30, 2019 that are sensitive to interest rate fluctuations. The same 100 basis point increase/decrease in interest rates, if applied to our cash and investment balances on June 30, 2019 that are sensitive to interest rate fluctuations, would result in an offsetting increase/decrease to pre-tax income for the next twelve months of approximately \$14 million. There are inherent limitations in the sensitivity analysis presented, primarily due to the assumptions that interest rate changes would be instantaneous and consistent across all geographies in which our interest-bearing assets are held and our liabilities are payable. As a result, the analysis is unable to reflect the potential effects of more complex market changes, including changes in credit risk regarding our investments, which may positively or negatively affect income. In addition, the mix of fixed versus floating rate debt and investments and the level of assets and liabilities will change over time, including the impact from commercial paper borrowings that may be outstanding in future periods.

Credit Risk

To manage our exposures to credit risk with respect to investment securities, money market fund investments, derivatives and other credit risk exposures resulting from our relationships with banks and financial institutions, we regularly review investment concentrations, trading levels, credit spreads and credit ratings, and we attempt to diversify our investments among global financial institutions.

We are also exposed to credit risk related to receivable balances from agents in the money transfer, walk-in bill payment, and money order settlement process. We perform a credit review before each agent signing and conduct periodic analyses of agents and certain other parties we transact with directly. In addition, we are exposed to credit risk directly from consumer transactions, particularly through our electronic channels, where transactions are originated through means other than cash and therefore are subject to "chargebacks," insufficient funds or other collection impediments, such as fraud, which are anticipated to increase as electronic channels become a greater proportion of our money transfer business.

We are exposed to credit risk in our Business Solutions business relating to: (a) derivatives written by us, primarily to our customers and (b) the extension of trade credit when transactions are paid to recipients prior to our receiving cleared funds from the sending customers. For the derivatives, the duration of these contracts at inception is generally less than one year. The credit risk associated with our derivative contracts increases when foreign currency exchange rates move against our customers, possibly impacting their ability to honor their obligations to deliver currency to us or to maintain appropriate collateral with us. For those receivables where we have offered trade credit, collection ordinarily occurs within a few days. To mitigate the risk associated with potential customer defaults, we perform credit reviews of the customer on an ongoing basis, and, for our derivatives, we may require certain customers to post or increase collateral.

Our losses associated with bad debts have been approximately 1% of our consolidated revenues in all periods presented.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information under the caption "Risk Management" in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Item 2 of Part I of this report is incorporated herein by reference.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of the Principal Executive Officer and Principal Financial Officer, has evaluated the effectiveness of our controls and procedures related to our reporting and disclosure obligations as of June 30, 2019, which is the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that, as of June 30, 2019, the disclosure controls and procedures were effective to ensure that information required to be disclosed by us, including our consolidated subsidiaries, in the reports we file or submit under the Exchange Act, is recorded, processed, summarized and reported, as applicable, within the time periods specified in the rules and forms of the Securities and Exchange

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Commission, and are designed to ensure that information required to be disclosed by us in the reports that we file or submit is accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during the fiscal quarter covered by this Quarterly Report on Form 10-Q that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Review Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders of The Western Union Company

Results of Review of Interim Financial Statements

We have reviewed the condensed consolidated balance sheet of The Western Union Company (the Company) as of June 30, 2019, the related condensed consolidated statements of income, comprehensive income, and stockholders' equity/(deficit) for the three-month and six-month periods ended June 30, 2019 and 2018, the condensed consolidated statements of cash flows for the six-month periods ended June 30, 2019 and 2018, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2018, the related consolidated statements of income/(loss), comprehensive income/(loss), cash flows, and stockholders' equity/(deficit) for the year then ended, and the related notes and schedule (not presented herein); and in our report dated February 21, 2019, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Denver, Colorado
August 1, 2019

PART II

OTHER INFORMATION

Item 1. Legal Proceedings

Shareholder Derivative Actions

On January 13, 2014, Natalie Gordon served the Company with a Verified Shareholder Derivative Complaint and Jury Demand that was filed in District Court, Douglas County, Colorado naming the Company's President and Chief Executive Officer, one of its former executive officers, one of its former directors, and all but one of its current directors as individual defendants, and the Company as a nominal defendant. The complaint asserts claims for breach of fiduciary duty and gross mismanagement against all of the individual defendants and unjust enrichment against the President and Chief Executive Officer and the former executive officer based on allegations that between February 12, 2012 to October 30, 2012, the individual defendants made or caused the Company to issue false and misleading statements or failed to make adequate disclosures regarding the effects of a settlement agreement signed on February 11, 2010 between Western Union Financial Services, Inc. ("WUFSI") and the State of Arizona regarding WUFSI's anti-money laundering ("AML") compliance programs along the United States and Mexico border ("Southwest Border Agreement"), including regarding the anticipated costs of compliance with the Southwest Border Agreement, potential effects on business operations, and Company projections. Plaintiff also alleges that the individual defendants caused or allowed the Company to lack requisite internal controls, caused or allowed financial statements to be misstated, and caused the Company to be subject to the costs, expenses and liabilities associated with City of Taylor Police and Fire Retirement System v. The Western Union Company, et al. a lawsuit that was subsequently renamed and dismissed. Plaintiff further alleges that the Company's President and Chief Executive Officer and the former executive officer received excessive compensation based on the allegedly inaccurate financial statements. On March 12, 2014, the Court entered an order granting the parties' joint motion to stay proceedings in the case during the pendency of certain of the shareholder derivative actions described below. On February 13, 2019, the case was administratively closed, although the Court indicated that a motion could be filed to re-open the matter.

In 2014, Stanley Lieblein, R. Andre Klein, City of Cambridge Retirement System, Mayar Fund Ltd, Louisiana Municipal Police Employees' Retirement System, MARTA/ATU Local 732 Employees Retirement Plan, and The Police Retirement System of St. Louis filed shareholder derivative complaints in the United States District Court for the District of Colorado (or were removed to the United States District Court for the District of Colorado) naming the Company's President and Chief Executive Officer and certain current and former directors and a former executive officer as individual defendants, and the Company as a nominal defendant. On January 5, 2015, the court entered an order consolidating the actions and appointing City of Cambridge Retirement System and MARTA/ATU Local 732 Employees Retirement Plan as co-lead plaintiffs. On February 4, 2015, co-lead plaintiffs filed a verified consolidated shareholder derivative complaint naming the Company's President and Chief Executive Officer and nine current or former executive officers and directors as individual defendants, and the Company as a nominal defendant. The consolidated complaint asserts separate claims for breach of fiduciary duty against the director defendants and the officer defendants, claims against all of the individual defendants for violations of section 14(a) of the Securities Exchange Act of 1934 ("Exchange Act"), corporate waste and unjust enrichment, and a claim against the former executive officer for breach of fiduciary duties for insider selling and misappropriation of information. The breach of fiduciary duty claim against the director defendants includes allegations that they declined to implement an effective AML compliance system after receiving numerous red flags indicating prolonged willful illegality, obstructed the efforts of the monitor assigned to the Company pursuant to the Southwest Border Agreement to impose effective compliance systems on the Company, failed to take action in response to alleged Western Union management efforts to undermine the monitor, reappointed the same directors to the Audit Committee and Corporate Governance and Public Policy Committees constituting a majority of those committees between 2006 and 2014, appointed a majority of directors to the Compliance Committee who were directly involved in overseeing the alleged misconduct as members of the Audit Committee and the Corporate Governance and Public Policy Committee, caused the Company to materially breach the Southwest Border Agreement, caused the Company to repurchase its stock at artificially inflated prices, awarded the Company's senior executives excessive compensation despite their responsibility for the Company's alleged willful non-compliance with state and federal AML laws, and failed to prevent the former executive officer from misappropriating and profiting from nonpublic information when making allegedly unlawful stock sales. The

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breach of fiduciary duty claim against the officer defendants includes allegations that they caused the Company and allowed its agents to ignore the recording and reporting requirements of the United States Bank Secrecy Act and parallel AML laws and regulations for a prolonged period of time, authorized and implemented AML policies and practices that they knew or should have known to be inadequate, caused the Company to fail to comply with the Southwest Border Agreement and refused to implement and maintain adequate internal controls.

The claim for violations of section 14(a) of the Exchange Act includes allegations that the individual defendants caused the Company to issue proxy statements in 2012, 2013 and 2014 containing materially incomplete and inaccurate disclosures - in particular, by failing to disclose the extent to which the Company's financial results depended on the non-compliance with AML requirements, the Board's awareness of the regulatory and criminal enforcement actions in real time pursuant to the 2003 Consent Agreement with the California Department of Financial Institutions and that the directors were not curing violations and preventing misconduct, the extent to which the Board considered the flood of increasingly severe red flags in their determination to re-nominate certain directors to the Audit Committee between 2006 and 2010, and the extent to which the Board considered ongoing regulatory and criminal investigations in awarding multi-million dollar compensation packages to senior executives. The corporate waste claim includes allegations that the individual defendants paid or approved the payment of undeserved executive and director compensation based on the illegal conduct alleged in the consolidated complaint, which exposed the Company to civil liabilities and fines. The corporate waste claim also includes allegations that the individual defendants made improper statements and omissions, which forced the Company to expend resources in defending itself in City of Taylor Police and Fire Retirement System v. The Western Union Company, et al., a lawsuit that was subsequently renamed and dismissed, authorized the repurchase of over \$1.565 billion of the Company's stock at prices they knew or recklessly were aware, were artificially inflated, failed to maintain sufficient internal controls over the Company's marketing and sales process, failed to consider the interests of the Company and its shareholders, and failed to conduct the proper supervision. The claim for unjust enrichment includes allegations that the individual defendants derived compensation, fees and other benefits from the Company and were otherwise unjustly enriched by their wrongful acts and omissions in managing the Company. The claim for breach of fiduciary duties for insider selling and misappropriation of information includes allegations that the former executive sold Company stock while knowing material, nonpublic information that would have significantly reduced the market price of the stock. On March 16, 2015, the defendants filed a motion to dismiss the consolidated complaint. On March 31, 2016, the Court entered an order granting the defendants' collective motion to dismiss without prejudice, denying as moot a separate motion to dismiss that was filed by the former executive officer, and staying the order for 30 days, within which plaintiffs could file an amended complaint that cured the defects noted in the order. On May 2, 2016, co-lead plaintiffs filed a verified amended consolidated shareholder derivative complaint naming the Company's President and Chief Executive Officer, six of its current directors (including the Company's President and Chief Executive Officer, who also serves as a director) and three of its former directors as individual defendants, and the Company as a nominal defendant. The amended complaint, among other things, drops the claims against the former executive officer named in the prior complaint, realleges and narrows the breach of fiduciary duty claims, and drops the remaining claims. On June 15, 2016, defendants filed a motion to dismiss the amended consolidated shareholder derivative complaint. On August 1, 2016, plaintiffs filed an opposition to the motion to dismiss. On September 1, 2016, defendants filed a reply brief in support of the motion to dismiss. On February 24, 2017, plaintiffs filed a motion to supplement the amended complaint with allegations relating to the Deferred Prosecution Agreement (the "DPA"), the criminal information filed in the United States District Court for the Middle District of Pennsylvania, and the United States Federal Trade Commission's ("FTC") January 19, 2017 Complaint for Permanent Injunctive and Other Equitable Relief and the Consent Order referenced in the *United States Department of Justice, Federal Trade Commission, Financial Crimes Enforcement Network, and State Attorneys General Settlements* section in Part I, Item 1, *Financial Statements*, Note 7, "Commitments and Contingencies." The same day, the Court granted plaintiffs' request to supplement the complaint, ordered them to file a second amended complaint, denied without prejudice defendants' motion to dismiss and granted defendants leave to renew the motion to dismiss. On March 17, 2017, plaintiffs filed a second amended derivative complaint. On September 29, 2017, the Court granted defendants' motion to dismiss the second amended derivative complaint. On December 19, 2017, plaintiffs filed an appeal brief in the United States Court of Appeals for the Tenth Circuit, seeking reversal of the dismissal, to which the Company filed an opposition on February 20, 2018. Plaintiffs filed a reply brief on March 30, 2018. On April 16, 2019, the United States Court of Appeals for the Tenth Circuit affirmed the dismissal of the second amended derivative complaint.

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Due to the stages of the actions described above under "Shareholder Derivative Actions," the Company is unable to predict the outcome, or reasonably estimate the possible loss or range of loss, if any, which could be associated with these actions. The Company and the named individuals intend to vigorously defend themselves in all of these matters.

Other Matters

On March 12, 2014, Jason Douglas filed a purported class action complaint in the United States District Court for the Northern District of Illinois asserting a claim under the Telephone Consumer Protection Act, 47 U.S.C. § 227, et seq., based on allegations that since 2009, the Company has sent text messages to class members' wireless telephones without their consent. During the first quarter of 2015, the Company's insurance carrier and the plaintiff reached an agreement to create an \$8.5 million settlement fund that will be used to pay all class member claims, class counsel's fees and the costs of administering the settlement. The agreement has been signed by the parties and, on November 10, 2015, the Court granted preliminary approval to the settlement. On January 9, 2018, plaintiff filed a motion requesting decisions on its pending motion to approve the settlement and motion for attorneys' fees, costs, and incentive award. On August 31, 2018, the Court issued an order approving the settlement, in which the Court modified the class definition slightly and ordered the parties to provide additional notice to the class. The Company accrued an amount equal to the retention under its insurance policy in previous quarters and believes that any amounts in excess of this accrual will be covered by the insurer. However, if the Company's insurer is unable to or refuses to satisfy its obligations under the policy or the parties are unable to reach a definitive agreement or otherwise agree on a resolution, the Company's financial condition, results of operations, and cash flows could be adversely impacted. As the parties have reached an agreement in this matter, the Company believes that the potential for additional loss in excess of amounts already accrued is remote.

In October 2015, Consumidores Financieros Asociación Civil para su Defensa, an Argentinian consumer association, filed a purported class action lawsuit in Argentina's National Commercial Court No. 19 against the Company's subsidiary Western Union Financial Services Argentina S.R.L. ("WUFSA"). The lawsuit alleges, among other things, that WUFSA's fees for money transfers sent from Argentina are excessive and that WUFSA does not provide consumers with adequate information about foreign exchange rates. The plaintiff is seeking, among other things, an order requiring WUFSA to reimburse consumers for the fees they paid and the foreign exchange revenue associated with money transfers sent from Argentina, plus punitive damages. The complaint does not specify a monetary value of the claim or a time period. In November 2015, the Court declared the complaint formally admissible as a class action. The notice of claim was served on WUFSA in May 2016, and in June 2016 WUFSA filed a response to the claim and moved to dismiss it on statute of limitations and standing grounds. In April 2017, the Court deferred ruling on the motion until later in the proceedings. The process for notifying potential class members has been completed and the case is currently in the evidentiary stage. Due to the stage of this matter, the Company is unable to predict the outcome or the possible loss or range of loss, if any, associated with this matter. WUFSA intends to defend itself vigorously.

On February 22, 2017, the Company, its President and Chief Executive Officer, its Chief Financial Officer, and a former executive officer of the Company were named as defendants in two purported class action lawsuits, both of which asserted claims under section 10(b) of the Exchange Act and Securities and Exchange Commission rule 10b-5 and section 20(a) of the Exchange Act. On May 3, 2017, the two cases were consolidated by the United States District Court for the District of Colorado under the caption Lawrence Henry Smallen and Laura Anne Smallen Revocable Living Trust et al. v. The Western Union Company et al., Civil Action No. 1:17-cv-00474-KLM (D. Colo.). On September 6, 2017, the Court appointed Lawrence Henry Smallen and Laura Anne Smallen Revocable Living Trust as the lead plaintiff. On November 6, 2017, the plaintiffs filed a consolidated amended complaint ("Amended Complaint") that, among other things, added two other former executive officers as defendants, one of whom subsequently was voluntarily dismissed by the plaintiffs. The Amended Complaint asserts claims under section 10(b) of the Exchange Act and Securities and Exchange Commission rule 10b-5 and section 20(a) of the Exchange Act, and alleges that, during the purported class period of February 24, 2012, through May 2, 2017, the defendants made false or misleading statements or failed to disclose purported adverse material facts regarding, among other things, the Company's compliance with AML and anti-fraud regulations, the status and likely outcome of certain governmental investigations targeting the Company, the reasons behind the Company's decisions to make certain regulatory enhancements, and the Company's premium pricing. The defendants filed a motion to dismiss the complaint on January 16, 2018, and on March 27, 2019, the Court dismissed the action in its entirety with prejudice and entered final judgment in the defendants' favor on March 28, 2019. On April 26, 2019, plaintiffs filed a notice of appeal to the U.S. Court of Appeals for the Tenth Circuit. On June 24, 2019, plaintiffs filed their opening brief on appeal. Plaintiffs

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did not appeal the dismissal of one former executive officer and only appealed the district court's conclusion that the remaining defendants did not make statements concerning the Company's compliance programs with requisite intent. Due to the stage of this matter, the Company is unable to predict the outcome, or the possible loss or range of loss, if any, which could be associated with it. The Company and the individual defendants intend to vigorously defend themselves in this matter.

On February 13, 2017, the Company's subsidiary, Western Union Payment Services Ireland Limited ("WUPSIL"), was served with a writ of accusation from the National Court of Spain. The writ charges 98 former Western Union money transfer agents or agent representatives with fraud and money laundering in connection with consumer fraud scams they allegedly perpetrated using Western Union money transfer transactions. The writ also names WUPSIL as a civil defendant, allegedly responsible under Spanish law to pay any portion of the alleged amount in victim losses that cannot be repaid by any of the criminal defendants who are convicted. In accordance with Spanish law, on January 4, 2018, the Company, through its subsidiary Western Union International Limited, provided a corporate guaranty in an amount of approximately €23 million to cover any liability that could theoretically attach to WUPSIL. Due to the preliminary stage of this matter, the Company is unable to predict the outcome, or the amount of loss, if any, associated with this matter.

On April 26, 2018, the Company, its WUFSI subsidiary, its President and Chief Executive Officer, and various "Doe Defendants" (purportedly including Western Union officers, directors, and agents) were named as defendants in a purported class action lawsuit asserting claims for alleged violations of civil Racketeer Influenced and Corrupt Organizations Act and the Colorado Organized Crime Act, civil theft, negligence, unjust enrichment, and conversion under the caption Frazier et al. v. The Western Union Company et al., Civil Action No. 1:18-cv-00998-KLM (D. Colo.). The complaint alleges that, during the purported class period of January 1, 2004 to the present, and based largely on the admissions and allegations relating to the DPA, the FTC Consent Order, and the NYDFS Consent Order, as described further in Part I, Item 1, *Financial Statements*, Note 7, "Commitments and Contingencies," the defendants engaged in a scheme to defraud customers through Western Union's money transfer system. The plaintiffs filed an amended complaint on July 17, 2018. The amended complaint is similar to the original complaint, although it adds additional named plaintiffs and additional counts, including claims on behalf of putative California, Florida, Georgia, Illinois, and New Jersey subclasses for alleged violations of the California Unfair Competition Law, the Florida Deceptive and Unfair Trade Practices Act, the Georgia Fair Business Practices Act, the Illinois Consumer Fraud and Deceptive Business Practices Act, and the New Jersey Consumer Fraud Act. On August 28, 2018, the Company and the other defendants moved to stay the action in favor of individual arbitrations with the named plaintiffs, which defendants contend are contractually required. On March 27, 2019, the Court granted that motion and stayed the action pending individual arbitrations with the named plaintiffs. To date, no such individual arbitration requests have been filed. Due to the stage of the matter, the Company is unable to predict the outcome, or the possible loss or range of loss, if any, which could be associated with it. The Company and the other defendants intend to vigorously defend themselves in this matter.

In addition to the principal matters described above and the matters described in Part I, Item 1, *Financial Statements*, Note 7, "Commitments and Contingencies," the Company is a party to a variety of other legal matters that arise in the normal course of the Company's business. While the results of these other legal matters cannot be predicted with certainty, management believes that the final outcome of these matters will not have a material adverse effect either individually or in the aggregate on the Company's financial condition, results of operations, or cash flows.

Item 1A. Risk Factors

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth stock repurchases for each of the three months of the quarter ended June 30, 2019:

| Period | Total Number of Shares Purchased* | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs** | Remaining Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (In millions) |
|--------------|-----------------------------------|------------------------------|--|--|
| April 1 - 30 | 2,174,425 | \$ 19.22 | 2,168,390 | \$ 1,327.6 |
| May 1 - 31 | 3,056,748 | \$ 19.35 | 3,041,370 | \$ 1,268.7 |
| June 1 - 30 | 3,016,679 | \$ 19.90 | 3,011,964 | \$ 1,208.8 |
| Total | 8,247,852 | \$ 19.52 | 8,221,724 | |

* These amounts represent both shares authorized by the Board of Directors for repurchase under a publicly announced authorization, as described below, as well as shares withheld from employees to cover tax withholding obligations on restricted stock units that have vested.

** On February 9, 2017, the Board of Directors authorized \$1.2 billion of common stock repurchases through December 31, 2019, of which \$208.8 million remained available as of June 30, 2019. On February 28, 2019, the Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2021, all of which remained available as of June 30, 2019. In certain instances, management has historically and may continue to establish prearranged written plans pursuant to Rule 10b5-1. A Rule 10b5-1 plan permits us to repurchase shares at times when we may otherwise be unable to do so, provided the plan is adopted when we are not aware of material non-public information.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

On August 1, 2019, the Company's Board of Directors approved an overall plan to change the Company's operating model and improve its business processes and cost structure by reducing its headcount and consolidating various facilities. The plan is subject to complying with and undertaking the necessary individual and collective employee information and consultation obligations as may be required by local law for potentially affected employees. If implemented as currently planned, the Company expects to incur approximately \$150 million of total expenses in 2019 and 2020, with approximately \$110 million related to severance and employee-related benefits and approximately \$40 million related to costs associated with the relocation of various operations to other Company facilities, costs related to facility closures, including lease terminations, consulting, and other expenses. Substantially all of these expenses are expected to be paid in cash. The foregoing figures are the Company's estimates and are subject to change as the plan is implemented.

While these expenses are specific to this initiative, the types of expenses related to this initiative are similar to expenses that the Company has previously incurred and can reasonably be expected to incur in the future.

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Item 6. Exhibits

See "Exhibit Index" for documents filed or furnished herewith and incorporated herein by reference.

EXHIBIT INDEX

| Exhibit Number | Description |
|-----------------------|--|
| 10.1 | Separation Agreement and Release dated as of July 2, 2019 between Odilon Almeida and Western Union, LLC.* |
| 10.2 | Form of Restricted Stock Unit Award Agreement for U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan.* |
| 10.3 | Form of Restricted Stock Unit Award Agreement for Non-U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan.* |
| 10.4 | Form of Financial Performance-Based Restricted Stock Unit Award Agreement for U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan.* |
| 10.5 | Form of Financial Performance-Based Restricted Stock Unit Award Agreement for Non-U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan.* |
| 15 | Letter from Ernst & Young LLP Regarding Unaudited Interim Financial Information |
| 31.1 | Certification of Chief Executive Officer of The Western Union Company Pursuant to Rule 13a14(a) under the Securities Exchange Act of 1934 |
| 31.2 | Certification of Chief Financial Officer of The Western Union Company Pursuant to Rule 13a14(a) under the Securities Exchange Act of 1934 |
| 32 | Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code |
| 101.INS | XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |

* Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 6 of this report.

SEPARATION AGREEMENT AND RELEASE

This is a Separation Agreement and Release (“Agreement”) between Odilon Almeida (“Executive”) and Western Union, LLC (“Company”), an Affiliate of The Western Union Company (“Western Union”), whereby Executive’s employment will be terminated effective September 30, 2019 (“Termination Date”) due to an eligible reason under The Western Union Company Severance / Change in Control Policy (Executive Committee Level) (“Severance Policy”).

For purposes of this Agreement, “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, another Person. As used herein, “control” means the power to direct the management or affairs of a Person, and “ownership” means the beneficial ownership of at least 10% of the voting securities of the Person. The Company and/or Western Union will be deemed to control any settlement network in which it has any equity ownership. As used herein, “Person” means any corporation, limited or general partnership, limited liability company, joint venture, association, organization or other entity.

1. **Payments and Benefits.** In consideration for Executive’s execution of this Agreement and the Supplemental Release attached as Exhibit A hereto (which is incorporated herein by reference), and his compliance with other obligations under this Agreement, including, but not limited to, any non-compete obligation, but subject to the terms of the paragraph in this Agreement titled “Consideration and Remedies” and the terms of the paragraph titled “Release of Age Discrimination Claims,” the Company agrees to provide to Executive the following payments and benefits, consistent with and subject to the terms of the Severance Policy.

- (a) **Transition Period.** The period beginning on the date this Agreement is executed through the Termination Date will serve as a notice period (“Transition Period”). During the Transition Period until June 30, 2019, Executive will continue to perform Executive’s regular job duties as Executive Vice President, President - Global Money Transfer for Western Union. Effective June 30, 2019, Executive will no longer serve as Executive Vice President, President - Global Money Transfer, but will continue to be employed by the Company in a senior advisory capacity and will be available as needed for questions and consultation at the direction of Western Union’s Chief Executive Officer through and including the Termination Date. It is expected that during the Transition Period, Executive will continue to provide services in excess of twenty percent (20%) of the average level of services Executive provided during the prior thirty-six months and, therefore, will not have a separation from service for Internal Revenue Code Section 409A purposes until the Termination Date. Subject to paragraph 3 of this Agreement, during the Transition Period, Executive will continue to receive Executive’s regular base salary as in effect on the date this Agreement is executed, paid in regular installments on the 15th and last business day of each month, and will continue to be eligible to participate in Western Union’s U.S. employee benefit plans and programs applicable to similarly situated employees, subject to the terms of such plans and programs.
 - (b) **Settlement Payment.** Executive will receive a one-time settlement payment in the amount of \$5,000, less tax withholding and other legally allowed deductions, within 10 business days of Executive’s execution of this Agreement. The treatment of this payment as separate consideration offered by the Company to Executive is described
-

in the “Consideration and Remedies” paragraph of this Agreement.

- (c) Severance Pay. Executive also will receive 36 installment payments of \$54,028 less tax withholding and other legally allowed deductions, on the 15th and last business day of each month for the period commencing on October 1, 2019 and ending on March 31, 2021, up to a total gross amount of \$1,945,000. The period from the Termination Date through March 31, 2021 is the “Severance Period.”

To the extent permitted under applicable law and pursuant to the terms of the Severance Policy, Executive agrees the Company may deduct, at the time and to the extent such severance payments would have otherwise been paid, from the severance payments referenced in this subparagraph any outstanding debt Executive owes the Company, Western Union, and/or their subsidiaries or Affiliates including, but not limited to, the value of unreturned property, any overpayment made to Executive, or any other amount Executive owes to the Company, Western Union, and/or their subsidiaries or Affiliates.

- (d) Bonus for Year of Termination. Provided that the Compensation and Benefits Committee of Western Union’s Board of Directors (“Compensation Committee”) has certified that the applicable performance goals under the Western Union Senior Executive Performance Incentive Plan (“SEPIP”) have been achieved for 2019, and provided further that Executive has executed his 2019 SEPIP Award Acceptance Agreement, an amount equal to the lesser of (1) the maximum bonus which could have been paid to Executive under the SEPIP for 2019 based on actual performance for such year as determined by the Compensation Committee and (2) Executive’s prorated target bonus under the SEPIP for 2019. Any bonus payable to Executive under in this subparagraph will be paid in a lump sum cash payment at the same time that bonus payments for 2019 are paid to actively employed executives under the SEPIP.

- (e) Payment In Lieu of Continued Benefits Coverage. Subject to the terms of the applicable plan documents, and in accordance with Western Union’s policies applicable to similarly situated employees, Executive will continue to be eligible for coverage under Western Union’s medical, dental, vision, EAP, health savings account and health care flexible spending account plans (if applicable) until the last day of the month in which the Termination Date occurs. As an additional severance benefit under this Agreement, Executive will receive a lump sum payment approximately equal to the difference in cost between premiums under the Consolidated Omnibus Budget Reconciliation Act of 1986 (“COBRA”) and active employee health coverage contributions for the duration of the Severance Period, as calculated by the Company in its sole discretion. Such lump sum payment, which will constitute taxable income to Executive, will be made on or as soon as practicable after the first date on which Executive begins to receive severance payments under subparagraph (c) of this paragraph. Except as otherwise provided in this subparagraph and subparagraph (f), following the Termination Date, Executive will not be eligible to continue active participation in any other Western Union benefit plan or program, including but not limited to long-term incentive compensation, nonqualified deferred compensation, 401(k), or any other plan. Details about specific plan coverages, conversion and distribution eligibility will be provided separately. Information on electing COBRA coverage will be provided at the conclusion of active group health plan coverage.

- (f) One-Time Extension of COBRA Coverage. Not later than December 31, 2020, Executive and his covered dependents may request from the Company a one-time only 18-month extension of COBRA coverage (the “COBRA Extension”), to be effective immediately following the expiration of the covered individual’s initial 18-month COBRA coverage period (provided that Executive and/or his covered dependents remain eligible for COBRA coverage for the duration of such initial COBRA coverage period). During the COBRA Extension, Executive will be responsible for timely payment of the full COBRA premium payment cost, as well as the applicable administrative fee. The COBRA Extension period will run concurrently with any other COBRA period that would have otherwise applied, and there will be no further extension of COBRA coverage following the expiration of the COBRA Extension.
- (g) Long-Term Incentive Awards. Further information concerning Executive’s outstanding long-term incentive awards has been provided under separate cover.
- (h) Outplacement Assistance. Executive will receive executive outplacement services provided by an outplacement provider to be selected by the Company in its sole discretion, provided that such services are commenced no later than during the Severance Period. The Company must approve the type, scope and duration of the outplacement services and the Company will pay the outplacement provider directly for any such services. Any outplacement services provided to Executive will end at such time as the Company will determine in its sole discretion, but in no event later than December 31 of the second calendar year following the calendar year in which the Termination Date occurs.

2. Complete Release. In consideration of those payments and benefits listed above which are payable only under this Agreement, Executive agrees to and hereby does knowingly and voluntarily release and discharge the Company, Western Union, their respective subsidiaries, Affiliates, and insurers, each of the foregoing entities’ respective past, present and future agents, executives, directors, officers, attorneys, employees, and the predecessors and successors of each of the foregoing entities, including the subsidiaries, Affiliates, insurers, agents, executives, directors, officers, attorneys, and employees of any such predecessors and successors (the “Released Parties”), from any and all claims, causes of action and demands of any kind, whether known or unknown, which Executive has, ever has had, or ever in the future may have and which are based on acts, omissions or events occurring up to and including the date of this Agreement. Included in the release set forth in the preceding sentence, without limiting its scope, are claims arising under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Employee Retirement Income Security Act of 1974 (“ERISA”), and the Age Discrimination in Employment Act of 1967 (“ADEA”), each as amended, as well as any other federal, state or local employment or labor laws, wrongful discharge or other statutory employment law claims, as well as any claims in contract, tort, or common law, and which are related to Executive’s employment with the Company, Western Union, and/or their subsidiaries and Affiliates or the termination of that employment (the “Claims”). The term “Claims” is intended to be broad and all-encompassing and is not limited to those claims specifically cited in the foregoing sentence.

Notwithstanding the foregoing, Executive does not waive claims, causes of action or demands of any kind to enforce this Agreement; claims, causes of action or demands that may arise after the date this Agreement is executed and which are based on acts or omissions occurring after the date this

Agreement is signed; or claims, causes of action or demands which by law cannot be released by private agreement between the employer and employee, including but not limited to any claim for any accrued benefits to which Executive has a non-forfeitable right under any ERISA retirement benefit plan. Furthermore, notwithstanding the foregoing, nothing in this Agreement waives Executive's rights to indemnification in accordance with Western Union's bylaws, waives Executive's rights to directors and officers liability insurance coverage (subject to the terms of the applicable insurance policies) or waives a claim which by law cannot be waived.

The Released Parties acknowledge that, as of the date of this Agreement, the Released Parties are not aware of any claims or causes of action or demands of any kind which any of the Released Parties could assert against Executive based on Executive's acts or omissions occurring up to and including the date of this Agreement.

Except as provided in this paragraph 2 and paragraph 4 below, Executive represents that no charges, complaints or actions of any kind have been filed by him or on his behalf against any of the Released Parties with any federal, state, local or foreign court or agency, or in arbitration. Except as provided in this paragraph 2 and paragraph 4 below, Executive agrees that he will not file any charge or complaint, or initiate any action of any kind by himself or by someone else on his behalf against any of the Released Parties with any federal, state, local or foreign court or agency, or in arbitration which relates in any way to his employment with or separation from employment with any of the Released Parties.

3. Termination from Employment. Prior to the Termination Date, the employment of Executive is subject to termination by Executive, or by the Company, Western Union and their subsidiaries and Affiliates (for purposes of this paragraph 3, collectively the "Company") under the following circumstances:

- (a) Termination by Executive. Prior to the Termination Date, Executive may terminate Executive's employment at any time. In the event of such termination, the Company will have no obligation thereafter to continue to provide to Executive the payments and benefits under this Agreement and such consideration immediately will cease (except to the extent that such payments and benefits are required by law).
- (b) Termination by the Company. Prior to the Termination Date, Executive's employment may be terminated by the Company for "Cause," as defined by the Severance Policy. In the event the Company terminates Executive's employment for Cause, the Company will have no obligation thereafter to continue to provide to Executive the payments and benefits under this Agreement and such consideration immediately will cease (except to the extent that such payments and benefits are required by law). In addition, the Company will be entitled to all remedies available at law and equity.

4. No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries. Nothing in this Agreement shall prevent Executive from filing (or participating in the investigation of) a charge of employment discrimination against the Released Parties before a government agency authorized to investigate such claims. Executive and the Released Parties further acknowledge that nothing in the Agreement shall prevent the Equal Opportunity Employment Commission ("EEOC") or any other government agency from separately

enforcing Title VII of the Civil Rights Act of 1964, the ADEA, and/or any other employment law. Nothing in the Agreement shall be interpreted as restricting Executive's rights (if any) under Section 7 of the National Labor Relations Act. Executive expressly waives by this Agreement the right to recover monetary damages and any other relief personal to Executive if a charge of employment discrimination, lawsuit or action related to such matters is pursued against the Company by any person or any government agency. Executive understands, however, that this Agreement does not limit Executive's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency. This Agreement does not limit Executive's right to receive an award for information provided to any government agency.

5. Return of Company Property. Effective June 30, 2019, Executive will no longer serve as Executive Vice President, President – Global Money Transfer and will have resigned from any and all officer or director positions he holds with any Western Union Affiliate, but will continue to be employed by the Company in a senior advisory capacity and will be available as needed for questions and consultation at the direction of Western Union's Chief Executive Officer through and including the Termination Date. On or before the Termination Date or immediately after any earlier request by the Company as determined in its sole discretion, Executive will return to the Company all property within Executive's possession belonging to the Company, Western Union, and/or their subsidiaries or Affiliates, any customers of the Company, Western Union, and/or their subsidiaries or Affiliates or any entity with whom the Company, Western Union, and/or their subsidiaries or Affiliates has entered into a confidentiality agreement. Such property to be returned includes, but is not limited to, electronic files, including but not limited to any files and any copies thereof that were downloaded on a USB or other storage device or drive at any time, hard copy files, reports, maps, memoranda, notes, records, credit cards, keys, passes, customer lists, information, forms, software, formulas, plans, documents, systems, designs, methodologies, product features, technology, and other written material (whether in electronic or paper format), equipment and access codes, and copies of same that Executive has requested or received, prepared or helped to prepare in connection with Executive's employment with the Company, Western Union, and/or their subsidiaries or Affiliates. Executive will not at any time, now or thereafter, retain any copies, duplicates, reproductions or excerpts of such property. Notwithstanding the foregoing, Executive may retain his Western Union-issued Apple monitor, iPad, iPhone and laptop provided that Executive agrees to reimburse the Company for the reasonable value of such devices in an amount to be determined by the Company, and that such devices are delivered to the Company so that the Company can fully delete from such devices all information stored therein. In addition, the Company will cooperate with Executive on transferring his cell phone number and personal files, such as family and personal contacts, photographs, and personal video off his devices to him.

6. Non-Solicitation and Non-Disclosure. Executive understands that Executive is required to abide by the Non-Solicitation and Non-Disclosure Restrictions attached hereto as Exhibit B, which is incorporated herein by reference. Additionally, Executive remains bound by all other agreements related to non-competition, non-solicitation, non-disclosure, or other restrictive covenants by and between Executive and the Company and/or Western Union and/or their subsidiaries or Affiliates; in particular, Executive's 2019 Restrictive Covenant Agreement ("RCA") executed effective April 4, 2019, 2018 RCA executed effective March 26, 2018, 2017 RCA executed effective May 25, 2017, and 2016 RCA executed effective May 24, 2016. These agreements constitute a part of this Agreement and are attached hereto as Exhibit D. In the event any provision of the written and/or electronic restrictive covenant agreements conflicts with the Non-Solicitation and Non-Disclosure Restrictions in Exhibit B, the conflicting terms of the written and/or electronic restrictive covenant agreements will supersede and control any conflicting terms of the Non-Solicitation and Non-

Disclosure Restrictions. Executive's obligations under this paragraph are subject to Executive's rights as stated in the paragraph of this Agreement titled "No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries."

7. Commencing Another Position. If Executive obtains employment with the Company or its subsidiaries or Affiliates after the date this Agreement is executed and prior to the end of the Severance Period ("Subsequent Company Employment"), any and all further payments or benefits under the Agreement immediately will cease as of the date of such employment. In the event of Subsequent Company Employment, Executive specifically agrees that the offer of employment to Executive by the Company or its subsidiaries or Affiliates, and Executive's acceptance thereof, is sufficient consideration to support the release of claims contained herein, including but not limited to the ADEA Released Claims, notwithstanding the fact that payments and benefits hereunder have ceased. If Executive obtains employment during the Severance Period with an entity other than the Company, Western Union, and/or their subsidiaries or Affiliates ("Subsequent Non-Company Employment"), Executive will, subject to the provisions of this Agreement, including without limitation the paragraphs in this Agreement titled "Non-Solicitation and Non-Disclosure" and "Consideration and Remedies," continue to be eligible to receive cash payments and benefits in accordance with paragraph 1 of this Agreement. In any event, it is Executive's obligation to advise the Company of Subsequent Non-Company Employment within five (5) business days of Executive's acceptance of a job offer.

8. Cooperation. During the Severance Period and thereafter, Executive agrees to cooperate fully with the Company, Western Union and/or their Boards of Directors, subsidiaries or Affiliates, their financial and legal advisors, and/or government officials in any claims, investigations, administrative proceedings, lawsuits, and other legal, internal or business matters, as reasonably requested by the Company, Western Union, and/or their subsidiaries or Affiliates. To the extent that it is consistent with the Company's and/or Western Union's by-laws, certificate of incorporation and applicable laws, the Company and/or Western Union will cooperate with Executive for the engagement of legal counsel if necessary in connection with such cooperation, and in any event will reimburse Executive for documented, reasonable and necessary out-of-pocket travel expenses as are required and which Executive incurs in complying with Executive's obligations under this paragraph in accordance with Western Union's Global Travel and Expenses Policy. If for any reason the Company and/or Western Union determines that a conflict of interest may exist between Executive and the Company and/or Western Union, the Company and/or Western Union may require Executive to obtain separate counsel in which case the Company and/or Western Union will subsequently reimburse Executive for the reasonable and necessary legal fees associated with the use of such counsel and/or related travel expenses (as limited above), to the extent that such reimbursement is permitted by the Company's and/or Western Union's by-laws, certificate of incorporation and applicable laws. Executive understands that he is not required to cooperate with the Company with respect to any charge or litigation or any confidential investigation by a government agency in which he is a plaintiff or complaining party, or a witness for or providing support to a charging or complaining party.

9. Non-Assistance. Executive agrees that, absent compulsion of court order or lawfully-issued subpoena, notification of which will be provided to Western Union and/or their subsidiaries or Affiliates within five (5) business days after receipt, and except as provided in paragraph 4 above, Executive will not directly or indirectly assist any non-governmental third party in investigating, maintaining, proceeding upon, or litigating any claim of any kind in any forum against the Company or any of the other Released Parties.

10. Confidentiality. Executive hereby agrees to maintain the terms, conditions and existence of this Agreement in the strictest confidence and agrees not to disclose any of the terms of this Agreement unless and to the extent such disclosure is required by law or to secure advice from a legal or tax advisor or outplacement provider. This obligation extends to Executive's family members and agents, including all tax advisors, who Executive must duly notify of the confidential nature of the content of this Agreement and of their confidentiality obligations hereunder. Executive's obligations under this paragraph are subject to Executive's rights as stated in the paragraph of this Agreement titled "No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries."

11. Non-Disparagement. Executive agrees not to make any disparaging comments about the Company, Western Union, and/or their subsidiaries or Affiliates, or any of their respective directors, officers, representatives, employees, or agents in any forum including, but not limited to, any type of media including all types of social media. This includes, but is not limited to, any statements made through Facebook, LinkedIn, Twitter, etc. Following the Termination Date, Executive agrees that Executive will not represent himself as continuing to have any connection with the Company, Western Union, or their Affiliates in any manner (save as a former employee for the purposes only of communicating with prospective employers or complying with any applicable statutory requirements), and will not enter into or attempt to enter into any contract on behalf of the Company, Western Union, or their Affiliates or bind or create any legal obligations on behalf of the Company, Western Union, or their Affiliates or hold out or represent to any other party that Executive is authorized to act on behalf of the Company, Western Union, or their Affiliates in any manner.

Western Union agrees that its officers subject to Section 16 of the Securities Exchange Act of 1934 as of the date of this Agreement (which, for clarity, are Hikmet Ersek, Raj Agrawal, Jean Claude Farah, Michael Kalac, Caroline Tsai, Richard Williams and Amintore Schenkel) for so long as they serve in such capacity will not intentionally make any derogatory statements regarding, or disparage in any way, the reputation of Executive, unless such statements are required by law.

Executive's obligations under this paragraph are subject to Executive's rights as stated in the paragraph of this Agreement titled "No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries."

12. Non-Admission. Nothing in this Agreement is intended to be or will be construed as an admission by the Company or any of the other Released Parties that it violated any law, interfered with any right, breached any obligation or otherwise engaged in any improper or illegal conduct with respect to Executive or otherwise, the Released Parties expressly denying any such improper or illegal conduct.

13. Arbitration. The parties agree that any dispute arising out of or related to Executive's employment (or separation of employment) with the Company that is not subject to the paragraphs of this Agreement and of the Supplemental Release attached hereto as Exhibit A titled "Complete Release," and/or any dispute regarding the enforceability of such releases ("Claim") shall be resolved exclusively through arbitration, as described in the Arbitration Procedure set forth in Exhibit C, which is incorporated herein by reference. Executive acknowledges that the payments and other consideration described in this Agreement are sufficient for Executive's agreement to resolve any disputes through arbitration under the terms described in Exhibit C.

14. Severability and Governing Law. In the event that any provision of this Agreement is deemed unenforceable in arbitration, the parties agree that an arbitrator in accordance with the paragraph in this Agreement titled "Arbitration" and Exhibit C hereto shall have jurisdiction to reform such provision to the extent necessary to cause it to be enforceable to the maximum extent permitted by law. The provisions in this Agreement are severable, and if any provision is determined to be prohibited or unenforceable in any jurisdiction, the remaining provisions will nevertheless be binding and enforceable. This Agreement will be governed by and interpreted in accordance with the laws of the state of Florida without regard to principles of conflicts of law.

15. Other Agreements, Survivability, and Successorship. Executive acknowledges that, except as provided in this paragraph, this Agreement and its Exhibits (including the Supplemental Release attached as Exhibit A) represent the entire agreement between the Company and Executive concerning the subject matter hereof and that Executive has not relied on any other representations or statements, written or oral, by the Released Parties or their employees or agents concerning the terms of the Agreement or any other matters not contained herein. This Agreement is supplemental to, and does not supersede, any non-solicitation, non-compete, non-disclosure, confidentiality, clawback or any other electronic or written agreement that Executive may have accepted or signed while employed with the Company, Western Union, and/or their subsidiaries or Affiliates. For further clarity, nothing in this Agreement shall restrict Western Union's ability to seek recoupment from Executive of incentive compensation in accordance with the clawback policies adopted by Western Union's Board of Directors. In addition to this paragraph, the following provisions in this Agreement survive the termination of this Agreement: Complete Release; Termination from Employment; No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries; Return of Company Property; Non-Solicitation and Non-Disclosure; Commencing Another Position; Cooperation; Non-Assistance; Confidentiality; Non-Disparagement; Non-Admission; Arbitration; Severability and Governing Law; Consideration and Remedies; Code Section 409A; Notices; Release of Age Discrimination Claims; and the Supplemental Release attached as Exhibit A.

This Agreement is binding upon and inures to the benefit of any successors or assigns of the Company, Western Union, and/or their subsidiaries and Affiliates, and Executive's rights and obligations apply equally to the Company, Western Union, their subsidiaries, Affiliates, and/or their successors and assigns.

In the event of Executive's death prior to Executive's receipt of all of the sums due to Executive under paragraph 1 above, the unpaid balance of such sums will be paid to Executive's estate.

16. Consideration and Remedies.

- (a) Executive acknowledges that, in addition to this paragraph, the following provisions are material provisions of this Agreement: Complete Release; Termination from Employment; No Waiver of Right to File a Charge of Discrimination or Cooperate in Certain Governmental Inquiries; Return of Company Property; Non-Solicitation and Non-Disclosure; Commencing Another Position; Cooperation; Non-Assistance; Confidentiality; Non-Disparagement; Arbitration; Severability and Governing Law; Other Agreements, Survivability and Successorship; Code Section 409A; and Release of Age Discrimination Claims (collectively, the "Material Provisions").
- (b) Executive further acknowledges that (i) the first \$2,500 (gross) of the settlement

payment described in subparagraph (b) of the “Payments and Benefits” paragraph of this Agreement is consideration (the “ADEA Consideration”) for Executive’s release and waiver in the “Complete Release” paragraph of this Agreement of any claims, causes of action and demands of any kind arising under the Age Discrimination in Employment Act of 1967, as amended (the “ADEA Released Claims”); and (ii) the remainder of the amounts payable to Executive as payments and benefits described in the “Payments and Benefits” paragraph of this Agreement are consideration (the “Other Consideration”) for (A) Executive’s release and waiver in the “Complete Release” paragraph of this Agreement of any claims, causes of action and demands of any kind other than the ADEA Released Claims (the “Other Released Claims”); and (B) Executive’s obligations pursuant to the Material Provisions.

- (c) Except as otherwise provided in paragraph 2 and paragraph 4 of this Agreement, in the event of a breach by Executive of the Material Provisions (excluding ADEA Released Claims) or in the event Executive challenges the enforceability of this Agreement as to any of the Other Released Claims, the Company will be entitled to (i) immediately cease paying any then-unpaid Other Consideration and any other benefits under this Agreement (even if Executive has executed or later executes the Supplemental Release attached as Exhibit A), except to the extent that such payments and benefits are required, either under this paragraph or by law, (ii) have any amount or benefit received hereunder used to offset any awards against any of the Released Parties, whether issued in the United States or any other jurisdiction, and/or (iii) seek and be awarded any and all other remedies allowed at law or in equity. The Company shall also be entitled to recover attorneys’ fees and other costs incurred by the Company in obtaining any such relief.

As provided in paragraph 22 below, in the event that Executive does not execute the Supplemental Release or revokes it, Executive will only receive the \$5,000 (gross) settlement payment described in subparagraph (b) of the “Payments and Benefits” paragraph of this Agreement, \$2,500 (gross) of which will be considered the ADEA Consideration and \$2,500 (gross) of which will be considered the Other Consideration.

17. Code Section 409A. Notwithstanding any provision of this Agreement to the contrary, this Agreement will be construed, administered or deemed amended as necessary to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”) to avoid taxation under Code Section 409A(a)(1) to the extent subject to Code Section 409A. However, under no circumstances will the Company, Western Union, or their subsidiaries or Affiliates or any of their employees, officers, directors, service providers or agents have any liability to Executive for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including any taxes, penalties or interest imposed under Code Section 409A. The payments to Executive pursuant to this Agreement are intended to be exempt from Code Section 409A to the maximum extent possible, first, to the extent such payments are scheduled to be paid and are in fact paid during the short-term deferral period, as short-term deferrals pursuant to Treasury regulation §1.409A-1(b)(4), and then under the separation pay exemption pursuant to Treasury regulation §1.409A-1(b)(9)(iii), and for this purpose each payment will be considered a separate payment such that the determination of whether a payment qualifies as a short-term deferral will be made without regard to whether other payments so qualify and the determination of whether a payment qualifies under the separation pay exemption will be made without regard to any payments which qualify as short-term deferrals. To

the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term will be deemed to refer to Executive's "separation from service," within the meaning of Code Section 409A. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Code Section 409A, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment will be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death.

18. Paragraph Headings. The paragraph headings in this Agreement are for convenience of reference only and will not be deemed to alter or affect the meaning or interpretation of any provisions hereof.

19. Modification. The parties agree that no waiver, amendment or modification of any of the terms of this Agreement will be effective unless in writing and signed by all parties affected by the waiver, amendment or modification. No waiver of any term, condition or default of any term of this Agreement will be construed as a waiver of any other term, condition or default.

20. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement will be in writing and will be deemed to have been duly given if delivered personally, by email, by overnight courier service, or by registered mail, return receipt requested and postage prepaid, addressed to the respective addresses as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address will be effective only upon receipt; provided, however, that (i) notices sent by personal delivery, email or overnight courier will be deemed given when delivered; and (ii) notices sent by registered mail will be deemed given two (2) days after the date of deposit in the mail. Except where otherwise provided in this Agreement, to be effective, a notice must be delivered within five business days of the event that requires notice.

If to the Company, to:

Richard Williams
CHRO, The Western Union Company
7001 E. Belleview Ave., HQ-13
Denver, Colorado 80237
richard.williams@westernunion.com

With a copy to:

Sally Sommers
Associate General Counsel, The Western Union Company
Global Employment Labor and Benefits Law Group
7001 E. Belleview Ave., HQ-8
Denver, Colorado 80237
sally.sommers@westernunion.com

If to the Executive, to:

Odilon Almeida
[REDACTED]

With a copy to:

Jorge Zamora
Brickell World Plaza
600 Brickell Avenue, Suite 3500
Miami, FL 33131
jzamora@gunster.com

21. Counterparts. This Agreement may be executed in multiple counterparts (including by means of facsimile or e-mail) with the same effect as if all signing parties had signed the same document. All counterparts shall be construed together and constitute the same instrument. Any printed copy of this Agreement bearing the signature of a party to this Agreement that has been transmitted via facsimile or otherwise electronically and any electronic version of this Agreement bearing the signature of a party to this Agreement shall be valid as an original with a handwritten signature.

22. Supplemental Release Review Period and Revocation. To receive any payment or other consideration described in this Agreement, other than the \$5,000 (gross) settlement payment specified in subparagraph (b) of the "Payments and Benefits" paragraph of this Agreement, Executive must execute and deliver to Richard Williams within five (5) days after the Termination Date the Supplemental Release in the form of Exhibit A hereto (the "Supplemental Release") and not have revoked it by written notice given to the Company within seven (7) days of its execution and delivery.

23. Release of Age Discrimination Claims. Executive acknowledges that Executive was given a period of at least 21 calendar days to review this Agreement and the attached Exhibits A, B, C and D, which are incorporated herein by reference, from the date Executive received the Agreement and Exhibits A, B, C and D ("Review Period"). Executive agrees that to the extent there are changes made to the terms of this Agreement, whether they are material or immaterial, the 21-day period for review of this Agreement is not recommenced. If Executive signs this Agreement before the 21-day period expires, Executive does so voluntarily, waives the remainder of the 21-day period and acknowledges that the Company has not made any threats or promises to induce Executive to do so. To accept this Agreement, Executive must sign both originals and return them to Richard Williams on or before the last day of the Review Period. Executive acknowledges that the Company and Released Parties have made no promises to Executive other than those contained in this Agreement. EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE WAS ADVISED IN WRITING BY THIS AGREEMENT TO REVIEW THIS AGREEMENT WITH AN ATTORNEY BEFORE SIGNING THIS AGREEMENT. Executive is further advised that Executive has 7 calendar days after Executive signs this Agreement to revoke it by notifying the Company of such revocation in writing. In the event Executive revokes this Agreement as specified in the immediately preceding sentence, the Company will deem this Agreement to be void in its entirety, in which case neither party will be bound by its terms and no payment will be made to Executive hereunder. If Executive properly revokes this Agreement, Executive will nevertheless remain subject to any other agreements that Executive signed while employed with the Company, Western Union, and/or their subsidiaries or Affiliates as referenced

in the paragraph titled "Other Agreements, Survivability and Successorship". Nothing in this Agreement precludes Executive from filing a lawsuit to challenge the validity of this Agreement under the ADEA.

Executive's signature below indicates that Executive has carefully read, reviewed, and fully understands this Agreement and the attached Exhibit B, Exhibit C, and Exhibit D. Executive acknowledges that Executive's signature below constitutes a knowing and voluntary execution of this Agreement and Executive signs the same of Executive's own free will and it is Executive's intention to be bound thereby.

Dated this 2nd day of July, 2019.

/s/ Odilon Almeida
Odilon Almeida

Western Union, LLC

/s/ Richard Williams

By: Richard Williams

Title: CHRO

**ELECTION TO EXECUTE PRIOR TO EXPIRATION
OF 21-DAY PERIOD**

I, Odilon Almeida, understand that I have at least 21 days to consider and execute this Separation Agreement and Release. After having the opportunity to consult with counsel, however, I have freely and voluntarily elected to execute this Separation Agreement and Release prior to the expiration of the 21- day period.

July 2nd, 2019

/s/ Odilon Almeida

Date

Odilon Almeida

EXHIBIT A

SUPPLEMENTAL RELEASE

This Supplemental Release is made and entered into by and between Odilon Almeida (“Executive”) and Western Union, LLC (“Company”), an Affiliate of The Western Union Company (“Western Union”). Capitalized terms not defined in this Supplemental Release shall have the same definitions as set forth in the Separation Agreement and Release by and between Executive and the Company, dated July 2, 2019 (the “Agreement”).

WHEREAS, the Company has extended Executive’s employment as set forth in the Agreement, and now wishes to extend additional severance benefits to Executive in exchange for a renewed full release of all claims against the Released Parties;

WHEREAS, Executive has accepted the Company’s extension of employment and wishes to obtain certain additional severance benefits in exchange for a renewed full release of all claims against the Released Parties; and

WHEREAS, by entering into this Supplemental Release, Executive agrees to waive any claims against the Released Parties that may have arisen after Executive’s execution of the Agreement but before the signing of this Supplemental Release.

NOW, THEREFORE, in consideration of the mutual promises and obligations contained in the Agreement and this Supplemental Release, Executive and the Company agree as follows:

1. The unnumbered “Whereas” clauses above are incorporated herein by reference.
2. All provisions set forth in the Agreement are incorporated herein by reference and made fully applicable to this Supplemental Release as if fully re-stated here, and the parties reaffirm their commitment thereto.
3. Complete Release. In consideration of those payments and benefits provided in the Agreement beyond the \$5,000 (gross) specified in paragraphs 16 and 22 of the Agreement, Executive agrees to and hereby does knowingly and voluntarily release and discharge the Released Parties, from any and all claims, causes of action and demands of any kind, whether known or unknown, which Executive has, ever has had, or ever in the future may have and which are based on acts, omissions or events occurring up to and including the date of this Supplemental Release. Included in the release set forth in the preceding sentence, without limiting its scope, are claims arising under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, the Family and Medical Leave Act of 1993, the Employee Retirement Income Security Act of 1974 (“ERISA”), and the Age Discrimination in Employment Act of 1967 (“ADEA”), each as amended, as well as any other federal, state or local employment or labor laws, wrongful discharge or other statutory employment law claims, as well as any claims in contract, tort, or common law, and which are related to Executive’s employment with the Company, Western Union, and/or their subsidiaries and Affiliates or the

termination of that employment (the "Claims"). The term "Claims" is intended to be broad and all-encompassing and is not limited to those claims specifically cited in the foregoing sentence.

Notwithstanding the foregoing, Executive does not waive claims, causes of action or demands of any kind to enforce the Agreement; claims, causes of action or demands that may arise after the date this Supplemental Release is executed and which are based on acts or omissions occurring after the date this Supplemental Release is signed; or claims, causes of action or demands which by law cannot be released by private agreement between the employer and employee, including but not limited to any claim for any accrued benefits to which Executive has a non-forfeitable right under any ERISA retirement benefit plan. Furthermore, notwithstanding the foregoing, nothing in this Supplemental Release waives Executive's rights to indemnification in accordance with Western Union's bylaws, waives Executive's rights to directors and officers liability insurance coverage (subject to the terms of the applicable insurance policies) or waives a claim which by law cannot be waived.

The Released Parties acknowledge that, as of the date of this Supplemental Release, the Released Parties are not aware of any claims or causes of action or demands of any kind which any of the Released Parties could assert against Executive based on Executive's acts or omissions occurring up to and including the date of this Supplemental Release.

4. Review Period and Revocation. Executive acknowledges that Executive was given a period of at least 21 calendar days to review this Supplemental Release from the date that Executive received it on May 29, 2019. **Executive cannot sign this Supplemental Release prior to Executive's Termination Date.** Executive agrees that to the extent changes were made to the terms of the Agreement or there are changes made to the terms of this Supplemental Release, whether they are material or immaterial, the 21-day period for review of this Supplemental Release is not recommenced. To accept the Supplemental Release, Executive must sign the original and return it to Richard Williams within five (5) days after the Termination Date. Executive acknowledges that the Company and Released Parties have made no promises to Executive other than those contained in this Supplemental Release and the Agreement. EXECUTIVE ACKNOWLEDGES THAT EXECUTIVE WAS ADVISED IN WRITING BY THIS SUPPLEMENTAL RELEASE TO REVIEW THIS SUPPLEMENTAL RELEASE WITH AN ATTORNEY BEFORE SIGNING THIS SUPPLEMENTAL RELEASE. Executive is further advised that Executive has 7 calendar days after Executive signs this Supplemental Release to revoke it by notifying the Company of such revocation in writing. In the event Executive revokes this Supplemental Release as specified in the immediately preceding sentence, the Company will deem this Supplemental Release to be void in its entirety, in which case neither party will be bound by its terms and no payment will be made to Executive hereunder, beyond the \$5,000 (gross) as specified in paragraphs 16 and 22 of the Agreement. The Agreement and all other agreements that Executive signed while employed with the Company, Western Union, and/or their subsidiaries or Affiliates (as referenced in the paragraph in the Agreement titled "Other Agreements, Survivability and Successorship") will remain in full force and effect whether or not Executive signs or does not sign this Supplemental Release and whether or not Executive revokes or does not revoke this Supplemental Release after having signed it. Nothing in this Supplemental Release precludes Executive from filing a lawsuit to challenge the validity of this Agreement under the ADEA.

Dated this _____ day of _____, 2019.

Odilon Almeida

Western Union, LLC

By: _____

Title: _____

EXHIBIT B

NON-SOLICITATION AND NON-DISCLOSURE AGREEMENT

For purposes of this Exhibit B, "Company" refers to Western Union, LLC, The Western Union Company and/or its subsidiaries or Affiliates (as defined in the Agreement) for which Executive works or may work in the future (hereinafter individually and collectively referred to as the "Company" for purposes of this Exhibit B).

Executive agrees that the Company is engaged in a highly competitive business and has expended, and continues to expend, significant money, skill, and time to develop and maintain valuable customer relationships, trade secrets, and confidential and proprietary information. Executive agrees that Executive's work for the Company has brought Executive into close contact with many of the Company's customers, Trade Secrets, Confidential Information, and Third Party Information (as defined below) and the Company has provided Executive access to such information to perform Executive's job duties, the disclosure of which would cause the Company significant and irreparable harm. Executive recognizes that any unauthorized disclosure of Third Party Information could breach non-disclosure obligations or violate applicable laws or Company policy. Executive further agrees that the covenants in this Agreement are reasonable and necessary to protect the Company's legitimate business interests in its customer relationships, Trade Secrets, Confidential Information, and Third Party Information (as defined in Section I below).

- I. **Nondisclosure of Trade Secrets, Confidential Information and Third Party Information.** Executive agrees that for so long as the pertinent information or documentation remains a Trade Secret, Executive will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Company Trade Secrets. Executive further agrees that at all times after the cessation of Executive's employment with the Company, Executive will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Company Confidential Information, subject to applicable law. The obligations set forth herein shall not be construed as limiting Executive's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency. This Agreement also does not limit Executive's right to receive an award for information provided to any government agency. Executive agrees that for so long as the pertinent information or documentation is subject to protection under Company nondisclosure obligations, policy or applicable law Executive will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Third Party Information. Under 18 U.S.C. 1833(b), Executive shall not be held criminally or civilly liable under any Federal or State trade secret law for disclosing a trade secret in confidence (i) to either a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Should Executive file a retaliation lawsuit alleging that he/she was retaliated against for reporting a suspected violation of law, Executive may disclose trade secret information to his/her attorney and use that information in a court proceeding so long as (i) Executive files any document containing the trade secret information under seal, and (ii) does not disclose the

trade secret, except pursuant to court order. This constitutes notice under 18 U.S.C. 1833(b)(3).

- A. Company "Trade Secrets" includes but is not limited to the following:
1. any data or information that is competitively sensitive or commercially valuable, and not generally known to the public, including, but not limited to, products planning information, marketing strategies, marketing results, forecasts or strategies, plans, finance, operations, reports, data, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Company, its customers, clients, and suppliers; and
 2. any scientific or technical information, design, process, procedure, formula, or improvement, computer software, object code, source code, specifications, inventions, systems information, whether or not patentable or copyrightable.
- B. Company "Confidential Information" means any data or information and documentation, other than Trade Secrets, which is valuable to the Company and not generally known to the public, including but not limited to:
1. Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; and
 2. Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known.
- C. "Third Party Information" means any data or information of the Company's customers, suppliers, consumers or employees that the Company is prohibited by law, contract or Company policy from disclosing. By way of example such information includes but is not limited to:
1. Product specifications, marketing strategies, pricing, sales volumes, discounts;
 2. Nonpublic personal information regarding consumers, including but not limited to names, addresses, credit card numbers, financial transactions, and account balances;
 3. Personnel information, including but not limited to employees' personal or medical histories, compensation or other terms of employment, actual or

proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance, skills, qualifications and abilities, or other employee information; and

4. Customer information, which is not protected by a separate confidentiality agreement, including but not limited to any compilations of past, existing or prospective customers, agreements between customers and the Company, status of customer accounts or credit, the identity of customer representatives responsible for entering into contracts with the Company, specific customer needs and requirements, or related information about actual or prospective customers or other nonpublic consumer information.

II. Non-Solicitation of Customers. Executive agrees that, for twelve (12) months after the cessation of Executive's employment with the Company, Executive will not solicit, contact, call upon, or attempt to communicate with any customer or prospective customer of the Company for the purpose of providing any products or services substantially similar to those Executive provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company with whom Executive had contact or about whom Executive learned Trade Secrets, Confidential Information, or Third Party Information during the last twenty-four (24) months of Executive's employment with the Company. For the purpose of this Section II, "contact" means interaction between Executive and the customer, or prospective customer which takes place to further the business relationship, or making sales to or performing services for the customer, or prospective customer on behalf of the Company.

III. Non-Solicitation of Employees. For twelve (12) months after the cessation of employment with the Company, Executive will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any employee of the Company with whom Executive had contact or about whom Executive learned Trade Secrets, Confidential Information, or Third Party Information during Executive's last twenty-four (24) months of employment with the Company. For the purposes of this Section III, "contact" means any interaction whatsoever between Executive and the other employee.

IV. Successorship. As part of this provision, Executive understands and agrees that should Executive become employed by another entity owned or otherwise affiliated with The Western Union Company (such as its divisions or unincorporated affiliates), the obligations of this Agreement follow Executive to such other entity automatically and without further action, and that entity becomes the "Company" within the meaning of this Agreement.

EXHIBIT C

ARBITRATION PROCEDURE

1. **Scope.**

- a. Any dispute arising out of or related to Executive's employment (or separation from employment) with the Company that is not subject to the releases set forth in the paragraphs of the Agreement and of the Supplemental Release titled "Complete Release" (the "Releases") and/or any dispute regarding the enforceability of such releases (hereinafter, a "Claim") , shall be resolved exclusively through final and binding arbitration as described in this Arbitration Procedure ("Procedure").
- b. All disputes or issues regarding arbitrability, the validity, scope, enforceability, interpretation, or application of this Procedure, the arbitrator's jurisdiction, as well as any gateway, threshold, or any other challenges either to the Releases or this Procedure, including claims that either the Releases or this Procedure are unconscionable, are delegated to the arbitrator for resolution.

2. **Invoking Arbitration.**

- a. Arbitration under this Procedure shall be administered by JAMS and conducted pursuant to the JAMS Employment Arbitration Rules & Procedures, effective July 1, 2014 ("JAMS Rules"), except as modified in this Procedure. Copies of the JAMS Rules may be obtained at www.jamsadr.com or by request directed to Western Union's Office of General Counsel, at 7001 E. Belleview Ave., HQ-8, Denver, CO 80237. The arbitration shall be subject to JAMS Policy on Employment Arbitration, Minimum Standards of Procedural Fairness. This Procedure constitutes an agreement to arbitrate within the meaning of JAMS Rule 5(a)(ii).
- b. The party asserting a Claim must demand arbitration in writing, and deliver the written demand by hand, overnight delivery or first class mail to the other party within the applicable statute of limitations period. The demand shall include identification of the parties, a statement of the legal and factual basis of the Claim(s), and a specification of the remedy sought. Any demand made by Executive shall be delivered to the Company at its principal office located at 7001 E. Belleview Ave., Denver, CO 80237, attention General Counsel. Any demand made by the Company shall be sent to Executive's last known home address as reflected in the Company's business records.
- c. The party receiving a demand shall respond in writing to the demand as described in the JAMS rules.

3. **Class and Collective Action Waivers.** Claims may be taken to arbitration on an individual basis only. There will be no right or authority for any Claim to proceed as either a class or collective arbitration. In the event the arbitrator issues any ruling, including a clause construction ruling or a discovery ruling, that is inconsistent with the waivers described in this paragraph, the arbitration will be terminated immediately, and the parties shall litigate the Claim in a court of competent jurisdiction. The waivers described in this paragraph shall be severable from this Procedure in any case in which the Claim is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration. The provisions of the Federal Arbitration Act, 9 U.S.C. § 1 et seq. (“FAA”) permitting federal courts to enjoin arbitration proceedings apply to this Procedure.
4. **Selection of the Arbitrator and Arbitration Procedures.**
 - a. The parties shall select a single arbitrator to resolve the Claim. If the parties cannot agree on an arbitrator, the arbitrator will be appointed pursuant to the JAMS Rules. In either case, the arbitrator shall be either a retired judge or a lawyer with more than twenty (20) years of experience in counselling and/or litigation of employment disputes. Notwithstanding JAMS Rule 15, in no event will an arbitrator be appointed without the agreement of both parties.
 - b. Any arbitration convened shall be conducted in the same federal judicial district where Executive was last employed by the Company.
 - c. Nothing in this Procedure shall preclude either party from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.
5. **Arbitration Fees.** Each party will pay the fees for his, her, or its own attorneys, subject to any remedies to which that party may later be entitled under applicable law. The Company agrees to bear all but the first \$350 of the JAMS arbitration case filing fee. In all cases where required by law, the Company will pay the arbitrator's fee and any case administration fees imposed by JAMS. However, if under applicable law the Company is not required to pay all of the arbitrator's and/or JAMS fees, such fee(s) will be apportioned between the parties in accordance with said applicable law, and any disputes on such matters will be resolved by the arbitrator. Any dispute about the reasonableness of either party's claim to recover attorneys' fees shall be resolved by the arbitrator according to the standards for awarding reasonable attorneys' fees applicable to the underlying substantive law.
6. **Pre-Hearing Matters.**
 - a. The arbitrator shall have jurisdiction to hear and rule on pre-hearing disputes and is authorized to hold pre-hearing conferences by telephone or in person, as the arbitrator deems necessary. The Arbitrator shall have the power to entertain a dispositive motion by either party and shall apply the standards governing such motions set forth in the Federal Rules of Civil Procedure.

- b. The arbitrator shall have no jurisdiction to take any action that is inconsistent with the waivers set forth in paragraph 3.
 - c. Discovery and other pre-hearing proceedings in any arbitration shall be conducted in accordance with JAMS Rules, as modified in this subparagraph.
 - d. Each side may take three (3) discovery depositions. Each side's depositions are to consume no more than a total of fifteen (15) hours.
 - e. The total period for the taking of depositions shall not exceed six (6) weeks.
 - f. Written discovery shall be permitted as ordered by the arbitrator.
 - g. Each party shall submit its witness list ten (10) business days before the hearing.
 - h. The arbitrator shall have discretion to issue appropriate rulings governing discovery and other pre-hearing matters, including dispositive motions, in order to facilitate a prompt resolution of the dispute.
7. **Substantive Law and Arbitration Proceeding**. The arbitrator shall apply the substantive law including, but not limited to, applicable statutes of limitations, of the state of Executive's work location, at the time the Claim arises, or federal law, or both, as applicable to the Claims asserted. Except as otherwise ordered by the arbitrator, the arbitration hearing shall be concluded in no more than two (2) days of evidentiary hearings. Within 30 days of the close of the arbitration hearing, any party will have to file a post-hearing with the arbitrator, a copy of which will be served on the other party.
8. **Confidentiality**. Except as may be permitted or required by law, as determined by the arbitrator, neither a party nor an arbitrator may disclose the existence, content (including all testimony, information and discovery materials), or results of any arbitration conducted hereunder without the prior written consent of all parties.
9. **The Arbitrator's Award**. The arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies shall be limited to those that would be available to a party in his or her individual capacity in a court of law.
10. **The Arbitrator's Written Decision**. The arbitrator will issue a written decision or award, stating findings of fact and conclusions of law. A court of competent jurisdiction shall have the authority to enter a judgment enforcing the award pursuant to the FAA.

11. **General Provisions.** This Procedure reflects the parties' full and complete agreement relating to the resolution of Claims. The FAA shall govern arbitrations conducted pursuant to this Procedure. In the event any portion of this Procedure is deemed unenforceable, the unenforceable provision will be severed and the remainder of this Procedure will be enforceable.

EXHIBIT D
RESTRICTIVE COVENANT AGREEMENTS

RCA Florida
February 2019

Page 1 of 8

**RESTRICTIVE COVENANT AGREEMENT
FOR EMPLOYEES IN FLORIDA**

This Agreement is between **Odilon Almeida** (hereinafter referred to as “Employee”) and **Western Union, LLC**, The Western Union Company, or its Affiliates for which Employee works or may work in the future (hereinafter individually and collectively referred to as the “Company”). Employee understands and agrees that should Employee become employed by another entity owned or otherwise affiliated with The Western Union Company (such as its divisions or unincorporated affiliates), the obligations of this agreement follow Employee to such other entity automatically and without further action, and that entity becomes the “Company” within the meaning of this Agreement.

In consideration of employment or continued employment by the Company, the grant to Employee of an award pursuant to The Western Union Company 2015 Long-Term Incentive Plan on February 20, 2019 (“LTIP Award”) (incorporated herein by this reference), and other good and valuable consideration, Employee agrees as follows:

I. Protection of Trade Secrets and Confidential Information .

A. Employee agrees that the Company is engaged in a highly competitive business and has expended, and continues to expend, significant money, skill and time to develop and maintain valuable customer relationships, trade secrets, and confidential and proprietary information. Employee agrees that Employee’s work for the Company will continue to bring Employee into close contact with many of the Company’s customers, Trade Secrets, and Confidential Information (as defined below), the disclosure of which would cause the Company significant and irreparable harm. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect the Company’s legitimate business interests in its customer relationships, Trade Secrets, and Confidential Information.

1. “Trade Secrets” includes but is not limited to the following:

- a) any data or information that is competitively sensitive or commercially valuable, and not generally known to the public, including, but not limited to, products planning information, marketing strategies, marketing results, forecasts or strategies, plans, finance, operations, reports, data, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Company, and its customers, clients, and suppliers; and
- b) any scientific or technical information, design, process, procedure, formula, or improvement, computer software, object code, source code, specifications, inventions, systems information, whether or not patentable or copyrightable.

2. "Confidential Information" means any data or information and documentation, other than Trade Secrets, which is valuable to the Company and not generally known to the public, including but not limited to:
- a) Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; and
 - b) Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known.
 - c) Data or information of the Company's customers, suppliers, consumers or employees that the Company is prohibited by law, contract or Company policy from disclosing. By way of example such information includes but is not limited to:
 - (1) Product specifications, marketing strategies, pricing, sales volumes, discounts;
 - (2) Nonpublic personal information regarding consumers, including but not limited to names, addresses, credit card numbers, financial transactions, and account balances;
 - (3) Personnel information, including but not limited to other employees' personal or medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance skills, qualifications, and abilities, or other employee information (nothing in this provision, however, is intended to prohibit employee from disclosing to others information about Employee's compensation or the Employee's working conditions); and

- (4) Customer information, which is not protected by a separate confidentiality agreement, including but not limited to any compilations of past, existing or prospective customers, agreements between customers and the Company, status of customer accounts or credit, the identity of customer representatives responsible for entering into contracts with the Company, specific customer needs and requirements, or related information about actual or prospective customers or other nonpublic consumer information.

B. **Non-Disclosure of Trade Secrets and Confidential Information.** Employee agrees that for so long as the pertinent information or documentation remains a Trade Secret, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Trade Secrets. Employee further agrees that during Employee's employment and after the cessation of Employee's employment with the Company, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Confidential Information. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of Employee, nor shall the obligations set forth herein apply to disclosures made as required by law. Under 18 U.S.C. §1833(b), Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for disclosing a Trade Secret in confidence (i) to either a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Should Employee file a retaliation lawsuit alleging that Employee was retaliated against for reporting a suspected violation of law, Employee may disclose Trade Secret information to Employee's attorney and use that information in a court proceeding so long as (i) Employee files any document containing the Trade Secret information under seal, and (ii) does not disclose the Trade Secret, except pursuant to court order. This constitutes notice under 18 U.S.C. §1833(b)(3).

Notwithstanding the foregoing, nothing in this Agreement limits Employee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, nor does this Agreement limit Employee's right to receive an award for information provided to any government agency.

C. **Return of Information.** Upon cessation of Employee's employment with the Company or at any time the Company requests, Employee agrees to return all Company materials and Trade Secrets and Confidential Information, and all copies thereof (including without limitation, all memoranda and notes containing the names, addresses, and needs of the Company's customers and prospective customers) in Employee's possession or over which Employee exercises control, and regardless of whether such materials were prepared by the Company, Employee, or a third party.

II. Non-Competition.

- A. Employee agrees that **Western Union, LLC** (for purposes of this Section II only, referred to as “Western Union”) is engaged in a highly competitive business. Employee agrees that due to Employee’s position, engaging in any business which is competitive with Western Union will cause Western Union great and irreparable harm. Employee agrees that Employee’s work for Western Union has brought and will bring Employee into close contact with many of Western Union’s customers, Trade Secrets, Confidential Information, and other proprietary information. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect Western Union’s legitimate business interests in its customer relationships, Trade Secrets, Confidential Information, and other proprietary information.
- B. Employee agrees that while employed by Western Union, Employee will faithfully devote Employee’s best efforts and entire time to advance the interests of Western Union and will not, on Employee’s behalf or on another’s behalf, engage in any manner in any other business.
- C. Employee agrees that for twelve (12) months after the cessation of employment with Western Union for any reason, Employee shall not, on Employee’s behalf or another’s behalf, engage in any activities for a competitor of Western Union that are substantially similar to the activities Employee performed on behalf of Western Union within the geographic area that is the same or substantially similar to the geographic area that Employee serviced while employed by Western Union, except as prohibited by law.
- D. Employee agrees that prospective employers exist such that employment opportunities are available to Employee which would not be in violation of this Section II. Employee further agrees that this Section II is reasonable in scope and does not constitute a restraint of trade with respect to Employee’s ability to obtain alternate employment in the event Employee’s employment with Western Union terminates for any reason, and regardless of whether such termination is initiated by Employee or Western Union.

III. Non-Solicitation of Customers.

- A. Employee agrees that while employed by the Company, Employee has had and will have contact with and has become and will become aware of the Company’s customers and the representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers, and that Employee has benefited and added and will continue to benefit and add to the Company’s goodwill with its customers and in the marketplace generally. Employee further agrees that loss of such customers will cause the Company significant and irreparable harm.

- B. Accordingly, Employee agrees that, for twelve (12) months after the cessation of Employee's employment with the Company, Employee will not solicit, contact, call upon, accept orders from, or attempt to communicate with any customer or prospective customer of the Company for the purpose of providing any products or services substantially similar to those Employee provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information, during the last twenty-four (24) months of Employee's employment with the Company. For the purpose of this Section III(B), "contact" means interaction between Employee and the customer or prospective customer which takes place to further the business relationship, or making sales to or performing services for the customer or prospective customer on behalf of the Company.

IV. Non-Solicitation of Employees and Others.

- A. Employee acknowledges and agrees that solely as a result of employment with the Company, Employee has and will come into contact with and has acquired and will acquire Trade Secrets or Confidential Information regarding some, most, or all of the Company's employees, consultants, contractors, or agents (for purposes of this Section IV, collectively referred to as "worker").

- B. Accordingly, both during employment with the Company and for twelve (12) months after the cessation of employment with the Company, Employee will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any other worker of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information during Employee's last twenty-four (24) months of employment with the Company. For the purposes of this Section IV, "contact" means any business-related interaction between Employee and the other worker.

- V. **Notices Regarding Subsequent Employment.** To facilitate compliance with this Agreement, Employee agrees to provide the Company with notice of Employee's post-Company employment during the time period encompassed by the restrictions contained herein. Such notice shall include the identity of the company with which Employee will be employed, Employee's job title, and Employee's general responsibilities in the job. The notice shall be given to the Employment Law Group, The Western Union Company, 7001 East Belleview Avenue, Denver, Colorado 80237 within five (5) business days of Employee's acceptance of a job offer. Additionally, Employee agrees to provide a copy of this Agreement to prospective employers prior to commencing employment.

- VI. **Nondisparagement.** Employee agrees not to make any disparaging comments about the Company, or its officers, directors, representatives, employees and agents; provided that nothing in this Agreement limits Employee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, nor does this Agreement limit Employee's right to receive an award for information provided to any government agency.

VII. **Miscellaneous Provisions.**

- A. **Successorship.** This Agreement inures to the benefit of any successors or assigns of the Company, and Employee's obligations apply equally to the Company and its successors or assigns.
- B. **Amendments in Writing.** No modification, amendment to, or waiver of this Agreement or any of its provisions shall be binding upon Employee or the Company unless made in writing and duly signed by both parties, except that Employee agrees that the Company may, at its option and without consideration, substitute less restrictive provisions relating to the provisions contained herein.
- C. **Severability.** The provisions (including subparagraphs) in this Agreement are severable and, if any provision is determined to be prohibited or unenforceable in any jurisdiction, it shall be deemed modified to render it enforceable. To the extent the provision cannot be modified to render it enforceable, it shall be severed and the remaining provisions shall nevertheless be binding and enforceable; provided however, that Employee agrees that the consideration offered in the LTIP Award agreement to which this Agreement is attached, as well as future LTIP Awards, are conditioned upon Employee's acceptance of and compliance with the terms of this Agreement as written. If Employee fails to comply with this Agreement as written, the Company and The Western Union Company will be relieved of their obligations under the LTIP Award agreement as well as future LTIP Award agreements.
- D. **Court's Right to Modify Restrictions.** The parties have attempted to limit Employee's activities only to the extent necessary to protect the Company's Trade Secrets, Confidential Information, and customer relationships. The parties agree that, if the scope or enforceability of this Agreement, or any part thereof, is in any way disputed at any time, a court may modify and enforce the paragraph to the extent it believes to be reasonable under the applicable law and circumstances.
- E. **Injunctive Relief.** Employee understands, acknowledges, and agrees that in the event of a breach or threatened breach of any of the covenants contained in this Agreement, the Company shall suffer irreparable injury for which there is no adequate remedy at law, and the Company will therefore be entitled to temporary, preliminary, and/or permanent injunctive relief, without bond or other security from the courts, enjoining additional breaches and threatened breaches. Employee further acknowledges that the Company also shall have the right to seek a remedy at law as well as or in lieu of equitable relief in the event of any such breach.

- F. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflict of law.
- G. **Waiver of Jury Trial.** The parties agree to waive their right to trial by jury for any dispute hereunder.
- H. **Definition of Affiliate.** For purposes of this Agreement, “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, another Person. As used herein, “control” means the power to direct the management or affairs of a Person, and “ownership” means the beneficial ownership of at least 10% of the voting securities of the Person. The Company shall be deemed to control any settlement network in which it has any equity ownership. As used herein, “Person” means any corporation (including The Western Union Company), limited or general partnership, limited liability company, joint venture, association, organization or other entity.
- I. **Waiver of Breach.** The Company’s waiver of a breach of any provision of this Agreement by the Employee does not waive any subsequent breach by the Employee, nor does the Company’s failure to take action against any other employee for similar breaches operate as a waiver by the Company of Employee’s breach of this Agreement.
- J. **Attorney’s Fees.** If the Company must enforce any of its rights under this Agreement through legal proceedings, Employee agrees to reimburse the Company for all reasonable costs, expenses, and attorney’s fees incurred by it in connection with the enforcement of its rights.
- K. **Other Obligations.** This Agreement is in addition to and not in lieu of other non-solicitation, non-disclosure, and non-competition obligations that Employee may owe to the Company.
- L. **Electronic Acceptance.** This Agreement may be accepted by Employee either manually by signing and dating this Agreement below or by means of a Company-approved electronic acceptance process. Employee understands and agrees that electronic acceptance by Employee of this Agreement has the same legal effect as a manual signature of this Agreement.

ON BEHALF OF COMPANY

By: Steven E. Christoffersen
The Western Union Company
Steven E. Christoffersen
Assistant General Counsel

EMPLOYEE

By: Odilon Almeida
Employee's Signature

4/4/2019
Date

Odilon Almeida
Employee's Name

177521
Employee's ID#

RESTRICTIVE COVENANT AGREEMENT
FOR EMPLOYEES IN FLORIDA

This Agreement is between Odilon Almeida (hereinafter referred to as "Employee") and **Western Union LLC**, The Western Union Company, or its Affiliates for which Employee works or may work in the future (hereinafter individually and collectively referred to as the "Company"). Employee understands and agrees that should Employee become employed by another entity owned or otherwise affiliated with The Western Union Company (such as its divisions or unincorporated affiliates), the obligations of this agreement follow Employee to such other entity automatically and without further action, and that entity becomes the "Company" within the meaning of this Agreement.

In consideration of employment or continued employment by the Company, the grant to Employee of an award pursuant to The Western Union Company 2015 Long-Term Incentive Plan on February 21, 2018 ("LTIP Award") (incorporated herein by this reference), and other good and valuable consideration, Employee agrees as follows:

I. Protection of Trade Secrets and Confidential Information.

A. Employee agrees that the Company is engaged in a highly competitive business and has expended, and continues to expend, significant money, skill and time to develop and maintain valuable customer relationships, trade secrets, and confidential and proprietary information. Employee agrees that Employee's work for the Company will continue to bring Employee into close contact with many of the Company's customers, Trade Secrets, and Confidential Information (as defined below), the disclosure of which would cause the Company significant and irreparable harm. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect the Company's legitimate business interests in its customer relationships, Trade Secrets, and Confidential Information.

1. "Trade Secrets" includes but is not limited to the following:

- a) any data or information that is competitively sensitive or commercially valuable, and not generally known to the public, including, but not limited to, products planning information, marketing strategies, marketing results, forecasts or strategies, plans, finance, operations, reports, data, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Company, and its customers, clients, and suppliers; and
- b) any scientific or technical information, design, process, procedure, formula, or improvement, computer software, object code, source code, specifications, inventions, systems information, whether or not patentable or copyrightable.

2. "Confidential Information" means any data or information and documentation, other than Trade Secrets, which is valuable to the Company and not generally known to the public, including but not limited to:
- a) Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; and
 - b) Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known.
 - c) Data or information of the Company's customers, suppliers, consumers or employees that the Company is prohibited by law, contract or Company policy from disclosing. By way of example such information includes but is not limited to:
 - (1) Product specifications, marketing strategies, pricing, sales volumes, discounts;
 - (2) Nonpublic personal information regarding consumers, including but not limited to names, addresses, credit card numbers, financial transactions, and account balances;
 - (3) Personnel information, including but not limited to other employees' personal or medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance skills, qualifications, and abilities, or other employee information (nothing in this provision, however, is intended to prohibit employee from disclosing to others information about Employee's compensation or the Employee's working conditions); and
 - (4) Customer information, which is not protected by a separate confidentiality agreement, including but not limited to any compilations of past, existing or prospective customers, agreements between customers and the Company, status of customer accounts or credit, the identity of customer representatives responsible for entering into contracts with the Company, specific customer needs and requirements, or related information about actual or prospective customers or other nonpublic consumer information.

B. **Non-Disclosure of Trade Secrets and Confidential Information.** Employee agrees that for so long as the pertinent information or documentation remains a Trade Secret, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Trade Secrets. Employee further agrees that during Employee's employment and after the cessation of Employee's employment with the Company, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Confidential Information. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of Employee, nor shall the obligations set forth herein apply to disclosures made as required by law. Under 18 U.S.C. §1833(b), Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for disclosing a Trade Secret in confidence (i) to either a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Should Employee file a retaliation lawsuit alleging that Employee was retaliated against for reporting a suspected violation of law, Employee may disclose Trade Secret information to Employee's attorney and use that information in a court proceeding so long as (i) Employee files any document containing the Trade Secret information under seal, and (ii) does not disclose the Trade Secret, except pursuant to court order. This constitutes notice under 18 U.S.C. §1833(b)(3).

Notwithstanding the foregoing, nothing in this Agreement limits Employee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, nor does this Agreement limit Employee's right to receive an award for information provided to any government agency.

C. **Return of Information.** Upon cessation of Employee's employment with the Company or at any time the Company requests, Employee agrees to return all Company materials and Trade Secrets and Confidential Information, and all copies thereof (including without limitation, all memoranda and notes containing the names, addresses, and needs of the Company's customers and prospective customers) in Employee's possession or over which Employee exercises control, and regardless of whether such materials were prepared by the Company, Employee, or a third party.

II. Non-Competition.

- A. Employee agrees that **Western Union LLC**, (for purposes of this Section II only, referred to as “Western Union”) is engaged in a highly competitive business. Employee agrees that due to Employee’s position, engaging in any business which is competitive with Western Union will cause Western Union great and irreparable harm. Employee agrees that Employee’s work for Western Union has brought and will bring Employee into close contact with many of Western Union’s customers, Trade Secrets, Confidential Information, and other proprietary information. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect Western Union’s legitimate business interests in its customer relationships, Trade Secrets, Confidential Information, and other proprietary information.
- B. Employee agrees that while employed by Western Union, Employee will faithfully devote Employee’s best efforts and entire time to advance the interests of Western Union and will not, on Employee’s behalf or on another’s behalf, engage in any manner in any other business.
- C. Employee agrees that for twelve (12) months after the cessation of employment with Western Union for any reason, Employee shall not, on Employee’s behalf or another’s behalf, engage in any activities for a competitor of Western Union that are substantially similar to the activities Employee performed on behalf of Western Union within the geographic area that is the same or substantially similar to the geographic area that Employee serviced while employed by Western Union, except as prohibited by law.
- D. Employee agrees that prospective employers exist such that employment opportunities are available to Employee which would not be in violation of this Section II. Employee further agrees that this Section II is reasonable in scope and does not constitute a restraint of trade with respect to Employee’s ability to obtain alternate employment in the event Employee’s employment with Western Union terminates for any reason, and regardless of whether such termination is initiated by Employee or Western Union.

III. Non-Solicitation of Customers.

- A. Employee agrees that while employed by the Company, Employee has had and will have contact with and has become and will become aware of the Company’s customers and the representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers, and that Employee has benefited and added and will continue to benefit and add to the Company’s goodwill with its customers and in the marketplace generally. Employee further agrees that loss of such customers will cause the Company significant and irreparable harm.

- B. Accordingly, Employee agrees that, for twelve (12) months after the cessation of Employee's employment with the Company, Employee will not solicit, contact, call upon, accept orders from, or attempt to communicate with any customer or prospective customer of the Company for the purpose of providing any products or services substantially similar to those Employee provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information, during the last twenty-four (24) months of Employee's employment with the Company. For the purpose of this Section III(B), "contact" means interaction between Employee and the customer or prospective customer which takes place to further the business relationship, or making sales to or performing services for the customer or prospective customer on behalf of the Company.

IV. Non-Solicitation of Employees and Others.

- A. Employee acknowledges and agrees that solely as a result of employment with the Company, Employee has and will come into contact with and has acquired and will acquire Trade Secrets or Confidential Information regarding some, most, or all of the Company's employees, consultants, contractors, or agents (for purposes of this Section IV, collectively referred to as "worker").

- B. Accordingly, both during employment with the Company and for twelve (12) months after the cessation of employment with the Company, Employee will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any other worker of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information during Employee's last twenty-four (24) months of employment with the Company. For the purposes of this Section IV, "contact" means any business-related interaction between Employee and the other worker.

- V. **Notices Regarding Subsequent Employment.** To facilitate compliance with this Agreement, Employee agrees to provide the Company with notice of Employee's post-Company employment during the time period encompassed by the restrictions contained herein. Such notice shall include the identity of the company with which Employee will be employed, Employee's job title, and Employee's general responsibilities in the job. The notice shall be given to the Employment Law Group, The Western Union Company, Meridian II, 12500 Belford Avenue, Englewood, Colorado 80112 within five (5) business days of Employee's acceptance of a job offer. Additionally, Employee agrees to provide a copy of this Agreement to prospective employers prior to commencing employment.

- VI. **Nondisparagement.** Employee agrees not to make any disparaging comments about the Company, or its officers, directors, representatives, employees and agents; provided that nothing in this Agreement limits Employee's ability to communicate with any government agency or otherwise participate in any investigation or proceeding that may be conducted by any government agency, nor does this Agreement limit Employee's right to receive an award for information provided to any government agency.

VII. **Miscellaneous Provisions.**

- A. **Successorship.** This Agreement inures to the benefit of any successors or assigns of the Company, and Employee's obligations apply equally to the Company and its successors or assigns.
- B. **Amendments in Writing.** No modification, amendment to, or waiver of this Agreement or any of its provisions shall be binding upon Employee or the Company unless made in writing and duly signed by both parties, except that Employee agrees that the Company may, at its option and without consideration, substitute less restrictive provisions relating to the provisions contained herein.
- C. **Severability.** The provisions (including subparagraphs) in this Agreement are severable and, if any provision is determined to be prohibited or unenforceable in any jurisdiction, it shall be deemed modified to render it enforceable. To the extent the provision cannot be modified to render it enforceable, it shall be severed and the remaining provisions shall nevertheless be binding and enforceable; provided however, that Employee agrees that the consideration offered in the LTIP Award agreement to which this Agreement is attached, as well as future LTIP Awards, are conditioned upon Employee's acceptance of and compliance with the terms of this Agreement as written. If Employee fails to comply with this Agreement as written, the Company and The Western Union Company will be relieved of their obligations under the LTIP Award agreement as well as future LTIP Award agreements.
- D. **Court's Right to Modify Restrictions.** The parties have attempted to limit Employee's activities only to the extent necessary to protect the Company's Trade Secrets, Confidential Information, and customer relationships. The parties agree that, if the scope or enforceability of this Agreement, or any part thereof, is in any way disputed at any time, a court may modify and enforce the paragraph to the extent it believes to be reasonable under the applicable law and circumstances.
- E. **Injunctive Relief.** Employee understands, acknowledges, and agrees that in the event of a breach or threatened breach of any of the covenants contained in this Agreement, the Company shall suffer irreparable injury for which there is no adequate remedy at law, and the Company will therefore be entitled to temporary, preliminary, and/or permanent injunctive relief, without bond or other security from the courts, enjoining additional breaches and threatened breaches. Employee further acknowledges that the Company also shall have the right to seek a remedy at law as well as or in lieu of equitable relief in the event of any such breach.
- F. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflict of law.

- G. **Waiver of Jury Trial.** The parties agree to waive their right to trial by jury for any dispute hereunder.
- H. **Definition of Affiliate.** For purposes of this Agreement, “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, another Person. As used herein, “control” means the power to direct the management or affairs of a Person, and “ownership” means the beneficial ownership of at least 10% of the voting securities of the Person. The Company shall be deemed to control any settlement network in which it has any equity ownership. As used herein, “Person” means any corporation (including The Western Union Company), limited or general partnership, limited liability company, joint venture, association, organization or other entity.
- I. **Waiver of Breach.** The Company’s waiver of a breach of any provision of this Agreement by the Employee does not waive any subsequent breach by the Employee, nor does the Company’s failure to take action against any other employee for similar breaches operate as a waiver by the Company of Employee’s breach of this Agreement.
- J. **Attorney’s Fees.** If the Company must enforce any of its rights under this Agreement through legal proceedings, Employee agrees to reimburse the Company for all reasonable costs, expenses, and attorney’s fees incurred by it in connection with the enforcement of its rights.
- K. **Other Obligations.** This Agreement is in addition to and not in lieu of other non-solicitation, non-disclosure, and non-competition obligations that Employee may owe to the Company.
- L. **Electronic Acceptance.** This Agreement may be accepted by Employee either manually by signing and dating this Agreement below or by means of a Company-approved electronic acceptance process. Employee understands and agrees that electronic acceptance by Employee of this Agreement has the same legal effect as a manual signature of this Agreement.

ON BEHALF OF COMPANY

By: *Steven E. Christoffersen*
The Western Union Company
Steven E. Christoffersen
Assistant Secretary

EMPLOYEE

By: *Odilon Almeida*
Employee's Signature

March 26, 2018
Date

Odilon Almeida
Employee Name

177521
Employee's ID#

Accepted on: March 26, 2018

RCA Florida
October 2017

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RESTRICTIVE COVENANT AGREEMENT
FOR EMPLOYEES IN FLORIDA

This Agreement is between Odilon Almeida (hereinafter referred to as “Employee”) and **Western Union, LLC**, The Western Union Company, or its Affiliates for which Employee works or may work in the future (hereinafter individually and collectively referred to as the “Company”). Employee understands and agrees that should Employee become employed by another entity owned or otherwise affiliated with The Western Union Company (such as its divisions or unincorporated affiliates), the obligations of this agreement follow Employee to such other entity automatically and without further action, and that entity becomes the “Company” within the meaning of this Agreement.

In consideration of employment or continued employment by the Company, the grant to Employee of an award pursuant to The Western Union Company 2015 Long-Term Incentive Plan (incorporated herein by this reference) (“LTIP Award”), and other good and valuable consideration, Employee agrees as follows:

I. Protection of Trade Secrets and Confidential Information.

A. Employee agrees that the Company is engaged in a highly competitive business and has expended, and continues to expend, significant money, skill and time to develop and maintain valuable customer relationships, trade secrets, and confidential and proprietary information. Employee agrees that Employee’s work for the Company will continue to bring Employee into close contact with many of the Company’s customers, Trade Secrets, and Confidential Information (as defined below), the disclosure of which would cause the Company significant and irreparable harm. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect the Company’s legitimate business interests in its customer relationships, Trade Secrets, and Confidential Information.

1. “Trade Secrets” includes but is not limited to the following:

- a) any data or information that is competitively sensitive or commercially valuable, and not generally known to the public, including, but not limited to, products planning information, marketing strategies, marketing results, forecasts or strategies, plans, finance, operations, reports, data, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Company, and its customers, clients, and suppliers; and
- b) any scientific or technical information, design, process, procedure, formula, or improvement, computer software, object code, source code, specifications, inventions, systems information, whether or not patentable or copyrightable.

2. "Confidential Information" means any data or information and documentation, other than Trade Secrets, which is valuable to the Company and not generally known to the public, including but not limited to:
- a) Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; and
 - b) Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known.
 - c) Data or information of the Company's customers, suppliers, consumers or employees that the Company is prohibited by law, contract or Company policy from disclosing. By way of example such information includes but is not limited to:
 - (1) Product specifications, marketing strategies, pricing, sales volumes, discounts;
 - (2) Nonpublic personal information regarding consumers, including but not limited to names, addresses, credit card numbers, financial transactions, and account balances;
 - (3) Personnel information, including but not limited to other employees' personal or medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance skills, qualifications, and abilities, or other employee information (nothing in this provision, however, is intended to prohibit employee from disclosing to others information about Employee's compensation or the Employee's working conditions); and

- (4) Customer information, which is not protected by a separate confidentiality agreement, including but not limited to any compilations of past, existing or prospective customers, agreements between customers and the Company, status of customer accounts or credit, the identity of customer representatives responsible for entering into contracts with the Company, specific customer needs and requirements, or related information about actual or prospective customers or other nonpublic consumer information.

B. **Non-Disclosure of Trade Secrets and Confidential Information.** Employee agrees that for so long as the pertinent information or documentation remains a Trade Secret, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Trade Secrets. Employee further agrees that during Employee's employment and after the cessation of Employee's employment with the Company, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Confidential Information. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of Employee, nor shall the obligations set forth herein apply to disclosures made as required by law. Under 18 U.S.C. §1833(b), Employee shall not be held criminally or civilly liable under any Federal or State trade secret law for disclosing a Trade Secret in confidence (i) to either a Federal, State, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Should Employee file a retaliation lawsuit alleging that Employee was retaliated against for reporting a suspected violation of law, Employee may disclose Trade Secret information to Employee's attorney and use that information in a court proceeding so long as (i) Employee files any document containing the Trade Secret information under seal, and (ii) does not disclose the Trade Secret, except pursuant to court order. This constitutes notice under 18 U.S.C. §1833(b)(3).

Notwithstanding the foregoing, nothing herein shall prohibit or restrict Employee from communicating directly with, or responding to any inquiry from, cooperating with, or providing testimony before, the Securities and Exchange Commission, or any other self-regulatory organization, or any other federal or state regulatory authority.

C. **Return of Information.** Upon cessation of Employee's employment with the Company or at any time the Company requests, Employee agrees to return all Company materials and Trade Secrets and Confidential Information, and all copies thereof (including without limitation, all memoranda and notes containing the names, addresses, and needs of the Company's customers and prospective customers) in Employee's possession or over which Employee exercises control, and regardless of whether such materials were prepared by the Company, Employee, or a third party.

II. Non-Competition.

- A. Employee agrees that **Western Union, LLC** (for purposes of this Section II only, referred to as “Western Union”) is engaged in a highly competitive business. Employee agrees that due to Employee’s position, engaging in any business which is competitive with Western Union will cause Western Union great and irreparable harm. Employee agrees that Employee’s work for Western Union has brought and will bring Employee into close contact with many of Western Union’s customers, Trade Secrets, Confidential Information, and other proprietary information. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect Western Union’s legitimate business interests in its customer relationships, Trade Secrets, Confidential Information, and other proprietary information.
- B. Employee agrees that while employed by Western Union, Employee will faithfully devote Employee’s best efforts and entire time to advance the interests of Western Union and will not, on Employee’s behalf or on another’s behalf, engage in any manner in any other business.
- C. Employee agrees that for twelve (12) months after the cessation of employment with Western Union for any reason, Employee shall not, on Employee’s behalf or another’s behalf, engage in any activities for a competitor of Western Union that are substantially similar to the activities Employee performed on behalf of Western Union within the geographic area that is the same or substantially similar to the geographic area that Employee serviced while employed by Western Union, except as prohibited by law.
- D. Employee agrees that prospective employers exist such that employment opportunities are available to Employee which would not be in violation of this Section II. Employee further agrees that this Section II is reasonable in scope and does not constitute a restraint of trade with respect to Employee’s ability to obtain alternate employment in the event Employee’s employment with Western Union terminates for any reason, and regardless of whether such termination is initiated by Employee or Western Union.

III. Non-Solicitation of Customers.

- A. Employee agrees that while employed by the Company, Employee has had and will have contact with and has become and will become aware of the Company’s customers and the representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers, and that Employee has benefited and added and will continue to benefit and add to the Company’s goodwill with its customers and in the marketplace generally. Employee further agrees that loss of such customers will cause the Company significant and irreparable harm.

- B. Accordingly, Employee agrees that, for twelve (12) months after the cessation of Employee's employment with the Company, Employee will not solicit, contact, call upon, accept orders from, or attempt to communicate with any customer or prospective customer of the Company for the purpose of providing any products or services substantially similar to those Employee provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information, during the last twenty-four (24) months of Employee's employment with the Company. For the purpose of this Section III(B), "contact" means interaction between Employee and the customer or prospective customer which takes place to further the business relationship, or making sales to or performing services for the customer or prospective customer on behalf of the Company.

IV. Non-Solicitation of Employees and Others.

- A. Employee acknowledges and agrees that solely as a result of employment with the Company, Employee has and will come into contact with and has acquired and will acquire Trade Secrets or Confidential Information regarding some, most, or all of the Company's employees, consultants, contractors, or agents (for purposes of this Section IV, collectively referred to as "worker").

- B. Accordingly, both during employment with the Company and for twelve (12) months after the cessation of employment with the Company, Employee will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any other worker of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information during Employee's last twenty-four (24) months of employment with the Company. For the purposes of this Section IV, "contact" means any business-related interaction between Employee and the other worker.

- V. **Notices Regarding Subsequent Employment.** To facilitate compliance with this Agreement, Employee agrees to provide the Company with notice of Employee's post-Company employment during the time period encompassed by the restrictions contained herein. Such notice shall include the identity of the company with which Employee will be employed, Employee's job title, and Employee's general responsibilities in the job. The notice shall be given to the Employment Law Group, The Western Union Company, Meridian II, 12500 Belford Avenue, Englewood, Colorado 80112 within five (5) business days of Employee's acceptance of a job offer. Additionally, Employee agrees to provide a copy of this Agreement to prospective employers prior to commencing employment.

- VI. **Nondisparagement.** Employee agrees not to make any disparaging comments about the Company, or its officers, directors, representatives, employees and agents; provided that nothing herein shall prohibit or restrict Employee from communicating directly with, or responding to any inquiry from, cooperating with, or providing testimony before, the Securities and Exchange Commission, or any other self-regulatory organization, or any other federal or state regulatory authority.

VII. **Miscellaneous Provisions.**

- A. **Successorship.** This Agreement inures to the benefit of any successors or assigns of the Company, and Employee's obligations apply equally to the Company and its successors or assigns.
- B. **Amendments in Writing.** No modification, amendment to, or waiver of this Agreement or any of its provisions shall be binding upon Employee or the Company unless made in writing and duly signed by both parties, except that Employee agrees that the Company may, at its option and without consideration, substitute less restrictive provisions relating to the provisions contained herein.
- C. **Severability.** The provisions (including subparagraphs) in this Agreement are severable and, if any provision is determined to be prohibited or unenforceable in any jurisdiction, it shall be deemed modified to render it enforceable. To the extent the provision cannot be modified to render it enforceable, it shall be severed and the remaining provisions shall nevertheless be binding and enforceable; provided however, that Employee agrees that the consideration offered in the LTIP Award agreement to which this Agreement is attached, as well as future LTIP Awards, are conditioned upon Employee's acceptance of and compliance with the terms of this Agreement as written. If Employee fails to comply with this Agreement as written, the Company and The Western Union Company will be relieved of their obligations under the LTIP Award agreement as well as future LTIP Award agreements.
- D. **Court's Right to Modify Restrictions.** The parties have attempted to limit Employee's activities only to the extent necessary to protect the Company's Trade Secrets, Confidential Information, and customer relationships. The parties agree that, if the scope or enforceability of this Agreement, or any part thereof, is in any way disputed at any time, a court may modify and enforce the paragraph to the extent it believes to be reasonable under the applicable law and circumstances.
- E. **Injunctive Relief.** Employee understands, acknowledges, and agrees that in the event of a breach or threatened breach of any of the covenants contained in this Agreement, the Company shall suffer irreparable injury for which there is no adequate remedy at law, and the Company will therefore be entitled to temporary, preliminary, and/or permanent injunctive relief, without bond or other security from the courts, enjoining additional breaches and threatened breaches. Employee further acknowledges that the Company also shall have the right to seek a remedy at law as well as or in lieu of equitable relief in the event of any such breach.

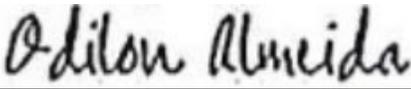
- F. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflict of law.
- G. **Waiver of Jury Trial.** The parties agree to waive their right to trial by jury for any dispute hereunder.
- H. **Definition of Affiliate.** For purposes of this Agreement, “Affiliate” means a Person that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, another Person. As used herein, “control” means the power to direct the management or affairs of a Person, and “ownership” means the beneficial ownership of at least 10% of the voting securities of the Person. The Company shall be deemed to control any settlement network in which it has any equity ownership. As used herein, “Person” means any corporation (including The Western Union Company), limited or general partnership, limited liability company, joint venture, association, organization or other entity.
- I. **Waiver of Breach.** The Company’s waiver of a breach of any provision of this Agreement by the Employee does not waive any subsequent breach by the Employee, nor does the Company’s failure to take action against any other employee for similar breaches operate as a waiver by the Company of Employee’s breach of this Agreement.
- J. **Attorney’s Fees.** If the Company must enforce any of its rights under this Agreement through legal proceedings, Employee agrees to reimburse the Company for all reasonable costs, expenses, and attorney’s fees incurred by it in connection with the enforcement of its rights.
- K. **Other Obligations.** This Agreement is in addition to and not in lieu of other non-solicitation, non-disclosure, and non-competition obligations that Employee may owe to the Company.

This Agreement is dated the 25th day of May, 2017.

ON BEHALF OF
COMPANY

By: 
The Western Union Company

EMPLOYEE

By: 
Employee's Signature

Odilon Almeida
Employee's Name

177521
Employee's ID#

RESTRICTIVE COVENANT AGREEMENT
FOR EMPLOYEES IN OTHER STATES

This Agreement is between Odilon Almeida (hereinafter referred to as “Employee”) and **Western Union LLC**, The Western Union Company, or its Affiliates for which Employee works or may work in the future (hereinafter individually and collectively referred to as the “Company”). Employee understands and agrees that should Employee become employed by another entity owned or otherwise affiliated with The Western Union Company (such as its divisions or unincorporated affiliates), the obligations of this agreement follow Employee to such other entity automatically and without further action, and that entity becomes the “Company” within the meaning of this Agreement.

In consideration of employment or continued employment by the Company, the grant to Employee of an award pursuant to The Western Union Company 2015 Long-Term Incentive Plan (incorporated herein by this reference) (“LTIP Award”), and other good and valuable consideration, Employee agrees as follows:

I. Protection of Trade Secrets and Confidential Information.

A. Employee agrees that the Company is engaged in a highly competitive business and has expended, and continues to expend, significant money, skill and time to develop and maintain valuable customer relationships, trade secrets, and confidential and proprietary information. Employee agrees that Employee’s work for the Company will continue to bring Employee into close contact with many of the Company’s customers, Trade Secrets, and Confidential Information (as defined below), the disclosure of which would cause the Company significant and irreparable harm. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect the Company’s legitimate business interests in its customer relationships, Trade Secrets, and Confidential Information.

1. “Trade Secrets” includes but is not limited to the following:

- a) any data or information that is competitively sensitive or commercially valuable, and not generally known to the public, including, but not limited to, products planning information, marketing strategies, marketing results, forecasts or strategies, plans, finance, operations, reports, data, customer relationships, customer profiles, customer lists, sales estimates, business plans, and internal performance results relating to the past, present or future business activities of the Company, and its customers, clients, and suppliers; and
- b) any scientific or technical information, design, process, procedure, formula, or improvement, computer software, object code, source code, specifications, inventions, systems information, whether or not patentable or copyrightable.

Exhibit D

2. "Confidential Information" means any data or information and documentation, other than Trade Secrets, which is valuable to the Company and not generally known to the public, including but not limited to:
- a) Financial information, including but not limited to earnings, assets, debts, prices, fee structures, volumes of purchases or sales, or other financial data, whether relating to the Company generally, or to particular products, services, geographic areas, or time periods; and
 - b) Supply and service information, including but not limited to information concerning the goods and services utilized or purchased by the Company, the names and addresses of suppliers, terms of supplier service contracts, or of particular transactions, or related information about potential suppliers, to the extent that such information is not generally known to the public, and to the extent that the combination of suppliers or use of particular suppliers, though generally known or available, yields advantages to the Company the details of which are not generally known.
 - c) Data or information of the Company's customers, suppliers, consumers or employees that the Company is prohibited by law, contract or Company policy from disclosing. By way of example such information includes but is not limited to:
 - (1) Product specifications, marketing strategies, pricing, sales volumes, discounts;
 - (2) Nonpublic personal information regarding consumers, including but not limited to names, addresses, credit card numbers, financial transactions, and account balances;
 - (3) Personnel information, including but not limited to other employees' personal or medical histories, compensation or other terms of employment, actual or proposed promotions, hiring, resignations, disciplinary actions, terminations or reasons therefore, training methods, performance skills, qualifications, and abilities, or other employee information (nothing in this provision, however, is intended to prohibit employee from disclosing to others information about Employee's compensation or the Employee's working conditions); and

Exhibit D

- (4) Customer information, which is not protected by a separate confidentiality agreement, including but not limited to any compilations of past, existing or prospective customers, agreements between customers and the Company, status of customer accounts or credit, the identity of customer representatives responsible for entering into contracts with the Company, specific customer needs and requirements, or related information about actual or prospective customers or other nonpublic consumer information.

B. **Non-Disclosure of Trade Secrets and Confidential Information.** Employee agrees that for so long as the pertinent information or documentation remains a Trade Secret, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Trade Secrets. Employee further agrees that during Employee's employment and after the cessation of Employee's employment with the Company, Employee will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Confidential Information. The obligations set forth herein shall not apply to any Trade Secrets or Confidential Information which shall have become generally known to competitors of the Company through no act or omission of Employee, nor shall the obligations set forth herein apply to disclosures made as required by law. Notwithstanding the foregoing, nothing herein shall prohibit or restrict Employee from communicating directly with, or responding to any inquiry from, cooperating with, or providing testimony before, the Securities and Exchange Commission, or any other self-regulatory organization, or any other federal or state regulatory authority.

C. **Return of Information.** Upon cessation of Employee's employment with the Company or at any time the Company requests, Employee agrees to return all Company materials and Trade Secrets and Confidential Information, and all copies thereof (including without limitation, all memoranda and notes containing the names, addresses, and needs of the Company's customers and prospective customers) in Employee's possession or over which Employee exercises control, and regardless of whether such materials were prepared by the Company, Employee, or a third party.

II. Non-Competition.

A. Employee agrees that **Western Union LLC** (for purposes of this Section II only, referred to as "Western Union") is engaged in a highly competitive business. Employee agrees that due to Employee's position, engaging in any business which is competitive with Western Union will cause Western Union great and irreparable harm. Employee agrees that Employee's work for Western Union has brought and will bring Employee into close contact with many of Western Union's customers, Trade Secrets, Confidential Information, and other proprietary information. Employee further agrees that the covenants in this Agreement are reasonable and necessary to protect Western Union's legitimate business interests in its customer relationships, Trade Secrets, Confidential Information, and other proprietary information.

Exhibit D

- B. Employee agrees that while employed by Western Union, Employee will faithfully devote Employee's best efforts and entire time to advance the interests of Western Union and will not, on Employee's behalf or on another's behalf, engage in any manner in any other business.
- C. Employee agrees that for twelve (12) months after the cessation of employment with Western Union for any reason, Employee shall not, on Employee's behalf or another's behalf, engage in any activities for a competitor of Western Union that are substantially similar to the activities Employee performed on behalf of Western Union within the geographic area that is the same or substantially similar to the geographic area that Employee serviced while employed by Western Union, except as prohibited by law.
- D. Employee agrees that prospective employers exist such that employment opportunities are available to Employee which would not be in violation of this Section II. Employee further agrees that this Section II is reasonable in scope and does not constitute a restraint of trade with respect to Employee's ability to obtain alternate employment in the event Employee's employment with Western Union terminates for any reason, and regardless of whether such termination is initiated by Employee or Western Union.

III. Non-Solicitation of Customers.

- A. Employee agrees that while employed by the Company, Employee has had and will have contact with and has become and will become aware of the Company's customers and the representatives of those customers, their names and addresses, specific customer needs and requirements, and leads and references to prospective customers, and that Employee has benefited and added and will continue to benefit and add to the Company's goodwill with its customers and in the marketplace generally. Employee further agrees that loss of such customers will cause the Company significant and irreparable harm.
- B. Accordingly, Employee agrees that, for twelve (12) months after the cessation of Employee's employment with the Company, Employee will not solicit, contact, call upon, accept orders from, or attempt to communicate with any customer or prospective customer of the Company for the purpose of providing any products or services substantially similar to those Employee provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information, during the last twenty-four (24) months of Employee's employment with the Company. For the purpose of this Section III(B), "contact" means interaction between Employee and the customer or prospective customer which takes place to further the business relationship, or making sales to or performing services for the customer or prospective customer on behalf of the Company.

Exhibit D

IV. Non-Solicitation of Employees and Others.

- A. Employee acknowledges and agrees that solely as a result of employment with the Company, Employee has and will come into contact with and has acquired and will acquire Trade Secrets or Confidential Information regarding some, most, or all of the Company's employees, consultants, contractors, or agents (for purposes of this Section IV, collectively referred to as "worker").
 - B. Accordingly, both during employment with the Company and for twelve (12) months after the cessation of employment with the Company, Employee will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any other worker of the Company with whom Employee had contact or about whom Employee learned Trade Secrets or Confidential Information during Employee's last twenty-four (24) months of employment with the Company. For the purposes of this Section IV, "contact" means any business-related interaction between Employee and the other worker.
- V. **Notices Regarding Subsequent Employment.** To facilitate compliance with this Agreement, Employee agrees to provide the Company with notice of Employee's post-Company employment during the time period encompassed by the restrictions contained herein. Such notice shall include the identity of the company with which Employee will be employed, Employee's job title, and Employee's general responsibilities in the job. The notice shall be given to the Employment Law Group, The Western Union Company, Meridian II, 12500 Belford Avenue, Englewood, Colorado 80112 within five (5) business days of Employee's acceptance of a job offer. Additionally, Employee agrees to provide a copy of this Agreement to prospective employers prior to commencing employment.
- VI. **Nondisparagement.** Employee agrees not to make any disparaging comments about the Company, or its officers, directors, representatives, employees and agents; provided that nothing herein shall prohibit or restrict Employee from communicating directly with, or responding to any inquiry from, cooperating with, or providing testimony before, the Securities and Exchange Commission, or any other self-regulatory organization, or any other federal or state regulatory authority.

VII. Miscellaneous Provisions.

- A. **Successorship.** This Agreement inures to the benefit of any successors or assigns of the Company, and Employee's obligations apply equally to the Company and its successors or assigns.
- B. **Amendments in Writing.** No modification, amendment to, or waiver of this Agreement or any of its provisions shall be binding upon Employee or the Company unless made in writing and duly signed by both parties, except that Employee agrees that the Company may, at its option and without consideration, substitute less restrictive provisions relating to the provisions contained herein.

Exhibit D

- C. **Severability.** The provisions (including subparagraphs) in this Agreement are severable and, if any provision is determined to be prohibited or unenforceable in any jurisdiction, it shall be deemed modified to render it enforceable. To the extent the provision cannot be modified to render it enforceable, it shall be severed and the remaining provisions shall nevertheless be binding and enforceable; provided however, that Employee agrees that the consideration offered in the LTIP Award agreement to which this Agreement is attached, as well as future LTIP Awards, are conditioned upon Employee's acceptance of and compliance with the terms of this Agreement as written. If Employee fails to comply with this Agreement as written, the Company and The Western Union Company will be relieved of their obligations under the LTIP Award agreement as well as future LTIP Award agreements.
- D. **Court's Right to Modify Restrictions.** The parties have attempted to limit Employee's activities only to the extent necessary to protect the Company's Trade Secrets, Confidential Information, and customer relationships. The parties agree that, if the scope or enforceability of this Agreement, or any part thereof, is in any way disputed at any time, a court may modify and enforce the paragraph to the extent it believes to be reasonable under the applicable law and circumstances.
- E. **Injunctive Relief.** Employee understands, acknowledges, and agrees that in the event of a breach or threatened breach of any of the covenants contained in this Agreement, the Company shall suffer irreparable injury for which there is no adequate remedy at law, and the Company will therefore be entitled to temporary, preliminary, and/or permanent injunctive relief, without bond or other security from the courts, enjoining additional breaches and threatened breaches. Employee further acknowledges that the Company also shall have the right to seek a remedy at law as well as or in lieu of equitable relief in the event of any such breach.
- F. **Choice of Law.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to principles of conflict of law.
- G. **Waiver of Jury Trial.** The parties agree to waive their right to trial by jury for any dispute hereunder.
- H. **Definition of Affiliate.** For purposes of this Agreement, "Affiliate" means a Person that directly, or indirectly through one or more intermediaries, owns or controls, is owned or is controlled by, or is under common ownership or control with, another Person. As used herein, "control" means the power to direct the management or affairs of a Person, and "ownership" means the beneficial ownership of at least 10% of the voting securities of the Person. The Company shall be deemed to control any settlement network in which it has any equity ownership. As used herein, "Person" means any corporation (including The Western Union Company), limited or general partnership, limited liability company, joint venture, association, organization or other entity.

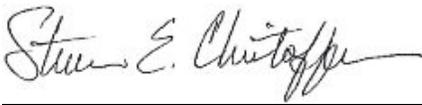
Exhibit D

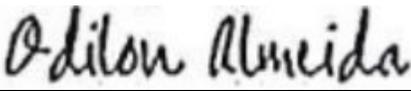
- I. **Waiver of Breach.** The Company's waiver of a breach of any provision of this Agreement by the Employee does not waive any subsequent breach by the Employee, nor does the Company's failure to take action against any other employee for similar breaches operate as a waiver by the Company of Employee's breach of this Agreement.
- J. **Attorney's Fees.** If the Company must enforce any of its rights under this Agreement through legal proceedings, Employee agrees to reimburse the Company for all reasonable costs, expenses, and attorney's fees incurred by it in connection with the enforcement of its rights.
- K. **Other Obligations.** This Agreement is in addition to and not in lieu of other non-solicitation, non-disclosure, and non-competition obligations that Employee may owe to the Company.

This Agreement is dated the 24th day of May, 20 16.

ON BEHALF OF
COMPANY

EMPLOYEE

By: 
The Western Union Company

By: 
Employee's Signature

Odilon Almeida
Employee's Name

177521
Employee's ID#

Exhibit D

**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
TERMS AND CONDITIONS FOR U.S. SECTION 16 OFFICERS**

1. Pursuant to The Western Union Company 2015 Long-Term Incentive Plan (the “Plan”), The Western Union Company (the “Company”) hereby grants to <Participant Name> (“Executive”) an award of Restricted Stock Units (the “Units”), in the amount specified in Executive’s Award Notice (which forms part of this Agreement) as of the Grant Date specified in Executive’s Award Notice, related to shares of Common Stock (“Shares”), subject to the terms and conditions set forth in this Agreement and the Plan. The terms of the Plan are hereby incorporated in this Agreement by this reference and made a part hereof. Capitalized terms not defined herein shall have the same definitions as set forth in the Plan.
2. Each Unit shall provide for the issuance and transfer to Executive of one Share upon lapse of the restrictions set forth in paragraph 3 below. Upon issuance and transfer of Shares to Executive following the Restriction Period (as defined herein), Executive shall have all rights incident to ownership of such Shares, including but not limited to voting rights and the right to receive dividends.
3. Subject to the other provisions of this Agreement and the terms of the Plan, on the third anniversary of the Grant Date (the date of “Full Vesting” of this Award), all restrictions on the Units shall lapse and the Shares subject to the Units shall be issued and transferred to Executive. Effective on and after such date, subject to applicable laws and Company policies, Executive may hold, assign, pledge, sell, or transfer the Shares in Executive’s discretion. The three-year period in which the Units may be forfeited by Executive is defined as the “Restriction Period.”

Notwithstanding the foregoing provisions in this paragraph 3, Executive will forfeit all rights to the Units unless Executive accepts these Terms and Conditions either through electronic acceptance (if permitted by the Company) or by signing and returning to the Company a copy of these Terms and Conditions on or before the 90th day following the Grant Date. Signed copies of these Terms and Conditions should be sent to the attention of: Western Union Stock Plan Administration, 7001 E. Belleview Avenue, HQ 13, Denver, Colorado 80237. In addition, notwithstanding any other provision of the Plan or this Agreement, in order for the restrictions on the Units to lapse, Executive must execute and return to the Company or accept electronically an updated restrictive covenant agreement (and any exhibits) if requested by the Company which may contain certain noncompete, nonsolicitation and/or nondisclosure provisions. Failure to execute or electronically accept such an agreement on or before the 90th day following the Grant Date will cause the Units to be forfeited and cancelled by the Company without any payment to Executive.

Prior to the issuance and transfer of Shares upon vesting, the Units will represent only an unfunded and unsecured obligation of the Company. Subject to paragraph 18 of this Agreement, any Units that vest in accordance with paragraphs 3, 7 or 9 will be settled as soon as administratively practicable after vesting (*i.e.*, upon lapse of the restrictions on the Units), but in no event later than 60 days after vesting. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any foreign, state

or federal law, or the consent or approval of any governmental authority is necessary or desirable as a condition to the issuance and transfer of Shares to Executive (or Executive's estate), such issuance and transfer will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained.

4. Subject to the last sentence of this paragraph 4, Executive may elect to satisfy Executive's obligation to advance the amount of any required income or other withholding taxes (the "Required Tax Payments") incurred in connection with the Award by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (3) authorizing the Company to withhold whole Shares which would otherwise be delivered to Executive having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to Executive, equal to the amount necessary to satisfy any such obligation, (4) a cash payment to the Company by a broker-dealer acceptable to the Company to whom Executive has submitted an irrevocable notice of sale, or (5) any combination of (1) and (2). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (1)-(5) for any employee who is not an "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Executive acknowledges that the ultimate liability for all Required Tax Payments legally due by Executive is and remains Executive's responsibility and may exceed the amount actually withheld by the Company and/or Executive's employer (the "Employer"). Executive further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Required Tax Payments in connection with any aspect of the Units, including the grant of the Units, the vesting of the Units, the conversion of the Units into Shares, the subsequent sale of any Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the Units to reduce or eliminate Executive's tax liability.

To avoid negative accounting treatment, the Company may withhold or account for Required Tax Payments by considering applicable minimum statutory withholding rates. If the obligation for Required Tax Payments is satisfied by withholding in Shares, for tax purposes, Executive is deemed to have been issued the full number of Shares due to Executive at vesting, notwithstanding that a number of Shares are held back solely for the purpose of paying the Required Tax Payments due as a result of any aspect of Executive's participation in the Plan. Finally, Executive shall pay to the Company or the Employer any amount of Required Tax Payments that the Company or the Employer may be required to withhold as a result of Executive's receipt of the Units, the vesting of the Units, or the conversion of the vested Units to Shares that cannot be satisfied by the means previously described. The Company may refuse to issue Shares to Executive if Executive fails to comply with Executive's obligations in connection with the Required Tax Payments as described herein.

5. The Units may not be sold, assigned, transferred, pledged, or otherwise disposed of, except by will or the laws of descent and distribution, while subject to restrictions. If Executive or anyone claiming under or through Executive attempts to make any such sale, transfer, assignment, pledge

or other disposition of Units in violation of this paragraph 5, such attempted violation shall be null, void, and without effect.

6. Executive shall forfeit Executive's right to any unvested Units if Executive's continuous employment with the Company or a Subsidiary or Affiliate terminates for any reason during the Restriction Period (except solely by reason of a period of Related Employment or as set forth in paragraphs 7 and 9).
7. Except to the extent paragraph 9 applies, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause on or after the first anniversary of the Grant Date, subject to Executive's timely execution of an agreement and release in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, the Units shall vest and be settled on a prorated basis effective on Executive's termination date. Notwithstanding anything to the contrary in the Severance/Change in Control Policy (Executive Committee Level) (the "Executive Severance Policy"), such prorated vesting shall be calculated by multiplying the total number of Units granted under this Award by a fraction, the numerator of which is the number of days between the Grant Date and Executive's termination date and the denominator of which is the number of days between the Grant Date and the date of Full Vesting of this Award as defined in paragraph 3, less any Units which have previously vested under this Award (or based on such other proration methodology selected by the Company which the Company determines in its sole discretion yields substantially the same results as the foregoing proration methodology). The restricted portion of this Award that does not become vested under such calculation shall be forfeited on Executive's termination date and shall be cancelled by the Company. Notwithstanding anything to the contrary in the Executive Severance Policy, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause before the first anniversary of the Grant Date (other than on account of death or Disability), and paragraph 9 does not apply, Executive shall not be entitled to a prorated Award.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of death or Disability during the Restriction Period, Executive shall immediately vest, as of the date of such termination of employment, in any then-unvested Units. If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of Retirement, any then-restricted Units shall vest and be settled on a prorated basis effective on Executive's termination date. Such prorated vesting shall be calculated by multiplying the total number of Units granted under this Award by a fraction, the numerator of which is the number of days between the Grant Date and Executive's termination date and the denominator of which is the number of days between the Grant Date and the date of Full Vesting of this Award as defined in paragraph 3, less any Units which have previously vested under this Award (or based on such other proration methodology selected by the Company which the Company determines in its sole discretion yields substantially the same results as the foregoing proration methodology). The restricted portion of this Award that does not become vested upon such termination by reason of Retirement shall be forfeited on Executive's termination date and shall be cancelled by the Company.

8. During the Restriction Period, Executive (and any person succeeding to Executive's rights pursuant to the Plan) will have no ownership interest or rights in Shares underlying the Units, including no rights to exercise voting or other shareholder rights with respect to such Shares,

except that Executive shall be entitled to receive dividend equivalents related to the Units equal in amount to the dividends declared, prior to settlement of the Units, on the Shares underlying the Units. Dividend equivalent amounts shall be payable with respect to the number of Units that vest pursuant to the terms of this Agreement and shall be paid or distributed in cash at the same time the Shares underlying the vested Units are distributed to Executive in accordance with this Agreement.

9. If Executive's employment is terminated by the Company, a Subsidiary or an Affiliate involuntarily and without Cause (or otherwise terminates for an eligible reason according to the terms of the Company severance policy applicable to Executive as of the effective date of a Change in Control (if any)) during the 24-month period commencing on the effective date of the Change in Control, then, subject to the terms of any severance policy applicable to Executive as of the effective date of the Change in Control, any remaining restrictions applicable to the Units shall immediately lapse effective on the date of Executive's termination.
10. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, however, that no such amendment shall adversely affect in a material manner any right of Executive under this Agreement without Executive's written consent.
11. Any action taken or decision made by the Company, the Board, or the Committee or their delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within their sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on Executive and all persons claiming under or through Executive. By accepting this grant of Units or other benefit under the Plan, Executive and each person claiming under or through Executive shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee or their delegates.
12. This grant of Units is discretionary, non-binding for future years and there is no promise or guarantee that such grants will be offered to Executive in future years.
13. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Executive's participation in the Plan, or Executive's acquisition or sale of the Shares underlying the Units. Executive is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
14. The validity, construction, interpretation, administration and effect of these Terms and Conditions and the Plan and rights relating to the Plan and to this Agreement, shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly under the grant of the Units or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation shall be conducted in the courts of Denver County, or the federal courts for the United States for the District of Colorado, where this grant is made and/or to be performed.

15. The Company may, in its sole discretion, decide to deliver any documents related to the Units and to participation in the Plan or related to future Units that may be granted under the Plan by electronic means or to request Executive's consent to participate in the Plan by electronic means. Executive hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.
16. If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed as to foster the intent of this Agreement and the Plan.
17. Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of (i) The Western Union Company Clawback Policy, as in effect on the Grant Date, (ii) the clawback policy, as in effect on the Grant Date, adopted by the Company in order to comply with paragraph 7 of the Enhanced Compliance Undertaking of the Deferred Prosecution Agreement dated January 19, 2017 by and between the Company, the U.S. Department of Justice, and the U.S. Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, and (iii) any modification to the foregoing clawback policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.
18. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. In addition, to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, and (ii) such payment is conditioned upon Executive's execution of a release and is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, such payment shall be paid or provided in the later of the two taxable years.

On Behalf of The Western Union Company

By: _____
Title: <Name, Title, Signature>

I accept the grant of Units under the terms and conditions set forth in this Agreement.

By: _____
<Participant Name>

Date: <Date>

**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT
TERMS AND CONDITIONS FOR NON-U.S. SECTION 16 OFFICERS**

1. Pursuant to The Western Union Company 2015 Long-Term Incentive Plan (the “Plan”), The Western Union Company (the “Company”) hereby grants to <Participant Name> (“Executive”) an award of Restricted Stock Units (the “Units”), in the amount specified in Executive’s Award Notice (which forms part of this Agreement) as of the Grant Date specified in Executive’s Award Notice, related to shares of Common Stock (“Shares”), subject to the terms and conditions set forth in this Agreement (including any country-specific terms or conditions for Executive’s country of residence as set forth in the Appendix) and the Plan. The terms of the Plan are hereby incorporated in this Agreement by this reference and made a part hereof. Capitalized terms not defined herein shall have the same definitions as set forth in the Plan.
2. Each Unit shall provide for the issuance and transfer to Executive of one Share upon lapse of the restrictions set forth in paragraph 3 below. Upon issuance and transfer of Shares to Executive following the Restriction Period (as defined herein), Executive shall have all rights incident to ownership of such Shares, including but not limited to voting rights and the right to receive dividends.
3. Subject to the other provisions of this Agreement (including the Appendix) and the terms of the Plan, on the third anniversary of the Grant Date (the date of “Full Vesting” of this Award), all restrictions on the Units shall lapse and the Shares subject to the Units shall be issued and transferred to Executive. Effective on and after such date, subject to applicable laws and Company policies, Executive may hold, assign, pledge, sell, or transfer the Shares in Executive’s discretion. The three-year period in which the Units may be forfeited by Executive is defined as the “Restriction Period.”

Notwithstanding the foregoing provisions in this paragraph 3, Executive will forfeit all rights to the Units unless Executive accepts these Terms and Conditions either through electronic acceptance (if permitted by the Company) or by signing and returning to the Company a copy of these Terms and Conditions on or before the 90th day following the Grant Date. Signed copies of these Terms and Conditions should be sent to the attention of: Western Union Stock Plan Administration, 7001 E. Belleview Avenue, HQ 13, Denver, Colorado 80237. In addition, notwithstanding any other provision of the Plan or this Agreement, in order for the restrictions on the Units to lapse, Executive must execute and return to the Company or accept electronically an updated restrictive covenant agreement (and any exhibits) if requested by the Company which may contain certain noncompete, nonsolicitation and/or nondisclosure provisions. Failure to execute or electronically accept such an agreement on or before the 90th day following the Grant Date will cause the Units to be forfeited and cancelled by the Company without any payment to Executive.

Prior to the issuance and transfer of Shares upon vesting, the Units will represent only an unfunded and unsecured obligation of the Company. Subject to paragraph 22 of this Agreement, any Units that vest in accordance with paragraphs 3, 7 or 9 will be settled as soon as administratively practicable after vesting (*i.e.*, upon lapse of the restrictions on the Units), but in no event later than 60 days after vesting. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any foreign, state or federal law, or the consent or approval of any governmental authority is necessary or desirable as a condition to the issuance and transfer of Shares to Executive (or Executive’s estate), such

issuance and transfer will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained.

4. Subject to the last sentence of this paragraph 4, Executive may elect to satisfy Executive's obligation to advance the amount of any required income or other withholding taxes (the "Required Tax Payments") incurred in connection with the Award by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (3) authorizing the Company to withhold whole Shares which would otherwise be delivered to Executive having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to Executive, equal to the amount necessary to satisfy any such obligation, (4) a cash payment to the Company by a broker-dealer acceptable to the Company to whom Executive has submitted an irrevocable notice of sale, or (5) any combination of (1) and (2). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (1)-(5) for any employee who is not an "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Executive acknowledges that the ultimate liability for all Required Tax Payments legally due by Executive is and remains Executive's responsibility and may exceed the amount actually withheld by the Company and/or Executive's employer (the "Employer"). Executive further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Required Tax Payments in connection with any aspect of the Units, including the grant of the Units, the vesting of the Units, the conversion of the Units into Shares, the subsequent sale of any Shares acquired at vesting and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the Units to reduce or eliminate Executive's tax liability.

To avoid negative accounting treatment, the Company may withhold or account for Required Tax Payments by considering applicable minimum statutory withholding rates. If the obligation for Required Tax Payments is satisfied by withholding in Shares, for tax purposes, Executive is deemed to have been issued the full number of Shares due to Executive at vesting, notwithstanding that a number of Shares are held back solely for the purpose of paying the Required Tax Payments due as a result of any aspect of Executive's participation in the Plan. Finally, Executive shall pay to the Company or the Employer any amount of Required Tax Payments that the Company or the Employer may be required to withhold as a result of Executive's receipt of the Units, the vesting of the Units, or the conversion of the vested Units to Shares that cannot be satisfied by the means previously described. The Company may refuse to issue Shares to Executive if Executive fails to comply with Executive's obligations in connection with the Required Tax Payments as described herein.

5. The Units may not be sold, assigned, transferred, pledged, or otherwise disposed of, except by will or the laws of descent and distribution, while subject to restrictions. If Executive or anyone claiming under or through Executive attempts to make any such sale, transfer, assignment, pledge or other disposition of Units in violation of this paragraph 5, such attempted violation shall be null, void, and without effect.
6. Executive shall forfeit Executive's right to any unvested Units if Executive's continuous employment with the Company or a Subsidiary or Affiliate terminates for any reason during the Restriction Period (except solely by reason of a period of Related Employment or as set forth in

paragraphs 7 and 9).

7. Except to the extent paragraph 9 applies, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause on or after the first anniversary of the Grant Date, subject to Executive's timely execution of an agreement and release in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, the Units shall vest and be settled on a prorated basis effective on Executive's termination date. Notwithstanding anything to the contrary in the Severance/Change in Control Policy (Executive Committee Level) (the "Executive Severance Policy"), such prorated vesting shall be calculated by multiplying the total number of Units granted under this Award by a fraction, the numerator of which is the number of days between the Grant Date and Executive's termination date and the denominator of which is the number of days between the Grant Date and the date of Full Vesting of this Award as defined in paragraph 3, less any Units which have previously vested under this Award (or based on such other proration methodology selected by the Company which the Company determines in its sole discretion yields substantially the same results as the foregoing proration methodology). The restricted portion of this Award that does not become vested under such calculation shall be forfeited on Executive's termination date and shall be cancelled by the Company. Notwithstanding anything to the contrary in the Executive Severance Policy, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause before the first anniversary of the Grant Date (other than on account of death or Disability), and paragraph 9 does not apply, Executive shall not be entitled to a prorated Award.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of death or Disability during the Restriction Period, Executive shall immediately vest, as of the date of such termination of employment, in any then-unvested Units. If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of Retirement, any then-restricted Units shall vest and be settled on a prorated basis effective on Executive's termination date. Such prorated vesting shall be calculated by multiplying the total number of Units granted under this Award by a fraction, the numerator of which is the number of days between the Grant Date and Executive's termination date and the denominator of which is the number of days between the Grant Date and the date of Full Vesting of this Award as defined in paragraph 3, less any Units which have previously vested under this Award (or based on such other proration methodology selected by the Company which the Company determines in its sole discretion yields substantially the same results as the foregoing proration methodology). The restricted portion of this Award that does not become vested upon such termination by reason of Retirement shall be forfeited on Executive's termination date and shall be cancelled by the Company. In administering the Plan, the Company reserves the right to not apply the prorated vesting provisions described in this paragraph to an employee who meets the eligibility criteria for Retirement under the Plan if applying such provisions could be deemed to be impermissible age discrimination under local laws, as determined in the sole discretion of the Company.

8. During the Restriction Period, Executive (and any person succeeding to Executive's rights pursuant to the Plan) will have no ownership interest or rights in Shares underlying the Units, including no rights to exercise voting or other shareholder rights with respect to such Shares, except that Executive shall be entitled to receive dividend equivalents related to the Units equal in amount to the dividends declared, prior to settlement of the Units, on the Shares underlying the Units. Dividend equivalent amounts shall be payable with respect to the number of Units that vest pursuant to the terms of this Agreement and shall be paid or distributed in cash at the same time the Shares underlying the vested Units are distributed to Executive in accordance with this

Agreement.

9. If Executive's employment is terminated by the Company, a Subsidiary or an Affiliate involuntarily and without Cause (or otherwise terminates for an eligible reason according to the terms of the Company severance policy applicable to Executive as of the effective date of a Change in Control (if any)) during the 24-month period commencing on the effective date of the Change in Control, then, subject to the terms of any severance policy applicable to Executive as of the effective date of the Change in Control, any remaining restrictions applicable to the Units shall immediately lapse effective on the date of Executive's termination.
10. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, however, that no such amendment shall adversely affect in a material manner any right of Executive under this Agreement without Executive's written consent.
11. Any action taken or decision made by the Company, the Board, or the Committee or their delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within their sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on Executive and all persons claiming under or through Executive. By accepting this grant of Units or other benefit under the Plan, Executive and each person claiming under or through Executive shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee or their delegates.
12. In accepting the Award of Units, Executive acknowledges that (i) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan; (ii) the Award of Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Units, or benefits in lieu of Units, even if Units have been awarded repeatedly in the past; (iii) all decisions with respect to future awards, if any, will be at the sole discretion of the Committee; (iv) Executive's participation in the Plan is voluntary; (v) Executive's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the employment relationship at any time with or without Cause; (vi) the Award of Units is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer, and the Units are outside the scope of Executive's employment contract, if any; (vii) the Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary or Affiliate of the Company; (viii) in the event that Executive is not an employee of the Company or any Subsidiary of the Company, neither the grant of Units nor Executive's participation in the Plan shall be interpreted to form an employment contract or relationship with the Company or any Subsidiary of the Company; (ix) the future value of the underlying Shares is unknown and cannot be predicted with certainty, (x) if Executive receives Shares, the value of such Shares acquired upon vesting of the Units may increase or decrease in value; (xi) in consideration of the grant of the Units, no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from termination of Executive's employment by the Company or the Employer (for any reason whatsoever and

whether or not in breach of local labor laws), and Executive irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, Executive shall be deemed irrevocably to have waived his or her entitlement to pursue such claim; (xii) in the event of involuntary termination of Executive's employment (whether or not in breach of local labor laws), Executive's right to receive the Units and vest under the Plan, if any, will terminate effective as of the date that Executive is no longer being paid regular salary as an employee of the Employer regardless of whether Executive is entitled to a notice period mandated under local law; furthermore, in the event of involuntary termination of employment (whether or not in breach of local labor laws), Executive's right to receive Shares pursuant to the Units after termination of employment, if any, will be measured by the last date that the Employer pays Executive his or her last paycheck for regular salary as an employee of the Employer and will not be extended by any notice period mandated under local law; the Committee shall have the exclusive discretion to determine when Executive is no longer being paid regular salary for this purpose; and (xiii) the Units and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

13. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Executive's participation in the Plan, or Executive's acquisition or sale of the Shares underlying the Units. Executive is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
14. The validity, construction, interpretation, administration and effect of these Terms and Conditions, the Appendix and the Plan and rights relating to the Plan and to this Agreement (including the Appendix), shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly under the grant of the Units or the Agreement (including the Appendix), the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation shall be conducted in the courts of Denver County, or the federal courts for the United States for the District of Colorado, where this grant is made and/or to be performed.
15. For Executives located outside of the European Economic Area:

Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement by and among, as applicable, the Employer, the Company and the Company's Subsidiaries and Affiliates for the exclusive purpose of implementing, administering and managing Executive's participation in the Plan.

Executive understands that the Employer and/or the Company may hold certain personal information about him or her, including, but not limited to, Executive's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Executive's favor, for the purpose of implementing, administering and managing the Plan ("Data").

Executive understands that Data will be transferred to Merrill Lynch-Bank of America or such other stock plan service provider as may be selected by the Company in the future, which is

assisting the Company with the implementation, administration and management of the Plan. Executive understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Executive's country. Executive understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Executive authorizes the Company, Merrill Lynch-Bank of America and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Executive understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Executive understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Executive understands, however, that refusing or withdrawing consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, Executive understands that he or she may contact his or her local human resources representative.

For Executives located within the European Economic Area :

Executive understands that the Employer, the Company and the Company's Subsidiaries and Affiliates collect, store, use and transfer certain personal data about Executive as described in this Agreement.

This personal data includes, where permitted by applicable law, the Executive's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Executive's favor ("Data").

Executive understands that providing Employer and/or the Company with Data is necessary to effectuate Executive's participation in the Plan and that Executive's refusal to do so may affect Executive's ability to participate in the Plan.

The Data are processed for the purpose of implementing, administering and managing Executive's participation in the Plan. Furthermore, Employer, the Company and the Company's Subsidiaries and Affiliates also process Data to the extent necessary for their legitimate interests in administering Executive benefits. The data controller for the processing of Data described in this Agreement is the Employer and the Company. A list of relevant data controllers across the European Economic Area is set out in the "EEA Employee and Consultant Data Privacy Notice" which is maintained on WU Life.

Executive understands that Data will be transferred to Merrill Lynch-Bank of America or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Furthermore, Data will be transferred between the Employer, the Company and the Company's Subsidiaries and Affiliates as necessary for the purposes described in this Agreement. Executive understands that some of the recipients of the Data are located in the United States or elsewhere, and that the recipient's country may have different data privacy laws and protections than

Executive's country. To the extent that these data recipients are located in countries outside the European Economic Area that have not been recognized by the European Commission as providing an adequate level of data protection, the Company ensures that appropriate safeguards aimed at ensuring such a level of data protection are in place as required by applicable law, including by entering into the European Commission's EU Standard Contractual Clauses with the data recipients pursuant to Article 46, §2 of the EU General Data Protection Regulation 2016/679 of April 27, 2016 (hereinafter: "GDPR"). Executive understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Executive understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan.

Executive understands that, subject to applicable law, he or she may, at any time, request to access or erase Data, request additional information about the storage and processing of Data, or require any necessary amendments to Data subject to applicable law, Executive may also request the restriction of the processing of Data or object to that processing on grounds relating to his or her particular situation. Subject to applicable law, Executive also has the right to receive, in a structured, commonly used and machine-readable format, the Data that he or she has provided to the Company, as well as the right to have this Data transmitted to another data controller, where it is technically feasible. Executive understands he or she may also lodge a complaint to the Supervisory Authority in particular, the Supervisory Authority of the location of his or her habitual residence, place of work or place of the alleged infringement of applicable data protection law. Executive understands that he or she may exercise these rights at any time and without cost, by contacting in writing his or her local human resources representative.

Employees can consult the "EEA Employee and Consultant Data Privacy Notice which is maintained on WU Life or contact the Company's Data Protection Officer at wuprivacy@westernunion.com for more information about the Company's data processing and privacy practices.

16. If Executive has received this Award Agreement or any other document or communication related to the Plan or this grant in a language other than English and the meaning in the translation is different than in the English version, the terms expressed in the English version will govern.
17. The Company may, in its sole discretion, decide to deliver any documents related to the Units and to participation in the Plan or related to future Units that may be granted under the Plan by electronic means or to request Executive's consent to participate in the Plan by electronic means. Executive hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.
18. Notwithstanding any provisions in the Agreement or the Plan, the grant of Units shall be subject to any special terms and conditions set forth in the Appendix to this Agreement for Executive's country of residence. The Appendix constitutes part of the Agreement.
19. The Company reserves the right to impose other requirements on Executive's participation in the Plan, on the grant of Units and on any Shares acquired under the Plan to the extent the Company determines it is necessary or advisable in order to comply with any applicable law or facilitate the administration of the Plan. Executive agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Executive acknowledges that the laws of the country in which Executive is working at the time of grant, vesting or the sale of

Shares received pursuant to this Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Executive to additional procedural or regulatory requirements that Executive is and will be solely responsible for and must fulfill.

20. If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed as to foster the intent of this Agreement and the Plan.
21. Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of (i) The Western Union Company Clawback Policy, as in effect on the Grant Date, (ii) the clawback policy, as in effect on the Grant Date, adopted by the Company in order to comply with paragraph 7 of the Enhanced Compliance Undertaking of the Deferred Prosecution Agreement dated January 19, 2017 by and between the Company, the U.S. Department of Justice, and the U.S. Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, and (iii) any modification to the foregoing clawback policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.
22. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code if Executive is subject to tax in the U.S. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. In addition, to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, and (ii) such payment is conditioned upon Executive's execution of a release and is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, such payment shall be paid or provided in the later of the two taxable years.

On Behalf of The Western Union Company

By: _____
Title: <Name, Title, Signature>

I accept the grant of Units under the terms and conditions set forth in this Agreement.

By: _____
<Participant Name>

Date: <Date>

APPENDIX

THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN RESTRICTED STOCK UNIT AWARD AGREEMENT

ADDITIONAL TERMS AND PROVISIONS FOR NON-U.S. SECTION 16 OFFICERS

Terms and Conditions

This Appendix includes special terms and conditions applicable to Executive if he or she resides in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement.

Notifications

This Appendix also includes country-specific information of which Executive should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Executive does not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that he or she vests in the Units and Shares are issued to him or her or the Shares issued upon vesting of the Units are sold.

In addition, the information is general in nature and may not apply to Executive's particular situation, and the Company is not in a position to assure Executive of any particular result. Accordingly, Executive is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her particular situation. Finally, please note that if Executive is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Appendix may not be applicable.

AUSTRIA

Notifications

Consumer Protection Notification. If the provisions of the Austrian Consumer Protection Act (the "Act") are applicable to the Agreement and the Plan, Executive may be entitled to revoke his or her acceptance of the Agreement under the conditions listed below:

- (i) If Executive accepts the Agreement outside the business premises of the Company, he or she may be entitled to revoke his or her acceptance of the Agreement, provided the revocation is made within one week after he or she accepts the Agreement.
- (ii) The revocation must be in written form to be valid. It is sufficient if Executive returns the Agreement to the Company or the Company's representative with language which can be understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period set forth above.

Exchange Control Information. If Executive holds Shares outside of Austria, Executive must submit a report to the Austrian National Bank. An exemption applies if the value of the shares, as of any given quarter does not exceed €30,000,000 or as of December 31, does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is as of December 31 and the deadline for filing the annual report is January 31 of the following year. If quarterly obligations are imposed, the reporting date is the end of each quarter and the deadline for filing the report is the 15th of the month following.

When Shares are sold, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all Executive accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month with the form “Meldungen SI-Forderungen und/oder SI-Verpflichtungen.”

UNITED ARAB EMIRATES

There are no country specific provisions.

2015 LTIP - Non-U.S. Section 16 Officer
RSUs (3-year cliff vest)

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**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
FINANCIAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
TERMS AND CONDITIONS FOR U.S. SECTION 16 OFFICERS**

1. Pursuant to The Western Union Company 2015 Long-Term Incentive Plan (the “Plan”), The Western Union Company (the “Company”) hereby grants to <Participant Name> (“Executive”) an award of Restricted Stock Units (the “Units”), in the amount specified in Executive’s Award Notice (which forms part of this Agreement) as of the Grant Date specified in Executive’s Award Notice, related to shares of Common Stock (“Shares”), subject to the terms and conditions set forth in this Agreement and the Plan. The terms of the Plan are hereby incorporated in this Agreement by this reference and made a part hereof. Capitalized terms not defined herein shall have the same definitions as set forth in the Plan.
2. Each Unit shall provide for the issuance and transfer to Executive of one Share upon lapse of the restrictions set forth in paragraph 3 below and the Committee’s determination of the amount of the Award payable to Executive in accordance with Exhibit A. Upon issuance and transfer of Shares to Executive following the Restriction Period (as defined herein), Executive shall have all rights incident to ownership of such Shares, including but not limited to voting rights and the right to receive dividends.
3. Subject to the other provisions of this Agreement and the terms of the Plan, on the third anniversary of the Grant Date, subject to the Committee’s determination of the amount of the Award payable to Executive in accordance with Exhibit A, all restrictions on the Units shall lapse and the number of Shares subject to the Units determined by the Committee to be transferred to Executive in accordance with Exhibit A shall be issued and transferred to Executive. Effective on and after such date, subject to applicable laws and Company policies, Executive may hold, assign, pledge, sell, or transfer the Shares transferred to Executive in Executive’s discretion. The three-year period in which the Units may be forfeited by Executive is defined as the “Restriction Period.”

Notwithstanding the foregoing provisions in this paragraph 3, Executive will forfeit all rights to the Units unless Executive accepts these Terms and Conditions either through electronic acceptance (if permitted by the Company) or by signing and returning to the Company a copy of these Terms and Conditions on or before the 90th day following the Grant Date. Signed copies of these Terms and Conditions should be sent to the attention of: Western Union Stock Plan Administration, 7001 E. Belleview Avenue, HQ 13, Denver, Colorado 80237. In addition, notwithstanding any other provision of the Plan or this Agreement, in order for the restrictions on the Units to lapse, Executive must execute and return to the Company or accept electronically an updated restrictive covenant agreement (and any exhibits) if requested by the Company which may contain certain noncompete, nonsolicitation and/or nondisclosure provisions. Failure to execute or electronically accept such an agreement on or before the 90th day following the Grant Date will cause the Units to be forfeited and cancelled by the Company without any payment to Executive.

Prior to the issuance and transfer of Shares upon vesting, the Units will represent only an unfunded and unsecured obligation of the Company. Any Shares determined by the Committee to be transferred to Executive in accordance with Exhibit A shall be issued and transferred to Executive as soon as administratively practicable after the end of the Restriction Period, and in no event later than March 15 of the calendar year immediately following the year in which the Award ceases to be subject to a substantial risk of forfeiture. If at any time the Company determines, in its

discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any foreign, state or federal law, or the consent or approval of any governmental authority is necessary or desirable as a condition to the issuance and transfer of Shares to Executive (or Executive's estate), such issuance and transfer will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained.

4. Subject to the last sentence of this paragraph 4, Executive may elect to satisfy Executive's obligation to advance the amount of any required income or other withholding taxes (the "Required Tax Payments") incurred in connection with the Award by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (3) authorizing the Company to withhold whole Shares which would otherwise be delivered to Executive having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to Executive, equal to the amount necessary to satisfy any such obligation, (4) a cash payment to the Company by a broker-dealer acceptable to the Company to whom Executive has submitted an irrevocable notice of sale, or (5) any combination of (1) and (2). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (1)-(5) for any employee who is not an "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Executive acknowledges that the ultimate liability for all Required Tax Payments legally due by Executive is and remains Executive's responsibility and may exceed the amount actually withheld by the Company and/or Executive's employer (the "Employer"). Executive further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Required Tax Payments in connection with any aspect of the Units, including the grant of the Units, the vesting of the Units, the conversion of the Units into Shares, the subsequent sale of any Shares acquired at vesting, and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the Units to reduce or eliminate Executive's tax liability.

To avoid negative accounting treatment, the Company may withhold or account for Required Tax Payments by considering applicable minimum statutory withholding rates. If the obligation for Required Tax Payments is satisfied by withholding in Shares, for tax purposes, Executive is deemed to have been issued the full number of Shares due to Executive at vesting, notwithstanding that a number of Shares are held back solely for the purpose of paying the Required Tax Payments due as a result of any aspect of Executive's participation in the Plan. Finally, Executive shall pay to the Company or the Employer any amount of Required Tax Payments that the Company or the Employer may be required to withhold as a result of Executive's receipt of the Units, the vesting of the Units, or the conversion of the vested Units to Shares that cannot be satisfied by the means previously described. The Company may refuse to issue Shares to Executive if Executive fails to comply with Executive's obligations in connection with the Required Tax Payments as described herein.

5. The Units may not be sold, assigned, transferred, pledged, or otherwise disposed of, except by will or the laws of descent and distribution, while subject to restrictions. If Executive or anyone claiming under or through Executive attempts to make any such sale, transfer, assignment, pledge or other disposition of Units in violation of this paragraph 5, such attempted violation shall be null,

void, and without effect.

6. Executive shall forfeit Executive's right to any unvested Units if Executive's continuous employment with the Company or a Subsidiary or Affiliate terminates for any reason during the Restriction Period (except solely by reason of a period of Related Employment or as set forth in paragraphs 7 and 9).
7. Except to the extent paragraph 9 applies, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause on or after the first anniversary of the Grant Date, subject to Executive's timely execution of an agreement and release in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, Executive will be entitled to a prorated Award. Such prorated Award shall be equal to the amount of the Award which is actually earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, multiplied by a fraction, the numerator of which shall equal the number of days Executive was employed with the Company during the Restriction Period and the denominator of which shall equal the number of days in the Restriction Period. Such prorated Award shall be paid at the same time as if Executive had remained employed with the Company through the end of the Restriction Period. Notwithstanding anything to the contrary in the Severance/Change in Control Policy (Executive Committee Level), if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause before the first anniversary of the Grant Date (other than on account of death or Disability), and paragraph 9 does not apply, Executive shall not be entitled to a prorated Award.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of death or Disability during the Restriction Period, the Award shall be paid, to the extent earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, to Executive or Executive's executor, administrator, legal representative, beneficiary or similar person (together, the "Beneficiary"), as the case may be, as if Executive had remained employed with the Company through the end of the Restriction Period.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of Retirement, Executive shall be entitled to a prorated Award. Such prorated Award shall be equal to the amount of the Award which is actually earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, multiplied by a fraction, the numerator of which shall equal the number of days Executive was employed with the Company during the Restriction Period and the denominator of which shall equal the number of days in the Restriction Period. Such prorated Award shall be paid at the same time as if Executive had remained employed with the Company through the end of the Restriction Period.

8. During the Restriction Period, Executive (and any person succeeding to Executive's rights pursuant to the Plan) will have no ownership interest or rights in Shares underlying the Units, including no rights to exercise voting or other shareholder rights with respect to such Shares, except that Executive shall be entitled to receive dividend equivalents related to the Units equal in amount to the dividends declared, prior to settlement of the Units, on the Shares underlying the Units. Dividend equivalent amounts shall be payable with respect to the number of Units that vest pursuant to the terms of this Agreement and shall be paid or distributed in cash at the same time

the Shares underlying the vested Units are distributed to Executive in accordance with this Agreement.

9. If Executive's employment is terminated by the Company, a Subsidiary or an Affiliate involuntarily and without Cause (or otherwise terminates for an eligible reason according to the terms of the Company severance policy applicable to Executive as of the effective date of a Change in Control (if any)) during the 24-month period commencing on the effective date of the Change in Control, then, subject to the terms of any severance policy applicable to Executive as of the effective date of the Change in Control, the Award shall be paid to Executive, to the extent earned, in accordance with Exhibit A, as if Executive had remained employed with the Company through the end of the Restriction Period.
10. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, however, that no such amendment shall adversely affect in a material manner any right of Executive under this Agreement without Executive's written consent.
11. Any action taken or decision made by the Company, the Board, or the Committee or their delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within their sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on Executive and all persons claiming under or through Executive. By accepting this grant of Units or other benefit under the Plan, Executive and each person claiming under or through Executive shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee or their delegates.
12. This grant of Units is discretionary, non-binding for future years and there is no promise or guarantee that such grants will be offered to Executive in future years.
13. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Executive's participation in the Plan, or Executive's acquisition or sale of the Shares underlying the Units. Executive is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
14. The validity, construction, interpretation, administration and effect of these Terms and Conditions and the Plan and rights relating to the Plan and to this Agreement, shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly under the grant of the Units or the Agreement, the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation shall be conducted in the courts of Denver County, or the federal courts for the United States for the District of Colorado, where this grant is made and/or to be performed.
15. The Company may, in its sole discretion, decide to deliver any documents related to the Units and to participation in the Plan or related to future Units that may be granted under the Plan by electronic means or to request Executive's consent to participate in the Plan by electronic means.

Executive hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

16. If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed as to foster the intent of this Agreement and the Plan.
17. Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of (i) The Western Union Company Clawback Policy, as in effect on the Grant Date, (ii) the clawback policy, as in effect on the Grant Date, adopted by the Company in order to comply with paragraph 7 of the Enhanced Compliance Undertaking of the Deferred Prosecution Agreement dated January 19, 2017 by and between the Company, the U.S. Department of Justice, and the U.S. Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, and (iii) any modification to the foregoing clawback policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.
18. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. In addition, to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, and (ii) such payment is conditioned upon Executive's execution of a release and is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, such payment shall be paid or provided in the later of the two taxable years.

On Behalf of The Western Union Company

By: _____

Title: < Name, Title, Signature>

I accept the grant of Units under the terms and conditions set forth in this Agreement.

By: _____

<Participant Name>

Date: <Date>

**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
FINANCIAL PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT
TERMS AND CONDITIONS FOR NON-U.S. SECTION 16 OFFICERS**

1. Pursuant to The Western Union Company 2015 Long-Term Incentive Plan (the “Plan”), The Western Union Company (the “Company”) hereby grants to <Participant Name> (“Executive”) an award of Restricted Stock Units (the “Units”), in the amount specified in Executive’s Award Notice (which forms part of this Agreement) as of the Grant Date specified in Executive’s Award Notice, related to shares of Common Stock (“Shares”), subject to the terms and conditions set forth in this Agreement (including any country-specific terms or conditions for Executive’s country of residence as set forth in the Appendix) and the Plan. The terms of the Plan are hereby incorporated in this Agreement by this reference and made a part hereof. Capitalized terms not defined herein shall have the same definitions as set forth in the Plan.
2. Each Unit shall provide for the issuance and transfer to Executive of one Share upon lapse of the restrictions set forth in paragraph 3 below and the Committee’s determination of the amount of the Award payable to Executive in accordance with Exhibit A. Upon issuance and transfer of Shares to Executive following the Restriction Period (as defined herein), Executive shall have all rights incident to ownership of such Shares, including but not limited to voting rights and the right to receive dividends.
3. Subject to the other provisions of this Agreement (including the Appendix) and the terms of the Plan, on the third anniversary of the Grant Date, subject to the Committee’s determination of the amount of the Award payable to Executive in accordance with Exhibit A, all restrictions on the Units shall lapse and the number of Shares subject to the Units determined by the Committee to be transferred to Executive in accordance with Exhibit A shall be issued and transferred to Executive. Effective on and after such date, subject to applicable laws and Company policies, Executive may hold, assign, pledge, sell, or transfer the Shares transferred to Executive in Executive’s discretion. The three-year period in which the Units may be forfeited by Executive is defined as the “Restriction Period.”

Notwithstanding the foregoing provisions in this paragraph 3, Executive will forfeit all rights to the Units unless Executive accepts these Terms and Conditions either through electronic acceptance (if permitted by the Company) or by signing and returning to the Company a copy of these Terms and Conditions on or before the 90th day following the Grant Date. Signed copies of these Terms and Conditions should be sent to the attention of: Western Union Stock Plan Administration, 7001 E. Belleview Avenue, HQ 13, Denver, Colorado 80237. In addition, notwithstanding any other provision of the Plan or this Agreement, in order for the restrictions on the Units to lapse, Executive must execute and return to the Company or accept electronically an updated restrictive covenant agreement (and any exhibits) if requested by the Company which may contain certain noncompete, nonsolicitation and/or nondisclosure provisions. Failure to execute or electronically accept such an agreement on or before the 90th day following the Grant Date will cause the Units to be forfeited and cancelled by the Company without any payment to Executive.

Prior to the issuance and transfer of Shares upon vesting, the Units will represent only an unfunded and unsecured obligation of the Company. Any Shares determined by the Committee to be transferred to Executive in accordance with Exhibit A shall be issued and transferred to Executive as soon as administratively practicable after the end of the Restriction Period, and in no event later

than March 15 of the calendar year immediately following the year in which the Award ceases to be subject to a substantial risk of forfeiture. If at any time the Company determines, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any foreign, state or federal law, or the consent or approval of any governmental authority is necessary or desirable as a condition to the issuance and transfer of Shares to Executive (or Executive's estate), such issuance and transfer will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained.

4. Subject to the last sentence of this paragraph 4, Executive may elect to satisfy Executive's obligation to advance the amount of any required income or other withholding taxes (the "Required Tax Payments") incurred in connection with the Award by any of the following means: (1) a cash payment to the Company, (2) delivery (either actual delivery or by attestation procedures established by the Company) to the Company of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy any such obligation, (3) authorizing the Company to withhold whole Shares which would otherwise be delivered to Executive having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash which would otherwise be payable to Executive, equal to the amount necessary to satisfy any such obligation, (4) a cash payment to the Company by a broker-dealer acceptable to the Company to whom Executive has submitted an irrevocable notice of sale, or (5) any combination of (1) and (2). The Company shall have sole discretion to disapprove of an election pursuant to any of clauses (1)-(5) for any employee who is not an "officer" as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934.

Executive acknowledges that the ultimate liability for all Required Tax Payments legally due by Executive is and remains Executive's responsibility and may exceed the amount actually withheld by the Company and/or Executive's employer (the "Employer"). Executive further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Required Tax Payments in connection with any aspect of the Units, including the grant of the Units, the vesting of the Units, the conversion of the Units into Shares, the subsequent sale of any Shares acquired at vesting, and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of the Units to reduce or eliminate Executive's tax liability.

To avoid negative accounting treatment, the Company may withhold or account for Required Tax Payments by considering applicable minimum statutory withholding rates. If the obligation for Required Tax Payments is satisfied by withholding in Shares, for tax purposes, Executive is deemed to have been issued the full number of Shares due to Executive at vesting, notwithstanding that a number of Shares are held back solely for the purpose of paying the Required Tax Payments due as a result of any aspect of Executive's participation in the Plan. Finally, Executive shall pay to the Company or the Employer any amount of Required Tax Payments that the Company or the Employer may be required to withhold as a result of Executive's receipt of the Units, the vesting of the Units, or the conversion of the vested Units to Shares that cannot be satisfied by the means previously described. The Company may refuse to issue Shares to Executive if Executive fails to comply with Executive's obligations in connection with the Required Tax Payments as described herein.

5. The Units may not be sold, assigned, transferred, pledged, or otherwise disposed of, except by will or the laws of descent and distribution, while subject to restrictions. If Executive or anyone

claiming under or through Executive attempts to make any such sale, transfer, assignment, pledge or other disposition of Units in violation of this paragraph 5, such attempted violation shall be null, void, and without effect.

6. Executive shall forfeit Executive's right to any unvested Units if Executive's continuous employment with the Company or a Subsidiary or Affiliate terminates for any reason during the Restriction Period (except solely by reason of a period of Related Employment or as set forth in paragraphs 7 and 9).
7. Except to the extent paragraph 9 applies, if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause on or after the first anniversary of the Grant Date, subject to Executive's timely execution of an agreement and release in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, Executive will be entitled to a prorated Award. Such prorated Award shall be equal to the amount of the Award which is actually earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, multiplied by a fraction, the numerator of which shall equal the number of days Executive was employed with the Company during the Restriction Period and the denominator of which shall equal the number of days in the Restriction Period. Such prorated Award shall be paid at the same time as if Executive had remained employed with the Company through the end of the Restriction Period. Notwithstanding anything to the contrary in the Severance/Change in Control Policy (Executive Committee Level), if Executive's employment with the Company or a Subsidiary or Affiliate terminates involuntarily and without Cause before the first anniversary of the Grant Date (other than on account of death or Disability), and paragraph 9 does not apply, Executive shall not be entitled to a prorated Award.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of death or Disability during the Restriction Period, the Award shall be paid, to the extent earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, to Executive or Executive's executor, administrator, legal representative, beneficiary or similar person (together, the "Beneficiary"), as the case may be, as if Executive had remained employed with the Company through the end of the Restriction Period.

If Executive's employment with the Company or a Subsidiary or Affiliate terminates by reason of Retirement, Executive shall be entitled to a prorated Award. Such prorated Award shall be equal to the amount of the Award which is actually earned, based upon the Committee's determination of the amount of the Award payable to Executive in accordance with Exhibit A, multiplied by a fraction, the numerator of which shall equal the number of days Executive was employed with the Company during the Restriction Period and the denominator of which shall equal the number of days in the Restriction Period. Such prorated Award shall be paid at the same time as if Executive had remained employed with the Company through the end of the Restriction Period. In administering the Plan, the Company reserves the right to not apply the prorated vesting provisions described in this paragraph to an employee who meets the eligibility criteria for Retirement under the Plan if applying such provisions could be deemed to be impermissible age discrimination under local laws, as determined in the sole discretion of the Company.

8. During the Restriction Period, Executive (and any person succeeding to Executive's rights

pursuant to the Plan) will have no ownership interest or rights in Shares underlying the Units, including no rights to exercise voting or other shareholder rights with respect to such Shares, except that Executive shall be entitled to receive dividend equivalents related to the Units equal in amount to the dividends declared, prior to settlement of the Units, on the Shares underlying the Units. Dividend equivalent amounts shall be payable with respect to the number of Units that vest pursuant to the terms of this Agreement and shall be paid or distributed in cash at the same time the Shares underlying the vested Units are distributed to Executive in accordance with this Agreement.

9. If Executive's employment is terminated by the Company, a Subsidiary or an Affiliate involuntarily and without Cause (or otherwise terminates for an eligible reason according to the terms of the Company severance policy applicable to Executive as of the effective date of a Change in Control (if any)) during the 24-month period commencing on the effective date of the Change in Control, then, subject to the terms of any severance policy applicable to Executive as of the effective date of the Change in Control, the Award shall be paid to Executive, to the extent earned, in accordance with Exhibit A, as if Executive had remained employed with the Company through the end of the Restriction Period.
10. The terms of this Agreement may be amended from time to time by the Committee in its sole discretion in any manner that it deems appropriate; provided, however, that no such amendment shall adversely affect in a material manner any right of Executive under this Agreement without Executive's written consent.
11. Any action taken or decision made by the Company, the Board, or the Committee or their delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within their sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on Executive and all persons claiming under or through Executive. By accepting this grant of Units or other benefit under the Plan, Executive and each person claiming under or through Executive shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken under the Plan by the Company, the Board or the Committee or their delegates.
12. In accepting the Award of Units, Executive acknowledges that (i) the Plan is established voluntarily by the Company, it is discretionary in nature and may be modified, amended, suspended or terminated by the Company at any time, as provided in the Plan; (ii) the Award of Units is voluntary and occasional and does not create any contractual or other right to receive future awards of Units, or benefits in lieu of Units, even if Units have been awarded repeatedly in the past; (iii) all decisions with respect to future awards, if any, will be at the sole discretion of the Committee; (iv) Executive's participation in the Plan is voluntary; (v) Executive's participation in the Plan shall not create a right to further employment with the Employer and shall not interfere with the ability of the Employer to terminate the employment relationship at any time with or without Cause; (vi) the Award of Units is an extraordinary item that does not constitute compensation of any kind for services of any kind rendered to the Company or to the Employer, and the Units are outside the scope of Executive's employment contract, if any; (vii) the Units are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments and

in no event should be considered as compensation for, or relating in any way to, past services for the Company, the Employer or any Subsidiary or Affiliate of the Company; (viii) in the event that Executive is not an employee of the Company or any Subsidiary of the Company, neither the grant of Units nor Executive's participation in the Plan shall be interpreted to form an employment contract or relationship with the Company or any Subsidiary of the Company; (ix) the future value of the underlying Shares is unknown and cannot be predicted with certainty, (x) if Executive receives Shares, the value of such Shares acquired upon vesting of the Units may increase or decrease in value; (xi) in consideration of the grant of the Units, no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from termination of Executive's employment by the Company or the Employer (for any reason whatsoever and whether or not in breach of local labor laws), and Executive irrevocably releases the Company and the Employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, then, by signing this Agreement, Executive shall be deemed irrevocably to have waived his or her entitlement to pursue such claim; (xii) in the event of involuntary termination of Executive's employment (whether or not in breach of local labor laws), Executive's right to receive the Units and vest under the Plan, if any, will terminate effective as of the date that Executive is no longer being paid regular salary as an employee of the Employer regardless of whether Executive is entitled to a notice period mandated under local law; furthermore, in the event of involuntary termination of employment (whether or not in breach of local labor laws), Executive's right to receive Shares pursuant to the Units after termination of employment, if any, will be measured by the last date that the Employer pays Executive his or her last paycheck for regular salary as an employee of the Employer and will not be extended by any notice period mandated under local law; the Committee shall have the exclusive discretion to determine when Executive is no longer being paid regular salary for this purpose; and (xiii) the Units and the benefits under the Plan, if any, will not automatically transfer to another company in the case of a merger, take-over or transfer of liability.

13. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Executive's participation in the Plan, or Executive's acquisition or sale of the Shares underlying the Units. Executive is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. The validity, construction, interpretation, administration and effect of these Terms and Conditions, the Appendix, and the Plan and rights relating to the Plan and to this Agreement (including the Appendix), shall be governed by the substantive laws, but not the choice of law rules, of the State of Delaware, as provided in the Plan. For purposes of litigating any dispute that arises directly or indirectly under the grant of the Units or the Agreement (including the Appendix), the parties hereby submit to and consent to the jurisdiction of the State of Colorado, and agree that such litigation shall be conducted in the courts of Denver County, or the federal courts for the United States for the District of Colorado, where this grant is made and/or to be performed.

15. For Executives located outside of the European Economic Area:

Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of his or her personal data as described in this Agreement by and among, as applicable, the Employer, the Company and the Company's Subsidiaries and Affiliates for the

exclusive purpose of implementing, administering and managing Executive's participation in the Plan.

Executive understands that the Employer and/or the Company may hold certain personal information about him or her, including, but not limited to, Executive's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Executive's favor, for the purpose of implementing, administering and managing the Plan ("Data").

Executive understands that Data will be transferred to Merrill Lynch-Bank of America or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Executive understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipient's country (e.g., the United States) may have different data privacy laws and protections than Executive's country. Executive understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Executive authorizes the Company, Merrill Lynch-Bank of America and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his or her participation in the Plan. Executive understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan. Executive understands that he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Executive understands, however, that refusing or withdrawing consent may affect his or her ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, Executive understands that he or she may contact his or her local human resources representative.

For Executives located within the European Economic Area :

Executive understands that the Employer, the Company and the Company's Subsidiaries and Affiliates collect, store, use and transfer certain personal data about Executive as described in this Agreement.

This personal data includes, where permitted by applicable law, the Executive's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any shares of stock or directorships held in the Company, details of all Units or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Executive's favor ("Data").

Executive understands that providing Employer and/or the Company with Data is necessary to effectuate Executive's participation in the Plan and that Executive's refusal to do so may affect Executive's ability to participate in the Plan.

The Data are processed for the purpose of implementing, administering and managing Executive's participation in the Plan. Furthermore, Employer, the Company and the Company's Subsidiaries and Affiliates also process Data to the extent necessary for their legitimate interests in administering Executive benefits. The data controller for the processing of Data described in this Agreement is the Employer and the Company. A list of relevant data controllers across the European Economic Area is set out in the "EEA Employee and Consultant Data Privacy Notice" which is maintained on WU Life.

Executive understands that Data will be transferred to Merrill Lynch-Bank of America or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Furthermore, Data will be transferred between the Employer, the Company and the Company's Subsidiaries and Affiliates as necessary for the purposes described in this Agreement. Executive understands that some of the recipients of the Data are located in the United States or elsewhere, and that the recipient's country may have different data privacy laws and protections than Executive's country. To the extent that these data recipients are located in countries outside the European Economic Area that have not been recognized by the European Commission as providing an adequate level of data protection, the Company ensures that appropriate safeguards aimed at ensuring such a level of data protection are in place as required by applicable law, including by entering into the European Commission's EU Standard Contractual Clauses with the data recipients pursuant to Article 46, §2 of the EU General Data Protection Regulation 2016/679 of April 27, 2016 (hereinafter: "GDPR"). Executive understands that he or she may request a list with the names and addresses of any potential recipients of the Data by contacting his or her local human resources representative. Executive understands that Data will be held only as long as is necessary to implement, administer and manage his or her participation in the Plan.

Executive understands that, subject to applicable law, he or she may, at any time, request to access or erase Data, request additional information about the storage and processing of Data, or require any necessary amendments to Data subject to applicable law, Executive may also request the restriction of the processing of Data or object to that processing on grounds relating to his or her particular situation. Subject to applicable law, Executive also has the right to receive, in a structured, commonly used and machine-readable format, the Data that he or she has provided to the Company, as well as the right to have this Data transmitted to another data controller, where it is technically feasible. Executive understands he or she may also lodge a complaint to the Supervisory Authority in particular, the Supervisory Authority of the location of his or her habitual residence, place of work or place of the alleged infringement of applicable data protection law. Executive understands that he or she may exercise these rights at any time and without cost, by contacting in writing his or her local human resources representative.

Employees can consult the "EEA Employee and Consultant Data Privacy Notice which is maintained on WU Life or contact the Company's Data Protection Officer at wuprivacy@westernunion.com for more information about the Company's data processing and privacy practices.

16. If Executive has received this Award Agreement or any other document or communication related to the Plan or this grant in a language other than English and the meaning in the translation is different than in the English version, the terms expressed in the English version will govern.

17. The Company may, in its sole discretion, decide to deliver any documents related to the Units and to participation in the Plan or related to future Units that may be granted under the Plan by electronic means or to request Executive's consent to participate in the Plan by electronic means. Executive hereby consents to receive such documents by electronic delivery and, if requested, to agree to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.
18. Notwithstanding any provisions in the Agreement or the Plan, the grant of Units shall be subject to any special terms and conditions set forth in the Appendix to this Agreement for Executive's country of residence. The Appendix constitutes part of the Agreement.
19. The Company reserves the right to impose other requirements on Executive's participation in the Plan, on the grant of Units and on any Shares acquired under the Plan to the extent the Company determines it is necessary or advisable in order to comply with any applicable law or facilitate the administration of the Plan. Executive agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Executive acknowledges that the laws of the country in which Executive is working at the time of grant, vesting or the sale of Shares received pursuant to this Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Executive to additional procedural or regulatory requirements that Executive is and will be solely responsible for and must fulfill.
20. If one or more provisions of this Agreement shall be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal or unenforceable provisions shall be deemed null and void; however, to the extent permissible by law, any provisions which could be deemed null and void shall first be construed, interpreted or revised retroactively to permit this Agreement to be construed as to foster the intent of this Agreement and the Plan.
21. Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of (i) The Western Union Company Clawback Policy, as in effect on the Grant Date, (ii) the clawback policy, as in effect on the Grant Date, adopted by the Company in order to comply with paragraph 7 of the Enhanced Compliance Undertaking of the Deferred Prosecution Agreement dated January 19, 2017 by and between the Company, the U.S. Department of Justice, and the U.S. Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida, and (iii) any modification to the foregoing clawback policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.
22. To the extent any amounts under this Agreement are payable by reference to Executive's "termination of employment," such term shall be deemed to refer to Executive's "separation from service," within the meaning of Section 409A of the Code if Executive is subject to tax in the U.S. Notwithstanding any other provision in this Agreement, if Executive is a "specified employee," as defined in Section 409A of the Code, as of the date of Executive's separation from service, then to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, (ii) is payable upon Executive's separation from service and (iii) under the terms of this Agreement would be payable prior to the six-month anniversary of Executive's separation from service, such payment shall be

delayed until the earlier to occur of (a) the six-month anniversary of the separation from service or (b) the date of Executive's death. In addition, to the extent any amount payable under this Agreement (i) constitutes the payment of nonqualified deferred compensation, within the meaning of Section 409A of the Code, and (ii) such payment is conditioned upon Executive's execution of a release and is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year, such payment shall be paid or provided in the later of the two taxable years.

On Behalf of The Western Union Company

By: _____
Title: < Name, Title, Signature >

I accept the grant of Units under the terms and conditions set forth in this Agreement.

By: _____
<Participant Name >

Date: <Date >

APPENDIX

THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN RESTRICTED STOCK UNIT AWARD AGREEMENT

ADDITIONAL TERMS AND PROVISIONS FOR NON-U.S. SECTION 16 OFFICERS

Terms and Conditions

This Appendix includes special terms and conditions applicable to Executive if he or she resides in one of the countries listed below. These terms and conditions are in addition to or, if so indicated, in place of, the terms and conditions set forth in the Agreement. Unless otherwise provided below, capitalized terms used but not defined herein shall have the same meanings assigned to them in the Plan and the Agreement.

Notifications

This Appendix also includes country-specific information of which Executive should be aware with respect to his or her participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of January 2019. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Executive does not rely on the information noted herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be out of date at the time that he or she vests in the Units and Shares are issued to him or her or the Shares issued upon vesting of the Units are sold.

In addition, the information is general in nature and may not apply to Executive's particular situation, and the Company is not in a position to assure Executive of any particular result. Accordingly, Executive is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her particular situation. Finally, please note that if Executive is a citizen or resident of a country other than the country in which he or she is currently working, or transfers employment after grant, the information contained in this Appendix may not be applicable.

AUSTRIA

Notifications

Consumer Protection Notification. If the provisions of the Austrian Consumer Protection Act (the "Act") are applicable to the Agreement and the Plan, Executive may be entitled to revoke his or her acceptance of the Agreement under the conditions listed below:

- (i) If Executive accepts the Agreement outside the business premises of the Company, he or she may be entitled to revoke his or her acceptance of the Agreement, provided the revocation is made within one week after he or she accepts the Agreement.
- (ii) The revocation must be in written form to be valid. It is sufficient if Executive returns the Agreement to the Company or the Company's representative with language which can be

understood as a refusal to conclude or honor the Agreement, provided the revocation is sent within the period set forth above.

Exchange Control Information. If Executive holds Shares outside of Austria, Executive must submit a report to the Austrian National Bank. An exemption applies if the value of the shares, as of any given quarter does not exceed €30,000,000 or as of December 31, does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is as of December 31 and the deadline for filing the annual report is January 31 of the following year. If quarterly obligations are imposed, the reporting date is the end of each quarter and the deadline for filing the report is the 15th of the month following.

When Shares are sold, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all Executive accounts abroad exceeds €10,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month with the form “Meldungen SI-Forderungen und/oder SI-Verpflichtungen.”

UNITED ARAB EMIRATES

There are no country specific provisions.

Letter from Ernst & Young LLP Regarding Unaudited Interim Financial Information

The Board of Directors and Stockholders of The Western Union Company

We are aware of the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-213943) of The Western Union Company, and
- (2) Registration Statement (Form S-8 Nos. 333-137665 and 333-204183) pertaining to The Western Union Company 2006 Long-Term Incentive Plan, The Western Union Company 2006 Non-Employee Director Equity Compensation Plan, The Western Union Company Supplemental Incentive Savings Plan, and The Western Union Company 2015 Long-Term Incentive Plan;

of our report dated August 1, 2019, relating to the unaudited condensed consolidated interim financial statements of The Western Union Company that are included in its Form 10-Q for the quarter ended June 30, 2019.

/s/ Ernst & Young LLP

Denver, Colorado

August 1, 2019

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Hikmet Ersek, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Western Union Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2019

/s/ HIKMET ERSEK

Hikmet Ersek
President and Chief Executive Officer

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Raj Agrawal, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of The Western Union Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 1, 2019

/s/ RAJ AGRAWAL

Raj Agrawal
Chief Financial Officer

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

The certification set forth below is being submitted in connection with the Quarterly Report of The Western Union Company on Form 10-Q for the period ended June 30, 2019 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Hikmet Ersek and Raj Agrawal certify that, to the best of each of their knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of The Western Union Company.

Date: August 1, 2019

/s/ HIKMET ERSEK

Hikmet Ersek
President and Chief Executive Officer

Date: August 1, 2019

/s/ RAJ AGRAWAL

Raj Agrawal
Chief Financial Officer
