

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

FORM 10-K


☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended:

December 31

2023

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

Delaware

20-4531180

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

THE WESTERN UNION COMPANY
7001 East Belleview Avenue
Denver , Colorado 80237
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (866) 405-5012
Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading Symbol

Name of each exchange on which registered

Common Stock, \$0.01 Par Value

WU

The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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 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, a 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.

Accelerated filer ☐

Non-accelerated filer ☐

Large accelerated filer
☒

Smaller reporting company
☐

Emerging growth company
☐

[Table of Contents](#)

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of June 30, 2023, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$

4.4

billion based on the closing sale price of \$11.73 of the common stock as reported on the New York Stock Exchange.

As of February 16, 2024,

342,196,928

shares of the registrant's common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's proxy statement for the 2024 annual meeting of stockholders are incorporated into Part III of this Annual Report on Form 10-K.

Auditor Name:

Ernst & Young LLP

Auditor Location:

Denver,
Colorado

[Table of Contents](#)

INDEX

	PAGE NUMBER
PART I	
Item 1. Business	6
Item 1A. Risk Factors	21
Item 1B. Unresolved Staff Comments	43
Item 1C. Cybersecurity	43
Item 2. Properties	44
Item 3. Legal Proceedings	44
Item 4. Mine Safety Disclosures	44
PART II	
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities	45
Item 6. [Reserved]	45
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	46
Item 7A. Quantitative and Qualitative Disclosures About Market Risk	63
Item 8. Financial Statements and Supplementary Data	66
Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure	127
Item 9A. Controls and Procedures	127
Item 9B. Other Information	127
Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	127
PART III	
Item 10. Directors, Executive Officers and Corporate Governance	128
Item 11. Executive Compensation	128
Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	128
Item 13. Certain Relationships and Related Transactions, and Director Independence	128
Item 14. Principal Accountant Fees and Services	128
PART IV	
Item 15. Exhibit and Financial Statement Schedules	129
Item 16. Form 10-K Summary	134

PART I

FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and materials we have filed or will file with the Securities and Exchange Commission ("SEC") (as well as information included in our other written or oral statements) contain or will contain 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," "targets," "anticipates," "believes," "estimates," "guides," "provides guidance," "provides outlook," "projects," "designed to," 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 Annual Report on Form 10-K 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 Part I, Item 1A, *Risk Factors* and throughout this Annual Report on Form 10-K. 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:

Events Related to Our Business and Industry

- 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 other events, such as public health emergencies, epidemics, or pandemics, civil unrest, war, terrorism, natural disasters, 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 or customer experience, with global and niche or corridor money transfer providers, banks and other money transfer and payment service providers, including digital, mobile and internet-based services, card associations, and card-based payment providers, and with digital currencies and related exchanges and protocols, and other innovations in technology and business models;
- geopolitical tensions, political conditions, and related actions, including trade restrictions and government sanctions, 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, clients, or other partners;
- deterioration in customer confidence in our business, or in money transfer and payment service providers generally;
- failure to maintain our agent network and business relationships under terms consistent with or more advantageous to us than those currently in place;
- 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;
- 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;

[Table of Contents](#)

- 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;
- changes in tax laws, or their interpretation, any subsequent regulation, and unfavorable resolution of tax contingencies;
- 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;
- our ability to realize the anticipated benefits from restructuring-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 attract and retain qualified key employees and to manage our workforce successfully;
- failure to manage credit and fraud risks presented by our agents, clients, and consumers;
- adverse rating actions by credit rating agencies;
- our ability to protect our trademarks, patents, copyrights, and other intellectual property rights, and to defend ourselves against potential intellectual property infringement claims;
- material changes in the market value or liquidity of securities that we hold;
- restrictions imposed by our debt obligations;

Events Related to Our Regulatory and Litigation Environment

- liabilities or 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, immigration, and sustainability reporting, including climate-related reporting;
- liabilities, increased costs, or loss of business and unanticipated developments resulting from governmental investigations and consent agreements with, or investigations or enforcement actions by, regulators and other government authorities;
- 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, data use, the transfer of personal data between jurisdictions, and information security;

[Table of Contents](#)

- 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 (“CFPB”) and similar legislation and regulations enacted by other governmental authorities in the United States and abroad related to consumer protection;
- 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;

Other Events

- catastrophic events; and
- management's ability to identify and manage these and other risks.

Item 1. Business**Overview**

The Western Union Company (the “Company,” “Western Union,” “we,” “our,” or “us”) is a leader in cross-border, cross-currency money movement, payments, and digital financial services, empowering consumers, businesses, financial institutions, and governments with fast, reliable, and convenient ways to send money and make payments around the world. Our goal is to offer accessible financial services that help people and communities prosper.

The Western Union® brand is globally recognized and represents speed, reliability, trust, and convenience. Our Consumer Money Transfer service enables people to use our well-recognized brand to send money around the world, usually within minutes. We believe that brand strength and reach of our global network, convenience, reliability, and value have been important to our business. As of December 31, 2023, our global network included agent locations in more than 200 countries and territories and many Western Union branded websites. Each location in our agent network is capable of facilitating a consumer’s use of one or more of our services, with the substantial majority offering a Western Union branded service. As of December 31, 2023, approximately 400,000 of our agent locations had conducted money transfer activity in the previous 12 months.

As we continue to seek to meet the needs of our customers for fast, reliable, and convenient global money movement and payment services while focusing on regulatory compliance, we are also working to provide consumers and our business clients with access to an expanding portfolio of financial services and to increase the ways our services can be accessed, including through the launch of our digital wallet in certain countries.

On August 4, 2021, we entered into an agreement to sell our Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (collectively, “the Buyer”), and the final closing occurred on July 1, 2023. Accordingly, we no longer report Business Solutions revenues and operating expenses after July 1, 2023.

Our Segments

We manage our business around the consumers and businesses we serve and the types of services we offer. Our segments were Consumer Money Transfer (previously Consumer-to-Consumer), Business Solutions, and Consumer Services (previously Other). As discussed above, we completed the sale of our Business Solutions business on July 1, 2023.

Our Consumer Services segment includes our bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as our money order services, retail foreign exchange services, prepaid cards, lending partnerships, and digital wallets. Certain of our 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 Consumer Services.

The table below presents the components of our consolidated revenue:

	Year Ended December 31,		
	2023	2022	2021
Consumer Money Transfer	92 %	89 %	87 %
Business Solutions ^(a)	1 %	5 %	8 %
Consumer Services	7 %	6 %	5 %
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

(a) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to the Buyer, and the final closing for this transaction occurred on July 1, 2023. Accordingly, we will no longer report Business Solutions as a separate segment in future periods.

No individual country or territory outside the United States accounted for more than 10% of our consolidated revenue for each of the years ended December 31, 2023, 2022, and 2021.

See Part I, Item 1A, *Risk Factors*, for a discussion of certain risks relating to our foreign operations.

Consumer Money Transfer

Money transfers from one consumer to another are the core of our business, representing 92% of our total consolidated revenues for 2023. A substantial majority of these transfers were cross-border transactions. Our money transfer service is mainly conducted through our retail agent locations worldwide but also includes our money transfer transactions conducted and funded through websites and mobile applications marketed under our brands ("Branded Digital"). This segment includes five geographic regions whose functions are primarily related to generating, managing, and maintaining agent relationships and localized marketing activities. We include Branded Digital transactions in our regions. By means of common processes and systems, these regions, including Branded Digital, create one interconnected global network for consumer transactions, thereby constituting one Consumer Money Transfer business and one operating segment.

Operations

Our revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon factors such as channel, send and receive locations, the principal amount sent, and the difference between the exchange rate we set to the customer and a rate available in the wholesale foreign exchange market, when the money transfer involves different send and receive currencies.

In a typical money transfer transaction, a consumer provides information, either at one of our agent or subagent locations or online, specifying, among other things, the name and other identifying information regarding the recipient and the principal amount of the transfer. The consumer also provides funds for the transaction, including fees. Certain of these processes are streamlined for consumers who participate in our loyalty programs or are registered Branded Digital customers. This information is entered into our money transfer system, and the funds are made available for pick-up by the recipient within our system, usually within minutes, in the country or territory specified by the consumer, or paid into the designated account of the recipient. In some jurisdictions, the principal and fees are not collected until after the presentation of our written disclosure that generally identifies the exchange rate and all fees and charges associated with the transaction and the consumer has agreed to the transaction, as described in the disclosure. Consumers then receive a unique identifying number assigned by our system, which the consumer must communicate to the recipient in order to obtain a payout in cash. In this situation, the recipient generally enters an agent location in the designated receiving country or territory, presents the unique identifying number and identification, where applicable, and is paid the transferred amount by our agent based on the information in our system. Recipients generally do not pay a fee. However, in limited circumstances, a tax may be imposed by the local government on the receipt of the money transfer, or a fee may be charged by the recipient's institution related to the use of an account. We determine the fee paid by the sender, which generally is based on the principal amount of the transaction, the send and receive country or territory, and channel.

In a retail transaction, we generally pay our agents a commission based on a percentage of revenue. A commission is usually paid to both the agent that initiated the transaction, the "send agent," and the agent that paid the transaction, the "receive agent." For most agents, the costs of providing the physical infrastructure and staff are typically covered by the agent's primary business (e.g., postal services, banking, check cashing, travel, and retail businesses), making the economics of being a Western Union agent attractive. Western Union's global reach and large consumer base allow us to attract agents we believe to be well-positioned to deliver our services. In a Branded Digital transaction, we typically pay a credit card processor or bank a fee for collecting the principal, and we are also responsible for losses from chargebacks and fraud, in addition to commissions owed to the receive agent in the event of cash payout.

Services

We offer money transfer services in more than 200 countries and territories, with a number of options for sending funds that provide consumers convenience and choice, through both our retail and digital money transfer channels.

- *Retail* - The majority of our remittances constitute retail transactions in which payment is collected by one of our agents and is available for pick-up at another agent location, usually within minutes. We offer a variety of methods for consumers to initiate transactions. In select markets, consumers may stage a transaction either online or using a mobile device and subsequently pay for the transaction at one of our agent locations. Additionally, in certain agent locations, consumers can enter a transaction at a self-service kiosk and subsequently pay for the transaction at the counter of the location.

[Table of Contents](#)

- *Digital* - In many countries and territories, consumers can initiate a money transfer from a Western Union branded website or mobile application or from sites and applications hosted by our third-party white label or co-branded digital partners.

Consumers can fund a transaction in a variety of ways, in addition to cash. For example, at certain of our agent locations, consumers can fund a transaction using a debit card, and, where available, consumers can fund a money transfer from an account and through an account using an automated teller machine ("ATM"). In digital channels, consumers can generally fund transactions using a credit card, debit card, electronic funds transfer processed through the automated clearing house ("ACH") payment system or similar system outside the United States, online banking direct payment methods, or other bank account-based payment.

We also provide several options for the receipt of funds. At our retail agent locations, consumers generally receive payments in cash. However, in certain countries, our retail agents may also issue a money order or check or provide payout through an ATM. Funds can also be directed to a bank account in many countries, by either the sender or receiver, and in more limited circumstances, can be paid into or directed to a mobile wallet, a stored-value card, or debit card.

Distribution and Marketing Channels

We offer our Consumer Money Transfer services around the world primarily through our global network of agents and subagents in most countries and territories, with approximately 90% of our agent locations being located outside the United States. Our agents facilitate the global distribution and convenience associated with our brands, which in turn helps create demand for our services and helps us to recruit and retain agents. Western Union agents include large networks such as post offices, banks and retailers, and other established organizations as well as smaller independent retail locations, which typically provide other consumer products and services. Many of our agents have multiple locations. Our agents know the markets they serve and leverage this local knowledge to develop business plans for their markets. In some regions, our agents contribute financial resources to, or otherwise support, our efforts to market our services. Many agents operate in locations that are open outside of traditional banking hours, for example on nights and weekends. Our top 40 agents and partners globally have been with us for more than 20 years, on average, and in 2023, these long-standing relationships accounted for transactions that generated nearly 60% of our Consumer Money Transfer revenue. No individual agent or partner accounted for greater than 10% of the segment's revenue during all periods presented.

We provide our agents with access to our multi-currency, real-time money transfer processing systems, which are used to originate and pay money transfers. Our systems and processes enable our agents to pay money transfers in over 130 currencies worldwide. Certain of our agents can pay in multiple currencies at a single location. Our agents provide the point-of-sale presence and facilitate the interface with Western Union required to complete the transfers. Western Union provides central operating functions such as transaction processing, settlement, marketing support, and consumer relationship management to our agents, as well as compliance training and related support. Some of our agents outside the United States manage subagents. We refer to these agents as master agents. Although the subagents are under contract with these master agents (and not with Western Union directly), the subagent locations typically have access to similar technology and services as our other agent locations. Our international agents often customize services as appropriate for their geographic markets. In some markets, individual agents are independently offering specific services such as stored-value card or account payout options.

We have recently started to expand the number of our owned and operated locations and our agent "concept stores," in which we partner with agents who have demonstrated high-quality customer service and expertise in serving particular geographies or corridors. We believe that marginally expanding our owned locations and concept stores in high-density areas will allow us to better control the customer experience, test new products and services, and acquire customers for our digital services at a lower cost.

While we typically perform services under the Western Union brand, in certain geographic regions, we operate under other brands targeted to the local market, such as Vigo and Orlandi Valuta. We market our services to consumers in a number of ways, directly and indirectly through our agents and their subagents, leveraging promotional activities, grassroots, direct-to-consumer communications, digital advertising, and other incentives. We cooperate with various partners around the world to offer a variety of branded, co-branded, and non-Western Union branded money transfer services, including services offered exclusively under the partners' brands. While the terms of these arrangements vary,

[Table of Contents](#)

these services are often marketed by the third-party partner and offered under the partner's license to provide money transfer services. As a result, the regulatory requirements applicable to us under these arrangements may also vary.

Industry Trends

Trends in the volume of cross-border money transfer activity correlate with migration, global economic opportunity and related employment levels worldwide. A significant trend that continues to impact the money transfer industry is increasing regulation. Regulations in the United States and elsewhere focus, in part, on anti-money laundering, anti-terrorist financing, consumer protection, transparent pricing, consumer privacy, data protection, and information security. Regulations require money transfer providers, banks, and other financial institutions to develop systems to prevent, detect, monitor, and report certain transactions. Such regulations increase the costs to provide money transfer services and can make it more difficult or less desirable for consumers and businesses to use money transfer services, either of which could have an adverse effect on money transfer providers' revenues and operating income. For further discussion of the regulatory impact on our business, see the Regulation discussion in this section, Part I, Item 1A, *Risk Factors*. Additionally, our ability to enter into or maintain exclusive arrangements with our agents has been and may continue to be challenged by both regulators and certain of our current and prospective agents.

We are seeing increased competition from, and increased market acceptance of, electronic, mobile, and internet-based money transfer services as well as digital currencies, including cryptocurrencies. We believe this shift in consumer preference will continue, resulting in an increasing proportion of remittances being sent through digital means in the future.

Competition

We face robust competition in the highly fragmented consumer money transfer industry. We compete with a variety of remittance providers, including:

- *Global money transfer providers* - Global money transfer providers allow consumers to send money to a wide variety of locations, in both their home countries and abroad.
- *Regional money transfer providers* - Regional money transfer providers, or "niche" providers, provide the same services as global money transfer providers, but focus on a smaller group of geographic corridors or services within one region, such as North America to the Caribbean, Central or South America, or Western Europe to North Africa.
- *Digital channels* - Digital service providers, including certain payment providers, allow consumers to send and receive money digitally using the internet or through mobile devices. Digital channels also include digital wallets, digital currencies, including cryptocurrencies, cryptocurrency exchanges, and social media and other predominantly communication or commerce-oriented platforms that offer money transfer services.
- *Banks, postbanks, and post offices* - Banks, postbanks, and post offices of all sizes compete with us in a number of ways, including money transfers, bank transfer and wire services, payment instrument issuances, and card-based services.
- *Informal networks* - Informal networks enable people to transfer funds without formal mechanisms and often without compliance with government reporting requirements.
- *Alternative channels* - Alternative channels for sending and receiving money include mail and commercial courier services and card-based options, such as ATM cards and stored-value cards.

We believe the most significant competitive factors in Consumer Money Transfer remittances relate to the overall consumer value proposition, including brand recognition, trust, reliability, consumer experience, price, speed of delivery, distribution network, variety of send and receive payment methods, and channel options.

Business Solutions

On August 4, 2021, we entered into an agreement to sell our Business Solutions business. The final closing for this transaction occurred on July 1, 2023. Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 4, Divestitures, Investment Activities, and Goodwill for further information related to our Business Solutions divestiture.

Consumer Services

Consumer Services primarily consists of our bill payment services in Argentina and the United States and our money order services. Also included are our retail foreign exchange services, prepaid cards, lending partnerships, and the non-money transfer aspects of our consumer ecosystem, such as our digital wallet, which allows consumers in certain countries to load and spend funds. Consumer Services revenue is derived primarily from transaction fees paid by customers and billers and represented 7% of our total consolidated revenues for 2023. Consumer Services also includes certain corporate costs such as costs related to strategic initiatives, including for the review and closing of mergers, acquisitions, and divestitures.

Our bill payment services provide fast and convenient options for consumers, businesses, and other organizations to make payments, including to utilities, auto finance companies, mortgage servicers, financial service providers, and government agencies. Generally, these bill payment services are initiated by consumers making a cash payment at an agent or a Company-operated location, or making a payment through westernunion.com. We believe our business partners, who receive payments through our services, benefit from their relationship with Western Union, as it provides them with real-time or near real-time posting of their customers' payments. In many circumstances, our relationships with business partners also provide them with an additional source of income and reduce their expenses for handling of payments.

Consumers use our money orders for making purchases, paying bills, and as an alternative to checks. We derive investment income from interest generated on our money order settlement assets, which are primarily held in United States tax-exempt state and municipal debt securities.

For non-money transfer aspects of our consumer ecosystem, we derive income primarily from transaction fees and contractual relationships with partners such as the issuing bank for Western Union-branded prepaid cards.

Intellectual Property

The Western Union trademarks and service marks and the Company's Black & Yellow trade dress are used and/or registered worldwide and are material to our Company. We offer money transfer services under the Western Union®, Vigo®, and Orlandi Valuta® brands. We also provide various payment and other services under many brands and product names, including Pago Fácil®, Quick Collect®, Quick PaySM, Quick Cash®, and Western Union Convenience Pay®. Our operating results have allowed us to invest significantly each year to support our brands, and in some regions, our agents have also contributed financial resources to assist with marketing our services. Additionally, we own patents and patent applications covering various aspects of our products and services, covering a range of technologies, including those related to money transfer, compliance analytics, fraud prevention, and mobile applications.

Regulation

Our business is subject to a wide range of laws and regulations enacted by the United States federal government, each of the states, many localities, and many other countries and jurisdictions, including the European Union ("EU"). These include increasingly strict legal and regulatory requirements intended to help detect and prevent money laundering, terrorist financing, fraud, drug trafficking, human trafficking, and other illicit activity. These also include laws and regulations regarding financial services, consumer disclosure and consumer protection, currency controls, money transfer and payment instrument licensing, payment services, credit and debit cards, electronic payments, unclaimed property, the regulation of competition, consumer privacy, data protection, and information security. Failure by Western Union, our agents or their subagents (agents and subagents are third parties, over whom Western Union has limited legal and practical control), and certain of our service providers to comply with any of these requirements or their interpretation could result in regulatory action, the suspension or revocation of a license or registration required to provide money transfer or payment services, the limitation, suspension or termination of services, changes to our business model, loss of consumer confidence, private class action litigation, the seizure of our assets, and/or the imposition of civil and criminal penalties, including fines and restrictions on our ability to offer services. For example, in early 2017, we entered into a Deferred Prosecution Agreement with the United States Department of Justice and certain United States Attorney's Offices (the "DPA"), a Stipulated Order for Permanent Injunction and Final Judgment (the "FTC Consent Order") with the United States Federal Trade Commission ("FTC"), a Consent to the Assessment of Civil Money Penalty with the Financial Crimes Enforcement Network ("FinCEN") of the United States Department of Treasury, and settlement agreements with various state attorneys general (collectively, the "Joint Settlement Agreements"), and in early 2018, we agreed to a consent order which resolved a matter with the New York State Department of Financial Services (the "NYDFS Consent Order"). For further discussion of these agreements, please see Part I, Item 1A, *Risk Factors* - *"Our business is the subject of consent agreements with, or investigations or enforcement actions by, regulators and other government authorities."*

Money Transfer and Payment Instrument Licensing and Regulation

Most of our services are subject to anti-money laundering laws and regulations, including the Bank Secrecy Act in the United States, as amended (collectively, the "BSA"), and similar laws and regulations in the United States and abroad. The BSA, among other things, requires money transfer companies and the issuers and sellers of money orders to develop and implement risk-based anti-money laundering programs, to report large cash transactions and suspicious activity, and in some cases, to collect and maintain information about consumers who use their services and maintain other transaction records. In addition to United States federal laws and regulations, many other countries and states impose similar and, in some cases, more stringent requirements. These requirements may also apply to our agents and their subagents. In addition, the United States Department of the Treasury has interpreted the BSA to require money transfer companies to conduct due diligence into and risk-based monitoring of their agents and subagents inside and outside the United States, and certain states in the U.S. also require money transfer companies to conduct similar due diligence reviews. Compliance with anti-money laundering laws and regulations continues to be a focus of regulatory attention, with recent settlement agreements being reached with Western Union, other money transfer providers, and several large financial institutions. For example, in early 2017, we entered into the Joint Settlement Agreements, and in early 2018, we agreed to the NYDFS Consent Order.

[Table of Contents](#)

Economic and trade sanctions programs administered by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC") and by certain foreign jurisdictions prohibit or restrict transactions to or from (or dealings with or involving) certain countries, regions, governments, and in certain circumstances, specified foreign nationals, as well as with certain individuals and entities such as narcotics traffickers, terrorists, and terrorist organizations. We provide limited money transfer and payment services to parties in Cuba, Syria, and certain regions of Ukraine in accordance with United States laws authorizing such services, and pursuant to and as authorized by advisory opinions of, or specific or general licenses issued by, OFAC.

In the United States, almost all states license certain of our services, and many exercise authority over the operations of certain aspects of our business and, as part of this authority, regularly examine us. Many states specify the amount and composition of eligible assets that certain of our subsidiaries must hold in order to satisfy our outstanding settlement obligations. In compliance with these regulations, we invest some of the principal of outstanding money orders, money transfers, or payments in highly-rated, investment grade securities, and our use of such investments is restricted to satisfying outstanding settlement obligations. We regularly monitor credit risk and attempt to mitigate our exposure by investing in highly-rated securities. The substantial majority of our investment securities, classified within Settlement assets in the Consolidated Balance Sheets, 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.

These licensing laws also cover matters such as government approval of controlling shareholders and senior management of our licensed entities, regulatory approval of agents and in some instances their locations, consumer disclosures and the filing of periodic reports by the licensee, and they may require the licensee to demonstrate and maintain certain net worth levels. Many U.S. states also require money transfer providers and their agents to comply with federal and/or state anti-money laundering laws and regulations. There are different shareholding thresholds that may require prior regulatory approval in connection with certain licenses our subsidiaries hold in the United States and outside of the United States. As such, any person who intends to acquire 10% or more of the total equity interest of our Company may be required to obtain prior approval from (or rebut the presumption that such person will become a controlling shareholder with) one or more of our regulators. In addition, certain of our licensed entities are required to make prior notification and seek prior approval from our regulators when certain shareholding thresholds are exceeded.

Outside the United States, our money transfer business is subject to some form of regulation in almost all of the countries and territories in which we offer those services. These laws and regulations may include limitations on what types of entities may offer money transfer services, agent registration requirements, limitations on the amount of principal that can be sent into or out of a country, limitations on the number of money transfers that may be sent or received by a consumer, and controls on the rates of exchange between currencies. They also include laws and regulations intended to detect and prevent money laundering or terrorist financing, including obligations to collect and maintain information about consumers, recordkeeping, reporting and due diligence, and supervision of agents and subagents similar to and in some cases exceeding those required under the BSA. In most countries, either we or our agents are required to obtain licenses or to register with a government authority in order to offer money transfer services, and in certain countries, we must maintain sufficient cash or other funds to satisfy payout obligations in these countries. Where we cooperate with partners around the world to offer money transfer services marketed exclusively under the partners' brands, the regulatory requirements applicable to us may vary.

The majority of our EU business is managed through our Irish payment institution subsidiary, Western Union Payment Services Ireland Limited, which is regulated by the Central Bank of Ireland under the Second EU Payment Services Directive EU 2015/2366 ("PSD2"). PSD2 imposes rules on payment service providers like Western Union, aiming to drive increased competition, innovation, and transparency across the EU payments market, while enhancing consumer protection and the security of internet payments and account access. PSD2: (i) has increased the supervisory powers granted to member states with respect to activities performed by companies such as Western Union, and our agent network, (ii) provides for customer identity verification and authentication measures, and agent monitoring responsibilities, (iii) provides member states with the ability to limit the types, nature, and amount of charges we may assess and increases customer refund rights, and (iv) increases information security and incident reporting responsibilities.

[Table of Contents](#)

Under our PSD2 license and local EU member states' implementing legislation and associated regulatory supervisory powers, guidelines, and regulatory technical standards, we are responsible for the regulatory compliance of our agents and their subagents. We are also subject to requirements such as capital and safeguarding rules, certain consumer protection requirements, information technology, and operational security risk management requirements, outsourcing oversight requirements, and periodic regulatory examinations similar to those in the United States. These rules have resulted in increased compliance and agent monitoring costs and the increased risk of adverse regulatory action against us resulting from the actions of our agents in those areas. In addition to increasing our compliance costs, PSD2 increased the regulatory supervision and enforcement associated with non-compliance with it and the associated increasing body of applicable European Banking Authority guidelines and regulatory technical standards. PSD2 may also result in increased competition arising from other service providers utilizing the enhanced payment initiation and account information access provisions or by our failure to utilize those provisions to innovate our own service offerings. We continue to monitor the impact on our business of PSD2 and associated regulatory guidelines and technical standards, including indicators of changes in the payment services market such as competition from new payment and electronic money license authorizations, including those by multinational online service and technology companies.

Our European Union digital money transfer business is managed through our Austrian banking subsidiary, which is regulated by the Austrian Financial Market Authority under the Austrian Banking Act. Its digital money transfer business is subject to payment services regulated under PSD2 and local implementing legislation. We also have a payment institution to conduct money remittance in the United Kingdom ("UK"), which was authorized by the Financial Conduct Authority ("FCA") in April 2019 and presently offers retail money transfer services via UK agents and our UK Branded Digital services.

We have developed and continue to enhance our global compliance programs, including our anti-money laundering program, comprised of policies, procedures, systems, and internal controls to monitor and to address various legal and regulatory requirements. In addition, we continue to adapt our business practices and strategies to help us comply with current and evolving legal standards and industry practices, including heightened regulatory focus on compliance with anti-money laundering or fraud prevention requirements. These programs include dedicated compliance personnel, training and monitoring programs, suspicious activity reporting, regulatory outreach and education, and support and guidance to our agent network on regulatory compliance. Our money transfer and payment service networks operate through agents in most countries, and, therefore, there are limitations on our legal and practical ability to completely control those agents' compliance activities.

Regulators worldwide are exercising heightened supervision of money transfer providers and banks' relationships with money transfer providers and requiring increasing efforts to ensure compliance. As a result, we continue to incur significant compliance costs related to customer, agent, and subagent due diligence, verification, transaction approval, disclosure, and reporting requirements, including requirements to report transaction data to a greater extent or frequency than previously required, along with other requirements that have had and will continue to have a negative impact on our financial condition and results of operations.

Government agencies both inside and outside the United States may impose new or additional rules on money transfers affecting us, our agents, or their subagents, including regulations that:

- prohibit, restrict, and/or impose taxes or fees on money transfer transactions in, to, or from certain countries or with certain governments, individuals, and entities;
- impose additional customer identification and customer, agent, and subagent due diligence requirements;
- impose additional reporting or recordkeeping requirements or require enhanced transaction monitoring;
- limit the types of entities capable of providing money transfer services, impose additional licensing or registration requirements on us, our agents, or their subagents, or impose additional requirements on us with regard to selection or oversight of our agents or their subagents;
- impose minimum capital or other financial requirements on us or our agents and their subagents;

[Table of Contents](#)

- limit or restrict the revenue which may be generated from money transfers, including transaction fees and revenue derived from foreign exchange;
- require enhanced disclosures to our money transfer customers;
- require the principal amount of money transfers originated in a country to be invested in that country or held in a trust until they are paid;
- limit the number or principal amount of money transfers which may be sent to or from a jurisdiction, whether by an individual, through one agent, or in aggregate;
- impose more stringent information technology, cybersecurity, data, and operational security requirements on us or our agents and their subagents, including relating to data transfers and the use of cloud infrastructure;
- impose additional risk management and related governance and oversight requirements, including relating to the outsourcing of services to other group companies or to third parties; and
- prohibit or limit exclusive arrangements with our agents and subagents.

Consumer Protection Regulations

The Dodd-Frank Act created the CFPB, which implements, examines compliance with, and enforces federal consumer protection laws governing financial products and services, including money transfer services. The CFPB has created additional regulatory obligations for us and has the authority to further define participants in markets for consumer financial products and services and examine and supervise us and our larger competitors, including for matters related to unfair, deceptive, or abusive acts and practices. The CFPB's regulations implementing the remittance provisions of the Dodd-Frank Act have affected our business in a variety of areas. These include: (i) a requirement to provide consumers sending funds internationally from the United States enhanced, written, pre-transaction disclosures and transaction receipts, including the disclosure of fees, foreign exchange rates and taxes, (ii) an obligation to resolve various errors, including certain errors that may be outside our control, and (iii) an obligation at a consumer's request to cancel transactions that have not been completed. We have modified certain of our systems, business practices, service offerings, and procedures to comply with these regulations. We also face liability for the failure of our money transfer agents to comply with the rules and have implemented and are continuing to enhance additional policies, procedures, and oversight measures designed to foster compliance by our agents. The extent of our and our agents' implementation of these policies, procedures, and measures may be considered by the CFPB in any action or proceeding against us for noncompliance with the rules by our agents. The CFPB has also implemented a direct portal for gathering information regarding consumer complaints, including with respect to money transfers. The CFPB uses the information collected to help improve its supervision of companies, enforcement of federal consumer financial laws, and writing of rules and regulations. This effort may lead to additional regulations and regulatory scrutiny of our business.

In addition, various jurisdictions in and outside the United States have consumer protection laws and regulations, and numerous governmental agencies are tasked with enforcing those laws and regulations. Consumer protection principles continue to evolve globally, and new or enhanced consumer protection laws and regulations may be adopted. Governmental agencies tasked with enforcing consumer protection laws or regulations are communicating more frequently and coordinating their efforts to protect consumers. As the scope of consumer protection laws and regulations change, we may experience increased costs to comply and other adverse effects to our business.

Derivatives Regulations

Rules adopted under the Dodd-Frank Act by the Commodity Futures Trading Commission (the “CFTC”), as well as the provisions of the European Market Infrastructure Regulation (“EMIR”) and its technical standards, which are directly applicable in the member states of the EU, have subjected certain foreign exchange hedging transactions, including certain intercompany hedging transactions and certain of the corporate interest rate hedging transactions we may enter into in the future, to reporting, recordkeeping, and other requirements. Following the departure of the UK from the EU on January 31, 2020 (“Brexit”), EMIR and the European Markets in Financial Instruments Directive (“MiFID II”) have been retained as UK law pursuant to the European Union (Withdrawal) Act 2018 UK. Additionally, certain of the corporate interest rate hedging transactions and foreign exchange derivatives transactions we may enter into in the future may be subject to centralized clearing requirements or may be subject to margin requirements in the United States, the EU, and the UK. Other jurisdictions outside of the United States, the EU, and the UK, have implemented, are implementing, or may implement regulations similar to those described above. Derivatives regulations have added costs to our business, and any additional requirements, such as future registration requirements and increased regulation of derivatives contracts, will likely result in additional costs or impact the way we conduct any hedging activities.

Unclaimed Property Regulations

Our Company is subject to unclaimed property laws in the United States and in certain other countries, and our agents are subject to unclaimed property laws in some jurisdictions. These laws require us or our agents, as applicable, to turn over to certain government authorities the property of others held by our Company that has been unclaimed for a specified period of time, such as unpaid money transfers and money orders. We hold property subject to unclaimed property laws, and we have an ongoing program designed to help us comply with these laws. We are subject to audits with regard to our escheatment practices. For further discussion of the risks associated with unclaimed property, see Part I, Item 1A, *Risk Factors* - “*We are subject to unclaimed property laws, and differences between the amounts we have accrued for unclaimed property and amounts that are claimed by a state or foreign jurisdiction could have a significant impact on our results of operations and cash flows.*”

Privacy Regulations and Information Security Standards

We must collect, transfer, disclose, use, and store personal information in order to provide our services. These activities are subject to information security, data privacy, data protection, data breach, and related laws and regulations in the United States, the EU, and most of the other countries in which we provide services. These laws and requirements continue to evolve and may become increasingly challenging to comply with.

In the United States, federal data privacy laws such as the federal Gramm-Leach-Bliley Act and various state laws, such as the California Consumer Privacy Act (“CCPA”), the Colorado Privacy Act (“CPA”), and other data privacy and breach laws, apply to a broad range of financial institutions including money transfer providers like Western Union and to companies that provide services to or on behalf of those institutions. The number of comprehensive state privacy laws continues to grow, creating additional risks and complexity due to variations in each state’s law. The United States Federal Trade Commission (“FTC”), which has jurisdiction over companies such as Western Union, has brought numerous enforcement actions, resulting in multi-year settlements and significant fines against companies whose privacy or data security practices allegedly violated the law. The CCPA, CPA, and other state privacy laws impose heightened data privacy requirements on companies that collect information from residents of the particular states and create a broad set of privacy rights and remedies modeled in part on the General Data Protection Regulation (“GDPR”), as discussed below. The FTC, the CFPB, and some states continue to investigate companies’ privacy practices including those related to online and mobile applications. Most state laws require notification to be provided to affected individuals, state authorities, and consumer reporting agencies, in the event of a breach of certain types of personal data contained in electronic systems and, in some cases, physical documents. Such notification requirements may be subject to various factors, including the level of encryption, the data elements involved in the incident, and the potential harm to individuals, including consumers, employees, and other individuals. In addition, we are also subject to United States federal reporting requirements in connection with some such incidents.

Increasingly, data protection laws of countries outside of the United States are having a significant impact on our operations and the manner in which we provide our services. The EU has been particularly active in regulating the collection, transfer, disclosure, use, storage, and other processing of personal information, and the EU’s approach is

frequently followed by other jurisdictions. The trend in this area is one of increasingly more stringent regulation, particularly with the EU's GDPR. The GDPR imposes obligations upon our businesses and presents the risk of substantially increased penalties for non-compliance, including the possibility of not only fines but also enforcement action that may require an organization to cease certain of its data processing activities. We have incurred and we expect will continue to incur expenses to meet the obligations of the GDPR, which continue to evolve through national and EU case law, guidance and enforcement actions from data protection regulators, and developing best practices. The GDPR and other supranational, national, and provincial laws throughout the world are not uniform, but typically include one or more of the following objectives: (i) regulating the collection, transfer (including in some cases, the transfer outside of the country or region of collection), processing, storage, use and disclosure of personal information, (ii) requiring clear and transparent notice to individuals of the processing of their personal information and our privacy practices, (iii) providing for certain access, correction, deletion, and other privacy and related rights of individuals with respect to their personal information, (iv) restricting the use or disclosure of personal information for secondary purposes such as marketing, and (v) taking appropriate actions to protect the personal information from unauthorized disclosure. A significant number of these data protection laws outside of the United States require us to provide, under certain circumstances, notification to affected individuals, data protection authorities, and/or other regulators in the event of a data breach.

An emerging trend is the increase in data localization laws which require either that personal information be hosted on local servers or that organizations restrict the transfer of personal information outside of national borders. These laws present operational and technology challenges that can require companies to make significant changes to the management of personal information and can increase our costs and impact our ability to process personal information. These laws may also restrict or limit our ability to process transactions using centralized databases, including cloud computing infrastructure and software, for example, by requiring that transactions be processed using a database maintained in a particular country or region.

Data privacy regulations, laws, and industry standards also impose requirements for safeguarding personal information. For further discussion of these risks, see Part I, Item 1A, *Risk Factors - "Breaches of our information security safeguards could adversely affect our ability to operate and could damage our reputation and adversely affect our business, financial condition, results of operations, and cash flows."*

In connection with regulatory requirements to assist in the prevention of money laundering and terrorist financing and other legal obligations and requests, we make information available to certain United States federal, state, and foreign government agencies. In recent years, we have experienced data sharing requests by these agencies, including in connection with efforts to combat money laundering, terrorist financing, fraud, drug trafficking, and human trafficking. During the same period, there has also been increased public attention to the corporate use and disclosure of personal information, accompanied by legislation and regulations intended to strengthen data protection, information security, and consumer privacy. These regulatory and law enforcement goals, and the protection of the individual's right to privacy, may conflict or otherwise present challenges, and the law in these areas is not consistent or settled. The legal, political, and business environments in these areas are rapidly changing, and subsequent legislation, regulation, litigation, court rulings, or other events could expose us to increased program costs, liability, and reputational damage.

For further discussion of risks related to current and proposed data privacy and security laws and regulations, see Part I, Item 1A, *Risk Factors - "Current and proposed regulation addressing consumer privacy and data use and security could increase our costs of operations, which could adversely affect our operations, results of operations, and financial condition."*

Banking Regulations

We have subsidiaries that operate under banking licenses granted by the Austrian Financial Market Authority and the Brazilian Central Bank. We are also subject to regulation, examination, and supervision by the New York State Department of Financial Services ("NYDFS"), which has regulatory authority over our subsidiary that holds our Austrian banking license. Further, an Agreement of Supervision with the NYDFS imposes various regulatory requirements including operational limitations, capital requirements, affiliate transaction limitations, and notice and reporting requirements on this entity and its Austrian subsidiary. However, because this entity and its Austrian subsidiary do not exercise banking powers in the United States, we are not subject to the Bank Holding Company Act in the United States.

Other

Some of our services are subject to card association rules and regulations. For example, an independent standards-setting organization, the Payment Card Industry ("PCI") Security Standards Council developed a set of comprehensive requirements concerning payment card account security through the transaction process, called the Payment Card Industry Data Security Standard ("PCI DSS"). All merchants and service providers that store, process and transmit payment card data are required to comply with PCI DSS as a condition to accepting credit cards. We are subject to annual reviews to ensure compliance with PCI regulations worldwide and are subject to fines if we are found to be non-compliant.

Human Capital Management

Our People

As of December 31, 2023, our businesses employed approximately 9,000 individuals, of which approximately 1,400 employees are located inside the United States. Our employees span more than 50 countries.

Attracting, Developing, and Engaging Employees

Recruitment

Our recruitment efforts focus on identifying internal and external talent with skills that are critical to our business strategy, including those individuals with cloud, data architecture, cybersecurity, payment systems, and many other areas of expertise. We actively assess our new talent needs, evaluate the extent to which current staff have those critical skills, and provide development to build these capabilities. Our recruiting team uses multiple channels to find, assess, and hire employees, including channels that focus on diverse candidates.

Training and Professional Development

We invest in our people and their growth. Our talent processes endeavor to strike an appropriate balance between global scale and local responsiveness. Our development and training organization designs or obtains training that can be made available to all regions of our global workforce.

Our employee development philosophy centers around learning and empowerment. To position our people for success, we provide our employees with access to a variety of learning, including self-paced digital and facilitated formats. Employees also gain valuable experiences through on the job learning, special assignments and projects, and coaching and mentoring. We use a variety of assessments to help employees identify and develop areas to both improve current performance as well as areas that prepare them for future opportunities.

Reflecting our commitment to a culture of ethics and compliance, new employees receive mandatory education related to compliance, ethics, privacy, and information security. Existing employees receive continuing education on these same topics every year.

Engagement

We assess employee engagement regularly, and our employee engagement system utilizes periodic surveys, artificial intelligence, and machine learning to help leaders better understand what our employees are thinking, what they value, and what they need. We benchmark our engagement results against global peers to better understand our strengths and areas of opportunity. One of our ongoing goals is to foster greater communication to help ensure that our employees are informed, believe that their concerns are heard, and feel empowered to make decisions. To that end, we have implemented employee engagement and culture teams in certain of our offices worldwide. While each site varies somewhat in its approach, these teams are supported by on-site business leaders to focus on the “culture of the customer,” diversity and inclusion, community, the environment, and other issues that are meaningful to employees in those locations.

Diversity, Equity, Inclusion, and Belonging

As a global company operating in more than 200 countries and territories, diversity, equity, inclusion and belonging is central to who we are and an important factor in driving innovation and performance at Western Union. We are focused on diversifying our workforce to align with the communities we serve and create a culture of inclusion and belonging to support retention and career growth. We recognize the strategic importance of inclusion and belonging in our workforce and promote diversity through our talent management practices:

- our policies and practices in hiring, promotion, and compensation;
- encouraging ethical decision-making via our Code of Conduct and ethics training program;
- offering diversity training programs, sponsorship, and mentoring initiatives;
- unconscious bias training;
- goal setting; and
- providing support for grassroots affinity groups and belonging initiatives.

For example, as of December 31, 2023, over 50% of our global workforce were women and 36% of senior management-level and above positions were held by women. Our leadership team has diverse backgrounds, with wide-ranging, global experience. As of February 22, 2024, three out of our seven executive officers were diverse, including one who was female, one who identified as Black/African-American, and one who identified as Hispanic/Latino. In addition, our Board of Directors considers diversity in gender, ethnicity, geography, background, and cultural viewpoints when selecting nominees. As of December 31, 2023, six of our eleven directors were diverse, including four directors who were female and four directors who identified as Hispanic/Latino, Asian, American Indian, or LGBTQ+.

Compensation, Benefits, and Wellness

We seek to provide compensation that motivates, retains, and rewards our employees and attracts future talent. We offer packages designed to inspire the delivery of exceptional performance and results to help us deliver on our business strategy, stockholder commitments, and Company values. To guide our annual compensation assessment, we examine and benchmark market data for countries where we operate, as available data allows.

We strive to achieve equal pay for equal work. We consistently review and update salary ranges and perform internal pay equity reviews, with the goal of developing impartial and competitive pay practices and aligning salaries to local market conditions and cost-of-labor changes. We also offer employees multiple channels to raise pay equity concerns, such as our human resources team, ethics helpline, and legal department.

Our benefit packages aim to support the health and well-being of our employees and their families, including same sex domestic partners in all countries where it is legally permissible. Our benefit packages vary among countries based on laws, cultural norms, and market practices. Benefits generally available to all full-time employees include medical benefits, risk insurance benefits (life, disability, and accidental death and dismemberment), global adoption assistance, our

[Table of Contents](#)

employee assistance program (counseling, legal, and other professional services), paid leave, a scholarship program available to employees with college-age children, a global recognition and reward program, and business travel assistance and insurance.

Available Information

The Western Union Company is a Delaware corporation, and its principal executive offices are located at 7001 East Belview Avenue, Denver, CO, 80237, telephone (866) 405-5012. The Company's Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports are available free of charge through the "Investor Relations" portion of the Company's website, www.westernunion.com, as soon as reasonably practical after they are filed with the SEC. The SEC maintains a website, www.sec.gov, which contains reports, proxy and information statements, and other information filed electronically with the SEC by the Company.

Information About our Executive Officers

As of February 22, 2024, our executive officers consist of the individuals listed below:

Name	Age	Position
Devin McGranahan	54	President, Chief Executive Officer, and Director
Matt Cagwin	49	Executive Vice President, Chief Financial Officer
Benjamin Adams	52	Executive Vice President, Chief Legal Officer
Giovanni Angelini	54	President, Europe and Africa
Cherie Axelrod	58	Executive Vice President, Chief Risk and Compliance Officer
Rodrigo Garcia Estebarena	51	President, North America
Andrew Walker	57	Executive Vice President, Chief Operations Officer

Devin McGranahan is our President and Chief Executive Officer and member of the Company's Board of Directors (from December 2021). Prior to joining Western Union, Mr. McGranahan was with Fiserv, Inc., a global provider of payments and financial services technology solutions, where he served as Executive Vice President, Senior Group President, Global Business Solutions, from 2018 to 2021 and Group President, Billing and Payments Group, from 2016 to 2018. Before joining Fiserv, Mr. McGranahan served as a senior partner at McKinsey & Company, a global management consulting firm. While there, he held a variety of senior management roles, including leader of the global insurance practice from 2013 to 2016 and as a co-chair of the global senior partner election committee from 2013 to 2015. In addition, Mr. McGranahan served as co-leader of the North America financial services practice from 2009 to 2016. He joined McKinsey & Company in 1992 and served in a variety of other leadership positions prior to 2009.

Matt Cagwin is our Executive Vice President, Chief Financial Officer (from January 2023). Mr. Cagwin previously served as our Interim Chief Financial Officer from September 2022 to January 2023. Mr. Cagwin joined the Company in July 2022 as Head of Business Unit Financial Planning and Analysis. Prior to joining the Company, Mr. Cagwin served as Senior Vice President, Chief Financial Officer – Merchant Acceptance of Fiserv, Inc. from 2019 to 2022, in the same role at First Data Corporation from 2018 to 2019, and as Senior Vice President, Corporate Controller and Chief Accounting Officer of First Data Corporation from 2014 to 2018. Prior to his roles at Fiserv and First Data, Mr. Cagwin spent ten years at Coca-Cola Enterprises in a variety of senior management roles, including Vice President and European Controller and Vice President and Assistant Corporate Controller.

Benjamin Adams is our Executive Vice President, Chief Legal Officer (from June 2022) and previously served as our Interim Chief People Officer (from February 2023 to July 2023). Prior to joining the Company, Mr. Adams was Vice President, Legal at PayPal from 2015 to 2022. From 2007 to 2015, Mr. Adams served as Assistant General Counsel, Global Commercial Lead for Microsoft Corporation and held various senior legal positions at Nokia Corporation, including Head of Legal, Americas Region, Head of Legal, India and Emerging Market Services, and Head of Legal, Mergers and Acquisitions.

Giovanni Angelini is our President, Europe and Africa (from September 2022). Mr. Angelini previously served as Head of Global Independent Channels and Senior Vice President and General Manager, Global Money Transfer Consumer Network. Earlier in his career, from 1996 until early 2002, he was a Senior Manager at Bain & Company in Italy. From 2002 to 2011, he served as General Manager of Angelo Costa Group (a former Western Union Master Agent). Following

[Table of Contents](#)

the acquisition of the Angelo Costa business by Western Union in 2011, Mr. Angelini became CEO of Angelo Costa and Finint, and then Head of Independent Channels, Europe at Western Union.

Cherie Axelrod is our Executive Vice President, Chief Risk and Compliance Officer (from August 2022). Ms. Axelrod previously served as the Company's Chief Auditor from 2018 to 2022. Prior to that, she served as Deputy Chief Compliance Officer and U.S. Settlements Lead from 2016 to 2018 and Director of Project Management – Compliance from 2012, when she joined Western Union. Before joining Western Union, Ms. Axelrod held various roles of increasing responsibility, including divisional Chief Financial Officer for the Consumer and Small Business division of Qwest Communications International, Inc.

Rodrigo Garcia Estebarena is our President, North America (from October 2023), and previously served the Company as President, Latin America and the Caribbean ("LACA") from 2022, Senior Vice President Head of LACA from 2021 to 2022, Vice President Head of Mexico, Caribbean, and Central America from 2017 to 2021, and Vice President and General Manager Mexico from 2014 to 2017. Mr. Estebarena joined Western Union in 2008 as Business Development Regional Director. From 2008 to 2014, Mr. Estebarena held a variety of progressively responsible positions with the Company, including Director of Business Development Stored Value LACA and Director Product Management & New Channels LACA.

Andrew Walker is our Executive Vice President, Chief Operations Officer (from April 2022). Previously, Mr. Walker was Executive Vice President and Chief Administrative Officer at United Services Automobile Association (USAA) from 2020 to 2022 and before that he was Chief Procurement Officer at USAA from 2018 to 2020. Prior to USAA, Mr. Walker was President of Nationwide Bank, a subsidiary to Nationwide where he spent 11 years in a variety of senior management roles, including Senior Vice President, Chief Procurement Officer and Information Technology Chief Financial Officer.

Item 1A. Risk Factors

The following is a summary of certain key risk factors with respect to our Company. You should read this summary together with the more detailed descriptions of risks relating to our Company below.

Risks Relating to Our Business and Industry

- Demand for our services is dependent on a number of factors that could be materially impacted by adverse changes in the global economy.
- We operate in highly competitive and rapidly evolving industries and face competition from a wide variety of service providers.
- Our business depends on consumer confidence and migration patterns, which could be adversely affected by a number of factors, many of which are outside of our control.
- Our Consumer Money Transfer business is highly dependent on our ability to maintain our agent network under terms consistent with or more advantageous than those currently in place.
- Our industry is subject to rapid and significant technological changes.
- We are a global company and accordingly are subject to a number of risks related to our international operations.
- As a company that transfers and retains large amounts of confidential and personal information, we are exposed to risks relating to ensuring such information is not improperly used or disclosed.
- Our ability to provide reliable service largely depends on the efficient and uninterrupted operation of our computer information systems and those of our service providers.
- We may not realize all of the anticipated benefits from restructuring and related initiatives.
- We face credit, liquidity, and fraud risks from our agents, consumers, businesses, and third-party processors.
- Changes in tax laws, including as a result of the Pillar 2 Directive defined and discussed below, or their interpretation, and unfavorable resolution of tax contingencies could adversely affect our tax expense.
- Our ability to remain competitive depends in part on our ability to protect our trademarks, patents, copyrights, and other intellectual property rights and to defend ourselves against potential intellectual property infringement claims.

Risks Relating to Our Regulatory and Litigation Environment

- Our services are subject to increasingly strict legal and regulatory requirements, including those intended to help detect and prevent money laundering, terrorist financing, fraud, drug trafficking, human trafficking, and other illicit activity.
- The laws and regulations governing our business are frequently changing and evolving and could require changes in our business model and increase our costs of operations.
- The changes in our compliance program required by the consent orders and settlement agreements to which we are party have had, and may continue to have, adverse effects on our business.
- Western Union is, and may in the future be, the subject of litigation, including purported class action litigation, and governmental investigations and enforcement actions, which could result in material settlements, judgments,

finances, or penalties. Responding to litigation, investigations or enforcement actions also diverts considerable time and resources from management and, regardless of the outcome, can result in significant legal expense.

There are many factors that affect our business, financial condition, results of operations, and cash flows, some of which are beyond our control. These risks include, but are not limited to, the risks described in detail below. Such risks are grouped according to:

- Risks Relating to Our Business and Industry; and
- Risks Relating to Our Regulatory and Litigation Environment

You should carefully consider all of these risks.

Risks Relating to Our Business and Industry

Risks Relating to our Business Model and Competition

Global economic downturns or 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, and difficult conditions in global financial markets and financial market disruptions could adversely affect our business, financial condition, results of operations, and cash flows.

The global economy has experienced in recent years, and may experience, downturns, volatility and disruption, and we face certain risks relating to such events, including:

- Demand for our services could soften, including due to low consumer confidence, high unemployment, high inflation, changes in foreign exchange rates, changes in monetary policy, reduced global trade, including from trade disruptions or trade restrictions, or other events, such as civil unrest, war, terrorism, natural disasters, including those related to climate change, or public health emergencies or epidemics. For example, in March 2022, we suspended our operations in Russia and Belarus, due to the Russia/Ukraine conflict (the "Conflict"), which has had an adverse effect on our business, financial condition, results of operations, and cash flows. The Conflict has had and is expected to continue to have broader implications to our overall business, including reduced transaction activity in Ukraine. The COVID-19 pandemic has also had an adverse impact on our business.
- Our Consumer Money Transfer business relies in large part on migration, which often brings workers to countries with greater economic opportunities than those available in their native countries. A significant portion of money transfers are sent by international migrants. Migration is affected by (among other factors) overall economic conditions, the availability of job opportunities, changes in immigration laws, restrictions on immigration and travel, and political or other events (such as civil unrest, war, terrorism, natural disasters, or public health emergencies or epidemics) that would make it more difficult for workers to migrate or work abroad. Changes to these factors could adversely affect our remittance volume and could have an adverse effect on our business, financial condition, results of operations, and cash flows.
- Many of our consumers work in industries that may be impacted by deteriorating economic conditions more quickly or significantly than other industries. The prospect of reduced job opportunities, especially in the retail, healthcare, construction, hospitality, and technology industries, or weakness in regional economies could adversely affect the number of money transfer transactions, the principal amounts transferred and correspondingly our results of operations. If general market softness in the economies of countries important to migrant workers occurs, our results of operations could be adversely impacted. Additionally, if our consumer transactions decline, if the amount of money that consumers send per transaction declines, or if migration patterns shift due to weak or deteriorating economic conditions or immigration laws, our financial condition, results of operations, and cash flows may be adversely affected.

- Our agents or clients could experience reduced sales or business as a result of a deterioration in economic conditions. As a result, our agents could reduce their numbers of locations or hours of operation or cease doing business altogether.
- Our exposure to receivables from our agents, consumers, and businesses could impact us. For more information on this risk, see risk factor “*We face credit, liquidity, and fraud risks from our agents, consumers, businesses, and third-party processors that could adversely affect our business, financial condition, results of operations, and cash flows.*”
- The market value of the securities in our investment portfolio may substantially decline. The impact of that decline in value may adversely affect our liquidity, financial condition, and results of operations.
- The third-party service providers on whom we depend may experience difficulties in their businesses, which may impair their ability to provide services to us and have a potential impact on our own business. The impact of a change or temporary stoppage of services may have an adverse effect on our business, financial condition, results of operations, and cash flows.
- The counterparties to the derivative financial instruments that we use to reduce our exposure to various market risks, including changes in interest rates and foreign exchange rates, may fail to honor their obligations, which could expose us to risks we had sought to mitigate. That failure could have an adverse effect on our financial condition, results of operations, and cash flows.
- We may be unable to refinance our existing indebtedness or finance our obligations to pay tax on certain of our previously undistributed earnings pursuant to United States tax reform legislation enacted in December 2017 (the “Tax Act”) on favorable terms, as such amounts become due, or we may have to refinance or obtain new financing on unfavorable terms, which could require us to dedicate a substantial portion of our cash flow from operations to payments on our debt or tax obligations, thereby reducing funds available for working capital, capital expenditures, acquisitions, share repurchases, dividends, and other purposes.
- Our revolving credit facility with a consortium of banks is one source for funding liquidity needs and also backs our commercial paper program. If any of the banks participating in our credit facility fails to fulfill its lending commitment to us, our short-term liquidity and ability to support borrowings under our commercial paper program could be adversely affected.
- Banks upon which we rely to conduct our business could fail or be unable to satisfy their obligations to us. This could lead to our inability to access funds and/or credit losses for us and could adversely impact our ability to conduct our business.
- Insurers we utilize to mitigate our exposures to litigation and other risks may be unable to or refuse to satisfy their obligations to us, which could have an adverse effect on our liquidity, financial condition, results of operations, and cash flows.
- If market disruption or volatility occurs, we could experience difficulty in accessing capital on favorable terms, and our business, financial condition, results of operations, and cash flows could be adversely impacted.

We face competition from global and niche or corridor money transfer providers, United States and international banks, card associations, card-based payments providers, and a number of other types of service providers, including electronic, mobile and internet-based services, and from digital currencies, including cryptocurrencies and related protocols, and other innovations in technology and business models. Our future success depends on our ability to compete effectively in the industry.

Money transfer and payment services are highly competitive industries which include service providers from a variety of financial and non-financial business groups. Our competitors include consumer money transfer companies, banks and credit unions (including interbank partnerships), card associations, web-based services, mobile money transfer services, payment processors, card-based payments providers such as issuers of e-money, travel cards or stored-value cards, digital

wallets, informal remittance systems, automated teller machine providers and operators, phone payment systems (including mobile phone networks), postal organizations, retailers, check cashers, mail and courier services, currency exchanges, and digital currencies, including cryptocurrencies and cryptocurrency exchanges. These services are differentiated by features and functionalities such as brand recognition, customer service, trust and reliability, distribution network and channel options, convenience, price, speed, variety of payment methods, service offerings and innovation. Our business, distribution network and channel options, such as our digital channels, have been and may continue to be impacted by increased competition, including from new competitors and the consolidation of competitors and the expansion of their services, which could adversely affect our financial condition, results of operations, and cash flows. For example, we have experienced increased competition in money transfers sent and received within the United States from competitors that do not charge a fee to send or receive money through bank accounts. The potential international expansion of these competitors could represent significant competition to us.

Our future success depends on our ability to compete effectively in money transfer and payment services. For example, if we fail to price our services appropriately, consumers may not use our services, which could adversely affect our business and financial results. In addition, we have historically implemented and will likely continue to implement price reductions from time to time, including in 2023, 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. Further, failure to compete on service differentiation and service quality could significantly affect our future growth potential and results of operations.

As noted below under risk factor *"Risks associated with operations outside the United States and foreign currencies could adversely affect our business, financial condition, results of operations, and cash flows,"* many of our agents outside the United States are national post offices. These entities are often governmental organizations that may enjoy special privileges or protections that could allow them to simultaneously develop their own money transfer businesses. International postal organizations could agree to establish a money transfer network among themselves. Due to the size of these organizations and the number of locations they have, any such network could represent significant competition to us.

If customer confidence in our business or in consumer money transfer and payment service providers generally deteriorates, our business, financial condition, results of operations, and cash flows could be adversely affected.

Our business is built on customer confidence in our brands and our ability to provide fast, reliable money transfer and payment services. Erosion in customer confidence in our business, or in consumer money transfer and payment service providers as a means to transfer money, could adversely impact transaction volumes which would in turn adversely impact our business, financial condition, results of operations, and cash flows.

A number of factors could adversely affect customer confidence in our business, or in consumer money transfer and payment service providers generally, many of which are beyond our control, and could have an adverse impact on our results of operations. These factors include:

- changes or proposed changes in laws or regulations or regulator or judicial interpretation thereof that have the effect of making it more difficult or less desirable to transfer money using consumer money transfer and payment service providers, including additional consumer due diligence, identification, reporting, and recordkeeping requirements;
- the quality of our services and our customer experience, and our ability to meet evolving customer needs and preferences, including consumer preferences related to our Branded Digital services;
- failure of our agents, their subagents, our vendors, or other partners to deliver services in accordance with our requirements;
- reputational concerns resulting from actual or perceived events, including those related to fraud, consumer protection, data breaches, inappropriate use of personal data, or other matters;

[Table of Contents](#)

- actions by federal, state or foreign regulators that interfere with our ability to transfer consumers' money reliably, for example, attempts to seize money transfer funds, or limit our ability to or prohibit us from transferring money in certain corridors;
- federal, state or foreign legal requirements, including those that require us to provide consumer or transaction data either pursuant to requirements under the Joint Settlement Agreements or other requirements or to a greater extent than is currently required;
- any significant interruption in our systems, including by unauthorized entry and computer viruses, ransomware, fire, natural disaster, power loss, telecommunications failure, terrorism, vendor failure, or disruptions in our workforce; and
- any breach of our computer systems or other data storage facilities, or of certain of our third-party providers, resulting in a compromise of personal or other data.

Many of our money transfer consumers are migrants. Consumer advocacy groups or governmental agencies could consider migrants to be disadvantaged and entitled to protection, enhanced consumer disclosure, or other different treatment. If consumer advocacy groups are able to generate widespread support for actions that are detrimental to our business, then our financial condition, results of operations, and cash flows could be adversely affected.

If we are unable to maintain our agent, subagent, or global business relationships under terms acceptable to us or consistent with 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, or if our agents or their subagents fail to comply with our business and technology standards and contract requirements, our business, financial condition, results of operations, and cash flows would be adversely affected.

Most of our Consumer Money Transfer revenue is derived through our agent network. Some of our international agents have subagent relationships in which we are not directly involved. If, due to competition or other reasons, agents or their subagents decide to leave our network, or if we are unable to sign new agents or maintain our agent network under terms acceptable to us or consistent with those currently in place, or if our agents are unable to maintain relationships with or sign new subagents, our revenue and profits may be adversely affected. Agent attrition might occur for a number of reasons, including a competitor engaging an agent, an agent's dissatisfaction with its relationship with us or the revenue derived from that relationship, an agent's or its subagents' unwillingness or inability to comply with our standards or legal requirements, including those related to compliance with anti-money laundering regulations, anti-fraud measures, or agent registration and monitoring requirements or increased costs or loss of business as a result of difficulty for us, our agents, or their subagents in establishing or maintaining relationships with banks needed to conduct our services. For example, the Joint Settlement Agreements and the NYDFS Consent Order subjected us to heightened requirements relating to agent oversight, which resulted in agent attrition, and certain agents decided to leave our network due to reputational concerns related to the Joint Settlement Agreements and the NYDFS Consent Order. Recently, we have had a significant retail agent stop offering our services, and another stopped offering cash-based services at their retail locations. These changes have impacted and will continue to adversely impact our revenue. In addition, agents may generate fewer transactions or less revenue for various reasons, including increased competition, political unrest, changes in the economy, or factors impacting our agents' ability to settle with us, and the cost of maintaining agent or subagent locations has increased and may continue to increase because of enhanced compliance efforts or changes to compliance requirements. Because an agent is a third-party that engages in a variety of activities in addition to providing our services, it may encounter business difficulties unrelated to its provision of our services, which could cause the agent to reduce its number of locations and/or hours of operation, or cease doing business altogether.

Changes in laws regulating competition or in the interpretation of those laws could undermine our ability to enter into or maintain our exclusive arrangements with our current and prospective agents. See risk factor *"Regulatory initiatives and changes in laws, regulations, industry practices and standards, and third-party policies affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services could require changes in our business model and increase our costs of operations, which could adversely affect our financial condition, results of operations, and liquidity"* below. In addition, certain of our agents and subagents have refused to enter into exclusive arrangements in recent years, including a significant agent in the United States. The inability to enter

into exclusive arrangements or to maintain our exclusive rights in agent contracts in certain situations could adversely affect our business, financial condition, results of operations, and cash flows by, for example, allowing competitors to benefit from the goodwill associated with the Western Union brand at our agent locations.

In our various bill payment services, we provide services for consumers, businesses, and other organizations to make one-time or recurring payments, including to utilities, auto finance companies, mortgage servicers, financial service providers, and government agencies. Our relationships with these businesses and other organizations are a core component of our payment services, and we derive a substantial portion of our revenue from payment services through these relationships. Increased regulation and compliance requirements are impacting these businesses by making it more costly for us to provide our services or by making it more cumbersome for businesses or consumers to do business with us.

As a result of offering our services, our agents may be subject to various taxes, as governments outside the United States have viewed and may continue to view our agents' services as subject to income, withholding, and other taxes. Any such taxes that are levied on our agents could make it less desirable for agents to offer our services, which could result in increased agent attrition, agents ceasing to offer some of our services, or increased costs to maintain our agent network, any of which could have an adverse effect on our business, results of operations, and cash flows.

Our ability to adopt new technology and develop and gain market acceptance of new and enhanced products and services in response to changing industry and regulatory standards and evolving customer needs poses a challenge to our business.

Our industry is subject to rapid and significant technological changes, with the constant introduction of new and enhanced products and services and evolving industry and regulatory standards and consumer needs and preferences. Our ability to enhance our current products and services and introduce new products and services that address these changes has a significant impact on our ability to be successful. We actively seek to respond in a timely manner to changes in customer (both consumer and business) and agent needs and preferences, technology advances, and new and enhanced products and services such as technology-based money transfer and payment services, including internet, digital wallet, other mobile money transfer services, and digital currencies, including cryptocurrencies. Failure to respond timely and well to these challenges could adversely impact our business, financial condition, results of operations, and cash flows. Further, even if we respond well to these challenges, the business and financial models offered by many of these alternative, more technology-reliant means of money transfer and electronic payment solutions may be less advantageous to us than our traditional cash/agent model or our current electronic money transfer model.

Risks associated with operations outside the United States and foreign currencies could adversely affect our business, financial condition, results of operations, and cash flows.

A substantial portion of our revenue is generated in currencies other than the United States dollar. As a result, we are subject to risks associated with changes in the value of our revenues and net monetary assets denominated in foreign currencies. For example, a considerable portion of our revenue is generated in the euro. In an environment of a rising United States dollar relative to the euro, the value of our euro-denominated revenue, operating income and net monetary assets would be reduced when translated into United States dollars for inclusion in our financial statements. Some of these adverse financial effects may be partially mitigated by foreign currency hedging activities. In an environment of a declining United States dollar relative to the euro, some of the translation benefits on our reported financial results could be limited by the impact of foreign currency hedging activities. We are also subject to changes in the value of other foreign currencies.

We operate in almost all developing markets throughout the world. In many of these markets, our foreign currency exposure is limited because most transactions are receive transactions, and we currently reimburse the significant majority of our agents in United States dollars, Mexican pesos, or euros for the payment of these transactions. However, in certain of these developing markets we settle transactions in local currencies and generate revenue from send transactions. Our exposure to foreign currency fluctuations in those markets is increased as these fluctuations impact our revenues and operating income.

We utilize a variety of planning and financial strategies to help ensure that our worldwide cash is available where needed, including decisions related to the amounts, timing, and manner by which cash is repatriated or otherwise made available from our international subsidiaries. Changes in the amounts, timing, and manner by which cash is repatriated (or deemed repatriated) or otherwise made available from our international subsidiaries, including changes arising from new

legal or tax rules, disagreements with legal or tax authorities concerning existing rules that are ultimately resolved in their favor, or changes in our operations or business, could result in material adverse effects on our financial condition, results of operations, and cash flows including our ability to pay future dividends or make share repurchases. For further discussion regarding the risk that our future effective tax rates could be adversely impacted by changes in tax laws, both domestically and internationally, see risk factor *“Changes in tax laws, or their interpretation, and unfavorable resolution of tax contingencies could adversely affect our tax expense”* below.

Money transfers and payments to, from, within, or between countries may be limited or prohibited by law. At times in the past, we have been required to cease operations in particular countries due to political uncertainties or government restrictions imposed by foreign governments or the United States. Government sanctions imposed with respect to Russia and Ukraine in February 2022 impacted our ability to offer services in the region, and in March 2022, we voluntarily suspended our operations in Russia and Belarus due to the Conflict. Further or prolonged instability or tension in Russia, Ukraine, and the surrounding region could also cause us to adjust our operating model, which would increase our costs of operations. Occasionally agents or their subagents have been required by their regulators to cease offering our services; see risk factor *“Regulatory initiatives and changes in laws, regulations, industry practices and standards, and third-party policies affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services could require changes in our business model and increase our costs of operations, which could adversely affect our financial condition, results of operations, and liquidity”* below. Additionally, economic or political instability or natural disasters may make money transfers to, from, within, or between particular countries difficult or impossible, such as when banks are closed, when currency devaluation makes exchange rates difficult to manage or when natural disasters or civil unrest makes access to agent locations unsafe. These risks could negatively impact our ability to offer our services, to make payments to or receive payments from international agents or our subsidiaries or to recoup funds that have been advanced to international agents or are held by our subsidiaries, and as a result could adversely affect our business, financial condition, results of operations, and cash flows. In addition, the general state of telecommunications and infrastructure in some lesser developed countries, including countries where we have a large number of transactions, creates operational risks for us and our agents that generally are not present in our operations in the United States and other more developed countries.

Rules implemented by regulators may also restrict our ability to distribute excess cash balances from our subsidiaries. For example, in connection with our decision to suspend operations in Russia and Belarus, we sought to distribute excess cash balances held in our Russian subsidiary. While we continue to pursue distribution opportunities, Russian presidential decrees currently prevent us from extracting the excess capital within our Russian subsidiary. Currently, our Russian subsidiary holds approximately \$14 million of excess cash balances, in addition to approximately \$4 million of cash held to maintain its credit institution license. We have classified the excess cash balances as restricted cash, included within Other assets in our Consolidated Balance Sheets as of December 31, 2023. An inability to utilize or distribute excess cash from our Russian subsidiary or our other subsidiaries could have an adverse effect on our financial condition, results of operations, and cash flows.

Many of our agents outside the United States are post offices, which are often owned and operated by national governments. These governments may decide to change the terms under which they allow post offices to offer remittances and other financial services. For example, governments may decide to separate financial service operations from postal operations or mandate the creation or privatization of a “post bank,” which could result in the loss of agent locations, or they may require multiple service providers in their network. These changes could have an adverse effect on our ability to distribute or offer our services in countries that are material to our business.

We face credit, liquidity and fraud risks from our agents, consumers, businesses, and third-party processors that could adversely affect our business, financial condition, results of operations, and cash flows.

The significant majority of our Consumer Money Transfer activity and our bill payment and money order activity is conducted through agents that provide our services to consumers at their retail locations. These agents sell our services, collect funds from consumers, and are required to pay the proceeds from these transactions to us. As a result, we have credit exposure to our agents. In some countries, our agent networks include master agents that establish subagent relationships; these agents must collect funds from their subagents in order to pay us. We are generally not insured against credit losses, except in certain circumstances related to agent theft or fraud. If an agent becomes insolvent, files for bankruptcy, commits fraud or otherwise fails to pay money order, money transfer or payment services proceeds to us, we must nonetheless pay the money order or complete the money transfer or payment services on behalf of the consumer.

[Table of Contents](#)

The liquidity of our agents and other parties we transact with directly, including merchant acquirers, is necessary for our business to remain strong and to continue to provide our services. If our agents or other partners fail to settle with us in a timely manner, our liquidity could be affected.

From time to time, we have made, and may in the future make, advances to our agents and disbursement partners. We often owe settlement funds payable to these agents that offset these advances. However, the failure of these borrowing agents and disbursement partners to repay these advances constitutes a credit risk to us.

In many countries, we offer consumers the ability to transfer money utilizing their bank account or credit or debit card via websites and mobile devices. These transactions have experienced and continue to experience a greater risk of fraud and higher fraud losses than transactions initiated at agent locations. Additionally, money transfers funded by ACH, or similar methods, are not preauthorized by the sender's bank and carry the risk that the account may not exist or have sufficient funds to cover the transaction. We apply verification and other tools to help authenticate transactions and protect against fraud. However, these tools are not always successful in protecting us against fraud. As the merchant of these transactions, we may bear the financial risk of the full amount sent in some of the fraudulent transactions. Issuers of credit and debit cards may also incur losses due to fraudulent transactions through our distribution channels and may elect to block transactions by their cardholders in these channels with or without notice. We may be subject to additional fees or penalties if the amount of chargebacks exceeds a certain percentage of our transaction volume. Such fees and penalties increase over time if we do not take effective action to reduce chargebacks below the threshold, and if chargeback levels are not ultimately reduced to acceptable levels, our merchant accounts could be suspended or revoked, which would adversely affect our results of operations.

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 repatriated or otherwise made available from our international subsidiaries. These decisions can influence our overall tax rate and impact our total liquidity. Our overall liquidity may also be impacted by regulations or their interpretations that, if fully enacted or implemented, could require us to exchange collateral in connection with our derivative financial instruments used to hedge our exposures arising in connection with changes to foreign currency exchange and interest rates.

Risks Relating to Cybersecurity and Third-Party Vendors

Breaches of our information security safeguards could adversely affect our ability to operate and could damage our reputation and adversely affect our business, financial condition, results of operations, and cash flows.

As part of our business, we collect, transfer, and retain confidential and personal information about consumers, business customer representatives, employees, applicants, agents and other individuals. With our services being offered in more than 200 countries and territories, these activities are subject to laws and regulations in the United States and many other jurisdictions; see risk factor *"Current and proposed regulation addressing consumer privacy and data use and security could increase our costs of operations, which could adversely affect our operations, results of operations, and financial condition"* below. The requirements imposed by these laws and regulations, which often differ materially among the many jurisdictions in which we operate and may impact our business operations, are designed to protect the privacy and security of personal information, to prevent that information from being inappropriately accessed, used, or disclosed, and to protect financial services providers and other regulated entities and their customers, as well as information technology systems, from cyber attacks. Although we strive to develop and maintain administrative, technical, and physical safeguards designed to comply with applicable legal requirements, it is nonetheless possible that hackers, employees acting contrary to our policies, or others could circumvent these safeguards to improperly access our systems or documents, or the systems or documents of our business partners, agents, or service providers, as well as to improperly access, obtain, misuse, or disclose sensitive business information or personal information about our consumers, business customer representatives, employees, applicants, agents or others. It is also possible that any of our third-party service providers or agents could experience a cybersecurity incident or intentionally or inadvertently use, disclose, or make available sensitive business or personal information to unauthorized parties in violation of law or its contract with us. Such risk of a third-party service provider or agent's cybersecurity or other data incident is significant as much of our data and our customers' data is collected and stored by our agents and other third parties, including providers of cloud-based software services. Security incidents have the potential to impose material costs on the Company and, despite measures that the Company takes to prevent and mitigate such incidents, there can be no assurance that security incidents will not occur in the future. The methods used to obtain unauthorized access, disable or degrade service or sabotage systems are also constantly

changing and evolving and may be difficult to anticipate or to detect for significant periods of time. Additionally, transactions undertaken through our websites or other digital channels may create risks of fraud, hacking, unauthorized access or acquisition, and other deceptive practices. Any security incident resulting in a compromise of sensitive business information or the personal information of consumers, business customer representatives, employees, applicants, agents, or other individuals, could result in material costs to us and require us to notify impacted individuals, and in some cases regulators, of a possible or actual incident, expose us to regulatory enforcement actions, including substantial fines, limit our ability to provide services, subject us to litigation, damage our reputation, and adversely affect our business, financial condition, results of operations, and cash flows.

Interruptions in our systems, including as a result of cyber attacks, or disruptions in our workforce may have a significant adverse effect on our business.

Our ability to provide reliable service depends on the efficient and uninterrupted operation of our computer information systems and those of our service providers. Any significant interruptions could harm our business and reputation and result in a loss of business. These systems and operations could be exposed to damage or interruption from unauthorized entry and computer viruses, ransomware, fire, natural disaster, power loss, telecommunications failure, war, terrorism, vendor failure, or other causes, many of which may be beyond our control or that of our service providers. The frequency and intensity of weather events related to climate change are increasing, which could increase the likelihood and severity of natural disasters as well as related damage and business interruption. Additionally, any significant damage or interruptions in the computer information systems of our agents or other partners could result in a disruption in providing our services to consumers at their locations. Further, we and our vendors have been, and continue to be, the subject of cyber attacks, including distributed denial of service and ransomware attacks. These attackers and attacks are increasingly sophisticated and primarily aimed at either interrupting our business or exploiting information security vulnerabilities, both of which expose us to financial losses. Historically, none of these attacks or breaches has individually or in the aggregate resulted in any material liability to us or any material damage to our reputation. Disruptions related to cybersecurity have not caused any material interruption to our business, strategy, results of operations, or financial condition. There can be no assurance that such attacks will not have a material adverse impact on the Company in the future. The safeguards we have designed to help prevent future security incidents and systems disruptions and to comply with applicable legal requirements may not be successful, and we may experience material security incidents, disruptions, or other problems in the future. For more information on our policies and procedures surrounding cybersecurity, see Part I, Item 1C, *Cybersecurity*. We also may experience software defects, development delays, installation difficulties and other systems problems, which could harm our business and reputation and expose us to potential liability which may not be fully covered by our business interruption insurance. In addition, hardware, software, or applications that we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. These applications may not be sufficient to address technological advances, regulatory requirements, changing market conditions, or other developments. In addition, any work stoppages or other labor actions by employees, the significant majority of whom are located outside the United States, could adversely affect our business.

We receive services from third-party vendors that would be difficult to replace if those vendors ceased providing such services adequately or at all. Cessation of or defects in various services provided to us by third-party vendors could cause temporary disruption to our business.

Some services relating to our business, such as cloud-based software service providers, software application support, the development, hosting, and maintenance of our operating systems, merchant acquiring services, call center services, check clearing, processing of returned checks, and other operating activities are outsourced to third-party vendors, which would be difficult to replace quickly. If our third-party vendors were unwilling or unable to provide us with these services in the future, due to system outages, labor shortages, or otherwise, our business and operations could be adversely affected.

Risks Relating to Acquisitions, Divestitures, and Restructuring Activities

Acquisitions and integration of new businesses create risks and may affect operating results.

We have acquired and may acquire businesses both inside and outside the United States. If we or our reporting units do not generate operating cash flows at levels consistent with our expectations, we may be required to write down the goodwill on our balance sheet, which could have a significant adverse impact on our financial condition and results of operations.

In addition to the risk of goodwill impairment, the acquisition and integration of businesses involve a number of other risks. The core risks involve valuation (negotiating a fair price for the business based on inherently limited due diligence) and integration (managing the complex process of integrating the acquired company's people, products and services, technology and other assets in an effort to realize the projected value of the acquired company and the projected synergies of the acquisition). Another risk is the need in some cases to improve regulatory compliance; see "Risks Relating to Our Regulatory and Litigation Environment" below. Acquisitions often involve additional or increased risks including, for example:

- realizing the anticipated financial benefits from these acquisitions and where necessary, improving internal controls of these acquired businesses;
- complying with regulatory requirements, including those particular to the industry and jurisdiction of the acquired business;
- managing multi-jurisdictional operating and financing structures, including complexities associated with the investment and return of capital and the understanding and calculation of tax obligations;
- managing geographically separated organizations, systems and facilities and integrating personnel with diverse business backgrounds and organizational cultures;
- integrating the acquired technologies into our Company;
- obtaining and enforcing intellectual property rights in some foreign countries;
- entering new markets with the services of the acquired businesses; and
- general economic and political conditions, including legal and other barriers to cross-border investment in general, or by United States companies in particular.

Integrating operations could cause an interruption of, or divert resources from, one or more of our businesses and could result in the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with an acquisition and the integration of the acquired company's operations could have an adverse effect on our business, financial condition, results of operations, and cash flows.

Divestitures and contingent liabilities from divested businesses could adversely affect our business and financial results.

We continually evaluate the performance and strategic fit of all of our businesses and may sell businesses or product lines. For example, on July 1, 2023, we completed the sale of our Business Solutions business, as previously discussed. Divestitures involve risks, including difficulties in the separation of operations, services, products and personnel, the diversion of management's attention from other business concerns, the disruption of our business, the potential loss of key employees and the retention of uncertain contingent liabilities related to the divested business. When we decide to sell assets or a business, we may encounter difficulty in finding buyers or alternative exit strategies on acceptable terms in a timely manner, which could delay the achievement of our strategic objectives. We may also dispose of a business at a price or on terms that are less desirable than we had anticipated, which could result in significant asset impairment charges, including those related to goodwill and other intangible assets, that could have a material adverse effect on our financial condition and results of operations. In addition, we may experience greater dis-synergies than expected, the impact of the divestiture on our revenue growth may be larger than projected, and some divestitures may be dilutive to earnings, including the sale of our Business Solutions business. There can be no assurance whether the strategic benefits and expected financial impact of the divestiture will be achieved. We cannot assure you that we will be successful in managing these or any other significant risks that we encounter in divesting a business or product line, and any divestiture we undertake could materially and adversely affect our business, financial condition, results of operations and cash flows.

We may not realize all of the anticipated benefits from restructuring and other related initiatives, which may include decisions to downsize or to transition operating activities from one location to another, and we may experience disruptions in our workforce as a result of those initiatives.

Over the past few years, we have been engaged in restructuring actions and activities associated with business transformation, productivity improvement initiatives, and expense reduction measures. For example, in October 2022, we announced an operating expense redeployment program which aims to redeploy approximately \$150 million in expenses in our cost base through 2027, accomplished through optimizations in vendor management, our real estate footprint, marketing, and people costs. We may implement additional initiatives in future periods. While these initiatives are designed to increase operational effectiveness and productivity and allow us to invest in strategic initiatives, there can be no assurance that the anticipated benefits will be realized, and the costs to implement such initiatives may be greater than expected. In addition, these initiatives have resulted and will likely result in the loss of personnel, some of whom may support significant systems or operations, and may make it more difficult to attract and retain key personnel, any of which could negatively impact our results of operations. Consequently, these initiatives could result in a disruption to our workforce. If we do not realize the anticipated benefits from these or similar initiatives, the costs to implement future initiatives are greater than expected, or if the actions result in a disruption to our workforce greater than anticipated, our business, financial condition, results of operations, and cash flows could be adversely affected.

General Risks

Changes in tax laws, or their interpretation, and unfavorable resolution of tax contingencies could adversely affect our tax expense.

Our future effective tax rates and corresponding effects on our financial condition, results of operations and cash flows could be adversely affected by changes in tax laws or their interpretation, both domestically and internationally. For example, in December 2017, the Tax Act was enacted into United States law. Among other things, the Tax Act imposes a tax on certain previously undistributed foreign earnings, establishes minimum taxes related to certain payments deemed to erode the United States tax base, and retains and expands United States taxation on a broad range of foreign earnings (whether or not the earnings have been repatriated) while effectively exempting certain types of foreign earnings from United States tax. In August 2022, the U.S. enacted the Inflation Reduction Act of 2022 ("IRA") which, among other provisions, implemented a 15% minimum tax on book income of certain large corporations. Based on our evaluation of the IRA, we do not believe we will be subject to the 15% book minimum tax in the near term. However, we will continue to monitor the application of the minimum tax in future periods.

Additionally, the Organization for Economic Co-Operation and Development ("OECD") has asked countries around the globe to act to prevent what it refers to as base erosion and profit shifting ("BEPS"). The OECD considers BEPS to refer to tax planning strategies that shift, perhaps artificially, profits across borders to take advantage of differing tax laws and rates among countries. In 2021, the OECD, through an association of almost 140 countries known as the "inclusive

framework,” announced a consensus around further changes in traditional international tax principles (“BEPS 2.0”) to address, among other things, perceived challenges presented by global digital commerce (“Pillar 1”) and the perceived need for a minimum global effective tax rate of 15% (“Pillar 2”). On December 15, 2022, the European Union formally adopted a Pillar 2 Directive and many EU member states have transposed the Pillar 2 Directive into domestic law, with portions taking effect from 2024. Many non-EU countries have taken or are considering similar actions, with varying effective dates. We are closely monitoring developments and evaluating the impact of these rules in jurisdictions that have enacted or have draft Pillar 2 legislation. We will continue to monitor Pillar 2 developments and assess the extent to which Pillar 2 may materially impact our financial condition, results of operations, and cash flows.

Our tax returns and positions (including positions regarding jurisdictional authority of foreign governments to impose tax) are subject to review and audit by federal, state, local and foreign taxing authorities. An unfavorable outcome to a tax audit could result in higher tax expense, thereby negatively impacting our results of operations. We have established contingency reserves for a variety of material, known tax exposures. As of December 31, 2023, the total amount of unrecognized tax benefits was a liability of \$244.8 million, including accrued interest and penalties, net of related items. Our reserves reflect our judgment as to the resolution of the issues involved if subject to judicial review. 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, and such resolution could have a material effect on our effective tax rate, financial condition, results of operations, and cash flows in the current period and/or future periods. With respect to these reserves, our income tax expense would include: (i) any changes in tax reserves arising from material changes in the 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 increase or decrease income tax expense in our consolidated financial statements in future periods and could impact our operating cash flows.

Our business, financial condition, results of operations, and cash flows could be harmed by adverse rating actions by credit rating agencies.

Downgrades in our credit ratings, or their review or revision to a negative outlook, could adversely affect our business, financial condition, results of operations, and cash flows, and could damage perceptions of our financial strength, which could adversely affect our relationships with our agents, particularly those agents that are financial institutions or post offices, and our banking and other business relationships. In addition, adverse ratings actions could result in regulators imposing additional capital and other requirements on us, including imposing restrictions on the ability of our regulated subsidiaries to pay dividends. Also, a downgrade below investment grade will increase our interest expense under certain of our notes and our revolving credit facility, and any significant downgrade could increase our costs of borrowing money more generally or adversely impact or eliminate our access to the commercial paper market, each of which could adversely affect our business, financial condition, results of operations, and cash flows.

There can be no guarantee that we will continue to make dividend payments or repurchase stock.

For risks associated with our ability to continue to make dividend payments or repurchase shares, please see Part II, Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

Our ability to remain competitive depends in part on our ability to protect our trademarks, patents, copyrights, and other intellectual property rights and to defend ourselves against potential intellectual property infringement claims.

The Western Union brands, which are protected by trademark registrations in many countries, are material to our Company. The loss of the Western Union® trademark or a diminution in the perceived quality of products or services associated with the names would harm our business. Similar to the Western Union® trademarks, the Vigo®, Orlandi Valuta®, Pago Fácil®, Quick Collect®, Quick PaySM, Quick Cash®, Western Union Convenience Pay®, and other trademarks and service marks are also important to our Company, and a loss of the service mark or trademarks or a diminution in the perceived quality associated with these names could harm our business.

Our intellectual property rights are an important element in the value of our business. Our failure to take appropriate actions against those who infringe upon our intellectual property could adversely affect our business, financial condition, results of operations, and cash flows.

The laws of certain foreign countries in which we do business do not always protect intellectual property rights to the same extent as do the laws of the United States. Adverse determinations in judicial or administrative proceedings in the United States or in foreign countries could impair our ability to sell our products or services or license or protect our intellectual property, which could adversely affect our business, financial condition, results of operations, and cash flows.

We own patents and patent applications covering various aspects of our processes and services. We have been, are and in the future may be, subject to claims alleging that our platform, mobile application, or other products and services infringe third-party intellectual property or other proprietary rights, both inside and outside the United States. Unfavorable resolution of these claims could require us to change how we deliver or promote a service, result in significant financial consequences, or both, which could adversely affect our business, financial condition, results of operations, and cash flows.

Material changes in the market value or liquidity of the securities we hold may adversely affect our results of operations and financial condition.

As of December 31, 2023, we held \$1.5 billion in investment securities, the majority of which are state and municipal debt securities. The majority of this money represents the principal of money orders issued by us to consumers primarily in the United States and money transfers sent by consumers. We regularly monitor our credit risk and attempt to mitigate our exposure by investing in highly-rated securities and by diversifying our investments. Despite those measures, it is possible that the value of our portfolio may decline in the future due to any number of factors, including general market conditions, credit issues, the viability of the issuer of the security, failure by an investment manager to manage the investment portfolio consistently with investment mandates, or increases in interest rates. Any such decline in value may adversely affect our results of operations and financial condition.

We have substantial debt and other obligations that could restrict our operations.

As of December 31, 2023, we had approximately \$2.5 billion in consolidated indebtedness, and we may also incur additional indebtedness in the future. Furthermore, the Tax Act imposes a tax on certain of our previously undistributed foreign earnings, which we have elected to pay in periodic installments through 2025.

Our indebtedness and tax obligations could have adverse consequences, including:

- limiting our ability to pay dividends to our stockholders or to repurchase stock consistent with our historical practices;
- increasing our vulnerability to changing economic, regulatory and industry conditions;
- limiting our ability to compete and our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our debt or tax obligations, thereby reducing funds available for working capital, capital expenditures, acquisitions, and other purposes.

Failure to attract, retain, and develop the key employees we need to support our objectives could have a material adverse impact on our business.

Much of our success depends on our ability to attract, retain, and develop key employees. Qualified individuals with experience in our industry are in high demand and we have faced and will continue to face competition globally to attract and retain a diverse workforce with skills that are critical to our success. In addition, legal or enforcement actions against compliance and other personnel in the money transfer industry may affect our ability to attract and retain key employees. Further, any failure to have in place and execute an effective succession plan for key employees could harm our business.

Risks Relating to Our Regulatory and Litigation Environment

As described under Part I, Item 1, *Business*, our business is subject to a wide range of laws and regulations enacted by the United States federal government, each of the states (including licensing requirements), many localities and many other countries and jurisdictions. Laws and regulations to which we are, or may in the future, be subject to, including by virtue of the introduction of new products or acquisitions, include those related to: financial services generally, banking, anti-money laundering, countering the financing of terrorism, sanctions and anti-fraud, anti-bribery, anti-corruption, countering drug trafficking and human trafficking, consumer disclosure and consumer protection, currency controls, money transfer and payment instrument licensing, payment services, credit and debit cards, electronic payments, cryptocurrency licensing and other regulations, prepaid access, taxation, accessibility, unclaimed property, the regulation of competition, consumer privacy, data protection and information security, cybersecurity, operational security, outsourcing, risk management, environmental, sustainability, and governance reporting, including climate and social governance-related reporting, and other governance requirements applicable to regulated financial service providers. Further, where we cooperate with partners around the world to offer money transfer services marketed exclusively under the partners' brands, the regulatory requirements applicable to us may vary. The failure by us, our agents, their subagents, or our partners to comply with any such laws or regulations could have an adverse effect on our business, financial condition, results of operations, and cash flows and could seriously damage our reputation and brands, and result in diminished revenue and profit and increased operating costs.

Risks Relating to Significant Regulatory Requirements

Our business is subject to a wide range and increasing number of laws and regulations. Liabilities or 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, and increased costs or loss of business associated with compliance with those laws and regulations has had and we expect will continue to have an adverse effect on our business, financial condition, results of operations, and cash flows.

Our services are subject to increasingly strict legal and regulatory requirements, including those related to detecting and preventing money laundering, countering terrorist financing, fraud, drug trafficking, human trafficking, and other illicit activity, and administering economic and trade sanctions. The interpretation of those requirements by judges, regulatory bodies and enforcement agencies may change quickly and with little notice. Additionally, these requirements or their interpretations in one jurisdiction may conflict with those of another jurisdiction. As United States federal and state as well as foreign legislative and regulatory scrutiny and enforcement action in these areas increase, we expect that our costs of complying with these requirements could continue to increase, perhaps substantially, and may make it more difficult or less desirable for consumers and others to use our services or for us to contract with certain intermediaries, either of which would have an adverse effect on our revenue and operating income. For many years we have made significant additional investments in our compliance programs based on the rapidly evolving and increasingly complex global regulatory and enforcement environment and our internal reviews. These additional investments relate to enhancing our compliance capabilities, including our consumer protection efforts. Failure by Western Union, our agents or their subagents (agents and subagents are third parties, over whom Western Union has limited legal and practical control), and certain of our service providers to comply with any of these requirements or their interpretation could result in regulatory action, the suspension or revocation of a license or registration required to provide money transfer or payment services, the limitation, suspension or termination of services, changes to our business model, loss of consumer confidence, private class action litigation, the seizure of our assets, and/or the imposition of civil and criminal penalties, including fines and restrictions on our ability to offer services.

[Table of Contents](#)

We are subject to regulations imposed by the Foreign Corrupt Practices Act (the “FCPA”) in the United States and similar laws in other countries, such as the Bribery Act in the UK, which generally prohibit companies and those acting on their behalf from making improper payments to foreign government officials for the purpose of obtaining or retaining business. Some of these laws, such as the Bribery Act, also prohibit improper payments between commercial enterprises. Because our services are offered in virtually every country of the world, we face significant risks associated with our obligations under the FCPA, the Bribery Act, and other national anti-corruption laws. Any determination that we have violated these laws could have an adverse effect on our business, financial condition, results of operations, and cash flows.

Our United States business is subject to reporting, recordkeeping and anti-money laundering provisions of the BSA and to regulatory oversight and enforcement by FinCEN. We have subsidiaries in Brazil and Austria that are subject to banking regulations. Our Austrian banking subsidiary is also subject to regulation, examination, and supervision by the NYDFS. We also operate through a small number of licensed payment institutions in the EU. Under the EU Payment Services Directives, as amended (together “PSD”), and the EU Anti-Money Laundering Directives as amended, our operating companies that are licensed in the EU have increasingly become directly subject to reporting, recordkeeping, and anti-money laundering regulations, and agent oversight and monitoring requirements, as well as broader supervision by EU member states. Our Canadian business is subject to the recently issued Retail Payment Activities Act, which will require registration of our operations and our ongoing compliance with risk management, funds safeguarding, recordkeeping, and reporting regulations. Additionally, the financial penalties associated with the failure to comply with anti-money laundering laws have increased in recent regulation, including the EU Anti-Money Laundering Directives. These laws and proposed new related financial services laws have increased and will continue to increase our costs and competition in some or all of our areas of service. Legislation that has been enacted or proposed in other jurisdictions could have similar effects.

The remittance industry, including Western Union, remains under scrutiny from government regulators and others in connection with its ability to prevent its services from being abused by people seeking to defraud others. For example, in early 2017, we entered into the Joint Settlement Agreements with the United States Department of Justice (“DOJ”), certain United States Attorney’s Offices, the FTC, FinCEN, and various state attorneys general to resolve the respective investigations of those agencies, and in early 2018, we agreed to the NYDFS Consent Order. The ingenuity of criminal fraudsters, combined with the potential susceptibility to fraud by consumers, make the prevention of consumer fraud a significant and challenging problem. Our failure to continue to help prevent such frauds and increased costs related to the implementation of enhanced anti-fraud measures, or a change in fraud prevention laws or their interpretation or the manner in which they are enforced has had, and could in the future have, an adverse effect on our business, financial condition, results of operations, and cash flows.

Further, any determination that our agents or their subagents have violated laws and regulations could seriously damage our reputation and brands, resulting in diminished revenue and profit and increased operating costs. In some cases, we could be liable for the failure of our agents or their subagents to comply with laws which also could have an adverse effect on our business, financial condition, results of operations, and cash flows. In many jurisdictions where Western Union is licensed to offer money transfer services, the license holder is responsible for ensuring the agent’s or their subagent’s compliance with the rules that govern the money transfer service. For example, in the EU, Western Union is responsible for the compliance of our agents when they are acting on behalf of Western Union Payment Services Ireland Limited, which is regulated by the Central Bank of Ireland. Thus, the risk of adverse regulatory action against Western Union because of actions by our agents or their subagents and the costs to monitor our agents or their subagents in those areas has increased. The regulations implementing the remittance provisions of the Dodd-Frank Act also impose responsibility on us for any related compliance failures of our agents.

The requirements under PSD, the Dodd-Frank Act, and similar legislation enacted or proposed in other countries have resulted and will likely continue to result in increased compliance costs, and in the event we or our agents or their subagents are unable to comply, could have an adverse impact on our business, financial condition, results of operations, and cash flows. Additional countries may adopt similar legislation.

We also have a payment institution to conduct money remittance in the United Kingdom (“UK”), which was authorized by the FCA in April 2019 and presently offers retail money transfer services via UK agents and our UK Branded Digital services. As a result of Brexit, including under the terms of any new regulatory authorizations we have and may obtain, we could be required to comply with differing regulatory requirements in the UK as a result of divergence from established EU regulation. This could make it more costly for us to provide our services. We continue to monitor

developments in this area, particularly for instance those forthcoming under the recently enacted Financial Services and Markets Bill Act 2022-23, which is going through UK Parliamentary scrutiny, and is expected to be passed in 2023. The Bill aims to recast the UK regulatory framework post-Brexit and will give the UK Government the power to repeal retained EU financial services legislation and create new regulator rule-making powers in areas currently covered by retained EU law, with the objective of promoting the growth and international competitiveness of the UK economy.

Our fees, profit margins, and/or foreign exchange spreads may be reduced or limited because of regulatory initiatives and changes in laws and regulations or their interpretation and industry practices and standards that are either industry wide or specifically targeted at our Company.

The evolving regulatory environment, including increased fees or taxes, regulatory initiatives (and increases in regulatory authority, oversight, and enforcement), changes in laws and regulations or their interpretation, industry practices and standards imposed by state, federal, or foreign governments, and expectations regarding our compliance efforts, is impacting the manner in which we operate our business, may change the competitive landscape, and is expected to continue to adversely affect our financial results. Existing, new, and proposed legislation relating to financial services providers and consumer protection in various jurisdictions around the world has affected and may continue to affect the manner in which we provide our services; see risk factor *"The Dodd-Frank Act, the Electronic Funds Transfer Act and Regulation E, as well as the regulations required by these Acts and the actions of the Consumer Financial Protection Bureau and similar legislation and regulations enacted by other government authorities, could adversely affect us and the scope of our activities and could adversely affect our financial condition, results of operations, and cash flows."* Recently proposed and enacted legislation related to financial services providers and consumer protection in various jurisdictions around the world and at the federal and state level in the United States has subjected and may continue to subject us to additional regulatory oversight, mandate additional consumer disclosures and remedies, including refunds to consumers, or otherwise impact the manner in which we provide our services. If governments implement new laws or regulations that limit our right to set fees and/or foreign exchange spreads, then our business, financial condition, results of operations, and cash flows could be adversely affected. In addition, changes in regulatory expectations, interpretations, or practices could increase the risk of regulatory enforcement actions, fines, and penalties. For example, in early 2017, we entered into the Joint Settlement Agreements, and in early 2018, we agreed to the NYDFS Consent Order.

In addition, U.S. policy makers have sought and may continue to seek heightened customer due diligence requirements on, or restrict, remittances from the United States to Mexico or other jurisdictions. For example, government sanctions imposed in February 2022 with respect to Russia and Ukraine impacted our ability to offer services in the region and we voluntarily suspended our operations in Russia and Belarus in March 2022. Policy makers have also discussed potential legislation to add taxes to remittances from the United States to Mexico and/or other countries. Further, one state has passed a law imposing a fee on certain money transfer transactions, and certain other states have proposed similar legislation. Several foreign countries have enacted or proposed rules imposing taxes or fees on certain money transfer transactions, as well. The approach of policy makers and the ongoing budget shortfalls in many jurisdictions, combined with future federal action or inaction on immigration reform, may lead other states or localities to impose similar taxes or fees or other requirements or restrictions. Foreign countries in similar circumstances have invoked and could continue to invoke the imposition of sales, service, or similar taxes, or other requirements or restrictions, on money transfer services. A tax, fee, or other requirement or restriction exclusively on money transfer service providers like Western Union could put us at a competitive disadvantage to other means of remittance which are not subject to the same taxes, fees, requirements, or restrictions. Other examples of changes to our financial environment include the possibility of regulatory initiatives that focus on lowering international remittance costs. Such initiatives may have a material adverse impact on our business, financial condition, results of operations, and cash flows.

Regulators around the world look at each other's approaches to the regulation of the payments and other industries. Consequently, a development in any one country, state, or region may influence regulatory approaches in other countries, states, or regions. Similarly, new laws and regulations in a country, state, or region involving one service may cause lawmakers there to extend the regulations to another service. As a result, the risks created by any one new law or regulation are magnified by the potential they may be replicated, affecting our business in another place or involving another service. Conversely, if widely varying regulations come into existence worldwide, we may have difficulty adjusting our services, fees, foreign exchange spreads and other important aspects of our business, with the same effect. Further, political changes and trends such as populism, economic nationalism, protectionism, and negative sentiment towards multinational companies could result in laws or regulations that adversely impact our ability to conduct business in certain jurisdictions.

Any of these eventualities could materially and adversely affect our business, financial condition, results of operations, and cash flows.

Regulatory initiatives and changes in laws, regulations, industry practices and standards, and third-party policies affecting us, our agents or their subagents, or the banks with which we or our agents maintain bank accounts needed to provide our services could require changes in our business model and increase our costs of operations, which could adversely affect our financial condition, results of operations, and liquidity.

Our agents and their subagents are subject to a variety of regulatory requirements, which differ from jurisdiction to jurisdiction, are subject to change, and continue to increase. Material changes in the regulatory requirements for offering money transfer services, including with respect to anti-money laundering requirements, sanctions, fraud prevention, licensing requirements, consumer protection, customer due diligence, agent registration, or increased requirements to monitor our agents or their subagents in a jurisdiction important to our business have meant and could continue to mean increased costs and/or operational demands on our agents and their subagents, which have resulted and could continue to result in their attrition, a decrease in the number of locations at which money transfer services are offered, an increase in the commissions paid to agents and their subagents to compensate for their increased costs, and other negative consequences. For example, in recent months, the Federal Reserve Bank of New York has announced actions that banned several Iraqi banks, some of whom were our agents, from conducting U.S. dollar transactions. As a result, since those actions, our business has been, and may continue to be, adversely impacted.

We rely on our agents' technology systems and/or processes to obtain transaction data. If an agent or its subagent experiences a breach of its systems, if there is a significant disruption to the technology systems of an agent or its subagent, if an agent or its subagent does not maintain the appropriate controls over their systems, or if we are unable to demonstrate adequate oversight of an agent's or subagent's handling of those matters, we may experience reputational and other harm which could result in losses to the Company.

Our regulatory status and the regulatory status of our agents and their subagents could affect our and their ability to offer our services. For example, we and our agents and their subagents rely on bank accounts to provide our Consumer Money Transfer and payment services. We and our agents and their subagents are considered Money Service Businesses ("MSBs") under the BSA. Many banks view MSBs as a class of higher risk customers for purposes of their anti-money laundering programs. We and some of our agents and their subagents have had, and in the future may have, difficulty establishing or maintaining banking relationships due to the banks' policies. If we or a significant number of our agents or their subagents are unable to maintain existing or establish new banking relationships under terms acceptable to us or our agents or consistent with those currently in place, or if we or these agents face higher fees to maintain or establish new bank accounts, our ability and the ability of our agents and their subagents to continue to offer our services may be adversely impacted, which would have an adverse effect on our business, financial condition, results of operations, and cash flows.

The types of enterprises that are legally authorized to act as our agents and their subagents vary significantly from one country to another. Changes in the laws affecting the kinds of entities that are permitted to act as money transfer agents or their subagents (such as changes in requirements for capitalization or ownership) could adversely affect our ability to distribute our services and the cost of providing such services, both by us and our agents and their subagents. For example, a requirement that a money transfer provider be a bank or other highly regulated financial entity could increase significantly the cost of providing our services in many countries where that requirement does not exist today or could prevent us from offering our services in an affected country. Further, any changes in law that would require us to provide money transfer services directly to consumers as opposed to through an agent network (which would effectively change our business model) or that would prohibit or impede the use of subagents could significantly adversely impact our ability to provide our services, and/or the cost of our services, in the relevant jurisdiction. Changes mandated by laws which make Western Union responsible for acts of its agents and their subagents while they are providing the Western Union money transfer service increase our risk of regulatory liability and our costs to monitor our agents' or their subagents' performance.

Although most of our Vigo and Orlandi Valuta branded agents also offer money transfer services of our competitors, many of our Western Union branded agents have agreed to offer only our money transfer services. While we expect to continue signing certain agents under exclusive arrangements and believe that these agreements are valid and enforceable, changes in laws regulating competition or in the interpretation of those laws could undermine our ability to enforce them in the future. Various jurisdictions continue to increase their focus on the potential impact of agent agreements on competition. In addition, over the past several years, several countries in Eastern Europe, the Commonwealth of Independent States, Africa, and Asia have promulgated laws or regulations, or authorities in these countries have issued orders, which effectively prohibit payment service providers, such as money transfer companies, from agreeing to exclusive arrangements with agents in those countries. Certain institutions, non-governmental organizations and others are actively advocating against exclusive arrangements in money transfer agent agreements. Advocates for laws prohibiting or limiting exclusive agreements continue to push for enactment of similar laws in other jurisdictions.

The Dodd-Frank Act, the Electronic Funds Transfer Act and Regulation E, as well as the regulations required by these Acts and the actions of the Consumer Financial Protection Bureau and similar legislation and regulations enacted by other government authorities, could adversely affect us and the scope of our activities and could adversely affect our financial condition, results of operations, and cash flows.

Rules and regulations implemented under the Dodd-Frank Act have made and continue to make significant structural reforms and new substantive regulation across the financial services industry. In addition, the Dodd-Frank Act created the CFPB, which implements, examines compliance with, and enforces federal consumer protection laws governing financial products and services, including money transfer services. The CFPB has created additional regulatory obligations for us and has the authority to further define participants in markets for consumer financial products and services and examine and supervise us and our larger competitors, including for matters related to unfair, deceptive, or abusive acts and practices (“UDAAP”), the Electronic Funds Transfer Act (“EFTA”), and Regulation E. The CFPB’s regulations implementing the remittance provisions of the Dodd-Frank Act have affected our business in a variety of areas. These include: (i) a requirement to provide consumers sending funds internationally from the United States enhanced, written, pre-transaction disclosures and transaction receipts, including the disclosure of fees, foreign exchange rates and taxes, (ii) an obligation to resolve various errors, including certain errors that may be outside our control, and (iii) an obligation at a consumer’s request to cancel transactions that have not been completed. These requirements have changed the way we operate our business and along with other potential changes under CFPB regulations could adversely affect our operations and financial results. In addition, the Dodd-Frank Act and interpretations and actions by the CFPB have had, and could continue to have a significant impact on us by, for example, requiring us to limit or change our business practices, limiting our ability to pursue business opportunities, requiring us to invest valuable management time and resources in compliance efforts, imposing additional costs on us, delaying our ability to respond to marketplace changes, requiring us to alter our products and services in a manner that would make them less attractive to consumers and impair our ability to offer them profitably, or requiring us to make other changes that could adversely affect our business. In addition, these regulations impose responsibility on us for any related compliance failures of our agents.

The CFPB has broad authority to enforce consumer protection laws. The CFPB has a large staff and budget, which is not subject to Congressional appropriation, and has broad authority with respect to our money transfer service and related business. It is authorized to collect fines and provide consumer restitution in the event of violations, engage in consumer financial education, track and solicit consumer complaints, request data, and promote the availability of financial services to underserved consumers and communities. In addition, the CFPB may adopt other regulations governing consumer financial services, including regulations defining UDAAP, and new model disclosures. The CFPB’s authority to change regulations adopted in the past by other regulators, or to rescind or ignore past regulatory guidance, could increase our compliance costs and litigation exposure. In addition, attorneys general of the various states of the United States also have authority to enforce the consumer protection provisions of the Dodd-Frank Act in their respective jurisdictions.

We have been and continue to be subject to examination by the CFPB, which defines “larger participants of a market for other consumer financial products or services” as including companies, such as Western Union, that make at least one million aggregate annual international money transfers. The CFPB has the authority to examine and supervise us and our larger competitors, which will involve providing reports to the CFPB. The CFPB has used information gained in examinations as the basis for enforcement actions resulting in settlements involving monetary penalties and other remedies.

[Table of Contents](#)

The effect of the Dodd-Frank Act, the EFTA, Regulation E, and the CFPB on our business and operations has been and will continue to be significant, and the application of the associated implementing regulations to our business may differ from the application to certain of our competitors, including banks.

Various jurisdictions in the United States and outside the United States similarly have consumer protection laws and regulations, and numerous governmental agencies are tasked with enforcing those laws and regulations. Consumer protection principles continue to evolve globally, and new or enhanced consumer protection laws and regulations may be adopted that impact our business, such as the FCA's 2023 principles-based Consumer Duty in the UK that sets higher and clearer standards of consumer protection across financial services and requires firms to put their customers' needs first. Governmental agencies tasked with enforcing consumer protection laws or regulations are communicating more frequently and coordinating their efforts to protect consumers. For instance, the International Consumer Protection and Enforcement Network ("ICPEN") is an organization composed of consumer protection authorities from over 70 countries that provides a forum for developing and maintaining regular contact between consumer protection agencies and focusing on consumer protection concerns. By encouraging cooperation between agencies, ICPEN aims to enable its members to have a greater impact with their consumer protection laws and regulations. As the scope of consumer protection laws and regulations change, we may experience increased costs to comply and other adverse effects to our business.

Rules adopted under the Dodd-Frank Act by the CFTC, as well as the provisions of the EMIR and its technical standards, which are directly applicable in the member states of the EU, have subjected certain foreign exchange hedging transactions, including certain intercompany hedging transactions and certain of the corporate interest rate hedging transactions we may enter into in the future, to reporting, recordkeeping, and other requirements. Following Brexit, EMIR and the MiFID II have been retained as UK law pursuant to the European Union (Withdrawal) Act 2018 UK. Additionally, certain of the corporate interest rate hedging transactions and foreign exchange derivatives transactions we may enter into in the future may be subject to centralized clearing requirements or may be subject to margin requirements in the United States, the EU, and the UK. Other jurisdictions outside of the United States, the EU, and the UK, have implemented, are implementing, or may implement regulations similar to those described above. Derivatives regulations have added costs to our business, and any additional requirements, such as future registration requirements and increased regulation of derivatives contracts, will likely result in additional costs or impact the way we conduct any hedging activities.

Current and proposed regulation addressing consumer privacy and data use and security could increase our costs of operations, which could adversely affect our operations, results of operations, and financial condition.

We are subject to extensive requirements relating to data privacy and security under federal, state, and foreign laws. These laws and requirements continue to evolve and may become increasingly difficult to comply with. For example, the FTC continues to investigate the privacy practices of many companies and has brought numerous enforcement actions, resulting in significant fines and multi-year agreements governing the settling companies' privacy practices. In addition, the SEC and the NYDFS have enacted new rules or amendments to existing rules that have modified reporting requirements and added new prescriptive requirements relating to cybersecurity programs or expanded existing requirements. Furthermore, certain industry groups require us to adhere to privacy requirements in addition to federal, state, and foreign laws, and certain of our business relationships depend upon our compliance with these requirements. As the number of countries enacting privacy and related laws increases and the scope of these laws and enforcement efforts expand, we will increasingly become subject to new and varying requirements. For example, in 2018, the EU implemented the GDPR, and other countries have enacted similar legislation, such as Brazil's General Data Protection Law ("LGPD"), which became effective in 2020, China's Personal Information Protection Law ("PIPL"), which became effective in November 2021, and India's Digital Personal Data Protection Act (DPDPA) passed in August of 2023. The GDPR, LGPD, PIPL, and DPDPA impose obligations and present the risk of substantially increased penalties for non-compliance, including the possibility of not only fines but also enforcement action that may require an organization to cease certain of its data processing activities. Such penalties could have a material adverse effect on our financial condition, results of operations, and cash flows. In addition, in 2020 the Court of Justice of the European Union ("CJEU") invalidated the EU-U.S. Privacy Shield framework, which provided a mechanism for companies transferring personal data from the EU to the U.S., and imposed additional obligations on companies such as Western Union when transferring personal data from the EU to the U.S. and other jurisdictions. We have incurred, and we expect to continue to incur, expenses to meet the obligations of the GDPR and other similar legislation and new interpretations of their requirements. We are also subject to data privacy and security laws in various states, such as the California Consumer Privacy Act and the Colorado Privacy Act, that impose heightened data privacy requirements on companies that collect information from state residents and create a broad set of privacy rights and remedies modeled in part on the GDPR. Failure to comply with existing or future

data privacy and security laws, regulations, and requirements to which we are subject or could become subject, including by reason of inadvertent disclosure of confidential information, could result in fines, sanctions, penalties, or other adverse consequences and loss of consumer confidence, which could materially adversely affect our results of operations, overall business, and reputation.

In addition, in connection with regulatory requirements to assist in the prevention of money laundering and terrorist financing and other legal obligations and requests, we make information available to certain United States federal, state, and foreign government agencies. In recent years, we have experienced data sharing requests by these agencies, including in connection with efforts to combat money laundering, terrorist financing, fraud, drug trafficking, and human trafficking. During the same period, there has also been increased public attention to the corporate use and disclosure of personal information, accompanied by legislation and regulations intended to strengthen data protection, information security, and consumer privacy. These regulatory and law enforcement goals, and the protection of the individual's right to privacy, may conflict or otherwise present challenges, and the law in these areas is not consistent or settled. The legal, political, and business environments in these areas are rapidly changing, and subsequent legislation, regulation, litigation, court rulings, or other events could expose us to increased program costs, liability, and reputational damage.

We are subject to unclaimed property laws, and differences between the amounts we have accrued for unclaimed property and amounts that are claimed by a state or foreign jurisdiction could have a significant impact on our results of operations and cash flows.

We are subject to unclaimed property laws in the United States and abroad, and some of our agents are subject to unclaimed property laws in their respective jurisdictions which require us, or our agents, to turn over to certain government authorities the property of others held by us that has been unclaimed for a specified period of time, such as unpaid money transfers and money orders. We have an ongoing program designed to help us comply with those laws. These laws are evolving and are frequently unclear, subject to interpretation, and inconsistent among various jurisdictions, making compliance challenging. In addition, we are subject to audits with regard to our escheatment practices. Recently in the United States, approximately 30 states conducted a multi-year audit of our escheatment practices through a contracted third-party auditor. We have also commenced a contemporaneous internal review as part of our participation in Delaware's voluntary disclosure program. Any difference between the amounts we have accrued for unclaimed property and amounts that are claimed by a state, foreign jurisdiction, or representative thereof could have a significant impact on our results of operations and cash flows.

We are subject to requirements and guidelines related to financial soundness and strength, and if we fail to meet current or changing requirements or guidelines, including maintaining sufficient amounts or types of regulatory capital to meet the changing requirements of our various regulators worldwide, our business, financial condition, results of operations, and cash flows could be adversely affected.

Our regulators expect us to possess sufficient financial soundness and strength to adequately support our regulated subsidiaries. We have substantial indebtedness and other obligations, including those related to the tax imposed on certain of our previously undistributed foreign earnings pursuant to the Tax Act, which could make it more difficult to meet these requirements or any additional requirements. In addition, as a global provider of payment services and in light of the changing regulatory environment in various jurisdictions, we could become subject to new capital requirements introduced or imposed by our regulators that could require us to raise capital immediately or retain earnings over a period of time. Our regulators also impose restrictions on our ability to use cash generated by our regulated subsidiaries such as those related to minimum qualifying investments, net worth requirements, and restrictions on transferring assets outside of the countries where those assets are located. For instance, our regulators specify the amount and composition of eligible assets that certain of our subsidiaries must hold in order to satisfy our outstanding settlement obligations. These regulators could further restrict the type of instruments that qualify as permissible investments or require our regulated subsidiaries to maintain higher levels of eligible assets. Further, some jurisdictions use tangible net worth and other financial strength guidelines to evaluate financial position. If our regulated subsidiaries do not abide by these guidelines, they may be subject to heightened review by these jurisdictions, and the jurisdictions may be more likely to impose new formal financial strength requirements. Additional financial strength requirements imposed on our regulated subsidiaries or significant changes in the regulatory environment for money transfer providers could impact our primary source of liquidity. Any change or increase in these regulatory requirements or guidelines could have a material adverse effect on our business, financial condition, and results of operations.

Risks Relating to Consent Agreements and Litigation

Our business is the subject of consent agreements with, or investigations or enforcement actions by, regulators and other government authorities.

In early 2017, the Company entered into Joint Settlement Agreements with the DOJ, certain United States Attorney's Offices, the FTC, FinCEN, and various state attorneys general to resolve the respective investigations of those agencies. Under the Joint Settlement Agreements, the Company was required, among other things, to 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, and retain an independent compliance auditor for three years to review and assess actions taken by the Company to further enhance its oversight of agents and protection of consumers, both of which were performed by the Company during 2017. The Joint Settlement Agreements also required the Company to adopt certain new or enhanced practices with respect to its compliance program, relating to, among other things, consumer reimbursement, agent due diligence, agent training, monitoring, reporting, and record-keeping by the Company and its agents, consumer fraud disclosures, and agent suspensions and terminations. Western Union has continuing obligations under the FTC Consent Order, which is a permanent injunction, as well as the requirement to submit annual reports to the FTC through January 2028. The ongoing obligations under the Joint Settlement Agreements have had and could have adverse effects on the Company's business, including additional costs and potential loss of business. The Company has also faced actions from other regulators as a result of the Joint Settlement Agreements. For example, on July 28, 2017, the NYDFS informed the Company that the facts set forth in the DPA with the DOJ and with certain other United States Attorney's Offices regarding the Company's anti-money laundering programs over the 2004 through 2012 period gave the NYDFS a basis to take additional enforcement action. In January 2018, the Company agreed to the NYDFS Consent Order with the NYDFS, which required the Company to pay a civil monetary penalty of \$60 million to the NYDFS and resolved its investigation into these matters. The term of the DPA expired in January 2020, and it was dismissed in March 2020, and the term of the Independent Compliance Auditor under the FTC Consent Order ended in May 2020. Notwithstanding, if the Company fails to comply with its continuing obligations under 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.

Our business is, and may in the future be, the subject of litigation, including purported class action litigation, and governmental investigations and enforcement actions, which could result in material settlements, judgments, fines, or penalties. Responding to litigation, investigations or enforcement actions also diverts considerable time and resources from management and, regardless of the outcome, can result in significant legal expense.

As a company that provides global financial services primarily to consumers, we are, and may in the future be, subject to litigation, including purported class action litigation, and governmental investigations and enforcement actions alleging violations of consumer protection, anti-money laundering, sanctions, drug trafficking, human trafficking, securities laws, and other laws, both foreign and domestic, including those related to the facilitation of illegal, improper or fraudulent activity. Our industry is under continuing scrutiny from federal, state, and international regulators in connection with the potential for such illegal, improper or fraudulent activities. Any such regulatory enforcement may be applied inconsistently across the industry, resulting in increased costs for the Company that may not be incurred by competitors. We also are subject to claims asserted by consumers based on individual transactions.

Responding to litigation, investigations or enforcement actions also diverts considerable time and resources from management and, regardless of the outcome, is associated with significant legal expense. There can be no guarantee that we will be successful in defending ourselves in these matters, and such failure may result in substantial fines, damages and expenses, revocation of required licenses, or other limitations on our ability to conduct business. Any of these outcomes could adversely affect our business, financial condition, results of operations, and cash flows. Further, we believe increasingly strict legal and regulatory requirements and increased regulatory investigations and enforcement are likely to continue to result in changes to our business, as well as increased costs, supervision, and examination for both ourselves and our agents and subagents. These developments have had, and we believe will continue to have, an adverse effect on our business, financial condition, and results of operations, and in turn may result in additional litigation or other actions. For more information, please see Part II, Item 8, *Financial Statements and Supplementary Data*, Note 5, Commitments and Contingencies.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 1C. Cybersecurity

To help address cybersecurity threats, Western Union has developed a strategy and implemented a program to identify, assess, and prioritize cybersecurity risks as part of our broader enterprise risk management processes. We recognize that cybersecurity threats are constantly evolving and that there is no single solution that can guarantee complete protection.

Our cybersecurity strategy is designed to protect the confidentiality of our data from unauthorized access, the integrity of information throughout its lifecycle, and the availability of that information and the related systems. Our strategy is guided by the National Institute of Standards and Technology Cybersecurity Framework, which helps us identify, assess, and manage cybersecurity risks relevant to our business.

Within our cybersecurity program, we have identified and implemented a variety of processes for cybersecurity risk management:

- We conduct regular risk assessments to identify and evaluate potential cybersecurity threats, including threats to our business operations, technology infrastructure, and data.
- We monitor threat intelligence feeds to stay updated on the latest cybersecurity threats and vulnerabilities.
- We scan our systems for vulnerabilities on an ongoing basis, with vulnerabilities prioritized and remediated based on their potential impact.
- We have implemented a variety of access controls to restrict access to our systems and data, including user authentication, authorization, and encryption.
- We conduct regular security awareness training for our employees to help them identify and avoid cybersecurity threats.
- We periodically conduct test exercises to review our cybersecurity controls and identify improvements.
- Consultants and other third-party vendors that assist with cybersecurity risks or processes are included in our vendor risk assessment program, which identifies and oversees cybersecurity risks specific to our use of these vendors.

Our cybersecurity governance framework is designed to manage cybersecurity risks at all levels of the organization. As part of this governance framework, our Board of Directors regularly devotes time during its meetings to review and discuss the most significant risks facing the Company, including cybersecurity threats, and management's process for identifying, prioritizing, and responding to them. The Audit Committee of the Board of Directors assists the Board in overseeing the significant risk exposures facing the Company and regularly reviews cybersecurity risks at its committee meetings. Cybersecurity risks are integrated into the broader company risk management system through our Information Security and Privacy Committee ("ISPC"), which is a subcommittee of our Enterprise Risk Committee (the "ERC"), is co-chaired by the Chief Information Security Officer and Chief Privacy Officer, and consists of senior leaders across the company. The ISPC is charged with oversight, advisory, and decision-making responsibilities with respect to information security and privacy risks. Management, including the ERC, is responsible for communicating cybersecurity risks to the Audit Committee and Board of Directors. Our cybersecurity program, led by our Chief Information Security Officer, who reports to our Chief Risk and Compliance Officer, has a team of dedicated, experienced cybersecurity professionals responsible for day-to-day security operations and strategic cybersecurity programs. The Chief Information Security Officer has over 20 years of experience in security risk management, with over 10 years of experience leading cybersecurity teams. All employees are responsible for protecting Western Union's data and systems and are required to follow Western Union's cybersecurity policies.

We have been, and continue to be, the subject of cybersecurity attacks and threats, including distributed denial of service and ransomware attacks. Historically, none of these attacks or breaches has individually or in the aggregate resulted

in any material liability to us or any material damage to our reputation. Disruptions related to cybersecurity have not caused any material interruption to our business, strategy, results of operations, or financial condition. There can be no assurance that such attacks or disruptions will not have a material adverse impact on us in the future.

Item 2. Properties

Properties and Facilities

As of December 31, 2023, we occupied facilities in approximately 40 countries. All of these facilities were leased. Our office in Denver, Colorado serves as our corporate headquarters. Our offices in Dublin, Ireland and Barbados represent key operational and leadership locations. We also operate shared service centers in Lithuania, Costa Rica, India, and the Philippines. Our facilities are shared and primarily used for operational, sales, and administrative purposes in support of our Consumer Money Transfer and Consumer Services segments.

We believe that our facilities are suitable and adequate for our current business; however, we periodically review our facility requirements and may consolidate and dispose of or sublet facilities which are no longer required or acquire new facilities and update existing facilities to meet the needs of our business.

Item 3. Legal Proceedings

The information required by this Item 3 is incorporated herein by reference to the discussion in Part II, Item 8, *Financial Statements and Supplementary Data*, Note 5, Commitments and Contingencies.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Our common stock trades on the New York Stock Exchange under the symbol "WU." There were 2,824 stockholders of record as of February 16, 2024. This figure does not include an estimate of the indeterminate number of beneficial holders whose shares may be held of record by brokerage firms and clearing agencies.

The following table sets forth stock repurchases for each of the three months of the quarter ended December 31, 2023:

Period	Total Number of Shares Purchased ^(a)	Average Price Paid per Share ^(c)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ^(b)	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs (in millions)
October 1 - 31	3,938,810	\$ 12.82	3,899,822	\$ 498.2
November 1 - 30	6,831,025	\$ 11.86	6,820,302	\$ 417.3
December 1 - 31	5,836,292	\$ 11.89	5,810,834	\$ 348.2
Total	<u>16,606,127</u>	<u>\$ 12.10</u>	<u>16,530,958</u>	

(a) These amounts represent both shares authorized by our 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.

(b) On February 10, 2022, our Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2024, of which \$348.2 million remained available as of December 31, 2023. In certain instances, management has historically established 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.

(c) The average price paid per share excludes a 1% excise tax due under the Inflation Reduction Act of 2022.

Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 16, Stock-Based Compensation Plans, and Part III, Item 12, *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters* for information related to our equity compensation plans.

Dividend Policy and Share Repurchases

During 2023 and 2022, the Board of Directors declared quarterly cash dividends of \$0.235 per common share. The dividends were payable on December 29, September 29, June 30, and March 31 for 2023 and December 30, September 30, June 30, and March 31 for 2022. The declaration or authorization and amount of future dividends or share repurchases will be determined by the Board of Directors and will depend on our financial condition, earnings, liquidity, the amount and timing of payments under our debt and other obligations, capital requirements, regulatory constraints, cash generated or made available in the United States, industry practice, and any other factors that the Board of Directors believes are relevant. As a holding company with no material assets other than the capital stock of our subsidiaries, our ability to pay dividends or repurchase shares in future periods will depend primarily on our ability to use cash generated by our operating subsidiaries. Several of our operating subsidiaries are subject to financial services regulations, and their ability to pay dividends and distribute cash may be restricted. In addition, the Tax Act imposes a tax on certain of our previously undistributed foreign earnings, which we have elected to pay in periodic installments through 2025, as discussed in the Capital Resources and Liquidity section in Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*. These payments will adversely affect our cash flow and liquidity and may adversely affect future share repurchases.

On February 6, 2024, the Board of Directors declared a quarterly cash dividend of \$0.235 per common share payable on March 29, 2024.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and the notes to those statements included in Part II, Item 8, Financial Statements and Supplementary Data in this Annual Report on Form 10-K. This Annual Report on Form 10-K contains certain statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. Certain statements contained in the Management's Discussion and Analysis of Financial Condition and Results of Operations are forward-looking statements that involve risks and uncertainties. The forward-looking statements are not historical facts, but rather are based on current expectations, estimates, assumptions, and projections about our industry, business, and future financial results. Our actual results could differ materially from the results contemplated by these forward-looking statements due to a number of factors, including those discussed in other sections of this Annual Report on Form 10-K. See "Risk Factors" and "Forward-Looking Statements."

Overview

We are a leading provider of cross-border, cross-currency money movement, payments, and digital financial services and have operated in the following business segments:

- *Consumer Money Transfer* - Our Consumer Money Transfer operating segment (previously Consumer-to-Consumer) facilitates money transfers, which are primarily sent from our retail agent locations worldwide or through websites and mobile devices. Our money transfer service is provided through one interconnected global network. This service is available for international cross-border transfers and, in certain countries, intra-country transfers.
- *Business Solutions* - On August 4, 2021, we entered into an agreement to sell our Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (the "Buyer"), and the final closing for this transaction occurred on July 1, 2023. Accordingly, we will no longer report Business Solutions revenues and operating expenses after July 1, 2023. Refer to Part II, Item 8, *Financial Statements, Note 4, Divestitures, Investment Activities, and Goodwill* for further information regarding this transaction. Our Business Solutions operating segment facilitated payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The segment's business related to exchanges of currency at spot rates, which enabled customers to make cross-currency payments, and in limited countries, we wrote foreign currency forward and option contracts for customers to facilitate future payments.
- *Consumer Services* - Our Consumer Services segment (previously Other) includes our bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as our money order services, retail foreign exchange services, prepaid cards, lending partnerships, and digital wallets. Certain of our 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 Consumer Services.

Additional information regarding our segments is provided in the Segment Discussion below.

Results of Operations

The following discussion of our consolidated results of operations and segment results refers to the year ended December 31, 2023 compared to the same period in 2022. For discussion of our consolidated results of operations and segment results for the year ended December 31, 2022 compared to the same period in 2021, refer to Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on February 23, 2023.

The results of operations should be read in conjunction with the discussion of our segment results of operations, which provides more detailed discussions concerning certain components of the 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 for the year ended December 31, 2023 were 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 decrease to revenues of \$143.3 million for the year ended December 31, 2023 relative to the prior year.

On August 4, 2021, we entered into an agreement to sell our Business Solutions business for cash consideration of \$910.0 million. The sale was completed in three closings, with the entire cash consideration collected at the first closing and allocated to the closings on a relative fair value basis. The first closing occurred on March 1, 2022, excluded the operations in the European Union and the United Kingdom, and resulted in a gain of \$151.4 million. The second closing, which occurred on December 31, 2022 and included the United Kingdom operations, resulted in a gain of \$96.9 million. The final closing, which occurred on July 1, 2023 and included the European Union operations, resulted in a gain of \$18.0 million. During the period between the first and final closings, we were required to pay the Buyer a measure of profit of the European Union and United Kingdom operations, while we owned them, adjusted for the occupancy charges for employees of the Buyer using our facilities, and other items, as contractually agreed, which was \$2.7 million and \$32.0 million for the years ended December 31, 2023 and 2022, respectively, and was included in Other expense, net in the Consolidated Statements of Income. The related income tax expense on this income was also passed to the Buyer.

Business Solutions revenues included in our Consolidated Statements of Income were \$29.7 million and \$196.9 million, and direct operating expenses, excluding corporate allocations, were \$26.1 million and \$140.3 million for the years ended December 31, 2023 and 2022, respectively. Costs related to the review and closing of this divestiture were \$1.1 million and \$5.2 million for the years ended December 31, 2023 and 2022, respectively.

Beginning in March 2023, we experienced a significant increase in our business originating from Iraq which contributed 6% to our revenues for the year ended December 31, 2023 relative to the prior year. Over the past several months, we have been in regular discussions with policymakers in both the United States and Iraq about the elevated remittance volumes flowing through our network in Iraq. We believe this volume to have been the effect of policy changes by the Central Bank of Iraq. We have actively partnered with regulators to assess and evaluate increased funds flows from a regulatory, compliance, and risk perspective. We also evaluate and apply our own compliance and risk controls.

In March 2022, we suspended our operations in Russia and Belarus, which are included in our Consumer Money Transfer segment, due to the Russia/Ukraine conflict. Revenues associated with the Russia and Belarus operations, including transactions sent from, into, and within these countries for the year ended December 31, 2022 were approximately \$28 million.

[Table of Contents](#)

The following table sets forth our consolidated results of operations for the years ended December 31, 2023 and 2022:

(in millions, except per share amounts)	Year Ended December 31,		% Change
	2023	2022	
Revenues	\$ 4,357.0	\$ 4,475.5	(3)%
Expenses:			
Cost of services	2,671.7	2,626.4	2%
Selling, general, and administrative	867.8	964.2	(10)%
Total expenses	3,539.5	3,590.6	(1)%
Operating income	817.5	884.9	(8)%
Other income/(expense):			
Gain on divestiture of business	18.0	248.3	(a)
Interest income	15.6	13.9	13%
Interest expense	(105.3)	(101.0)	4%
Other expense, net	—	(37.5)	(a)
Total other income/(expense), net	(71.7)	123.7	(a)
Income before income taxes	745.8	1,008.6	(26)%
Provision for income taxes	119.8	98.0	22%
Net income	\$ 626.0	\$ 910.6	(31)%
Earnings per share:			
Basic	\$ 1.69	\$ 2.35	(28)%
Diluted	\$ 1.68	\$ 2.34	(28)%
Weighted-average shares outstanding:			
Basic	370.8	387.2	
Diluted	371.8	388.4	

(a) Calculation not meaningful.

Revenues Overview

Revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon factors such as channel, send and receive locations, the principal amount sent, and the difference between the exchange rate we set to the customer and a rate available in the wholesale foreign exchange market, when the money transfer involves different send and receive currencies. 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. 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 prior year. We have also disclosed the impact of our Business Solutions divestiture on our revenues in the table below. Constant currency measures and measures that exclude the impact of divestitures are non-GAAP financial measures and are provided so that revenue can be viewed without the effect of fluctuations in foreign currency exchange rates and divestitures of our businesses, 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 divestitures, thereby providing greater clarity regarding, and increasing the comparability of, our underlying results and trends. These disclosures are provided in addition to, and not as a substitute for, the percentage change in revenue on a GAAP basis for the year ended December 31, 2023 compared to the prior year. Other companies may calculate and define similarly labeled items differently, which may limit the usefulness of this measure for comparative purposes.

[Table of Contents](#)

The following table sets forth our consolidated revenue results for the years ended December 31, 2023 and 2022:

(dollars in millions)	Year Ended December 31,		% Change
	2023	2022	
Revenues, as reported - (GAAP)	\$ 4,357.0	\$ 4,475.5	(3)%
Foreign currency impact ^(a)			4%
Divestitures impact ^(b)			3%
Adjusted revenues - (Non-GAAP)			4%

(a) Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, resulted in a decrease to revenues of \$143.3 million for the year ended December 31, 2023 when compared to foreign currency rates in the prior year.

(b) Business Solutions revenues included in our results were \$29.7 million and \$196.9 million for the years ended December 31, 2023 and 2022, respectively.

In addition to the negative impacts from foreign currency and the divestiture of our Business Solutions business, as described above, for the year ended December 31, 2023 when compared to the prior year, GAAP and non-GAAP revenues benefited from an increase in Consumer Money Transfer revenues in Iraq, as discussed above, and an increase in local currency revenue per transaction in our Argentine operations due to inflation, partially offset by revenue declines in our Europe and CIS and North America regions, as well as the suspension of our operations in Russia and Belarus in March 2022.

Operating Expenses Overview

Operating expense redeployment program

On October 20, 2022, we announced an operating expense redeployment program which aims to redeploy approximately \$150 million in expenses in our existing cost base through 2027, accomplished through optimizations in vendor management, our real estate footprint, marketing, and people strategy. We believe these changes will allow us to invest in strategic initiatives. The timing and pace of this redeployment may vary, and we believe that we will continue to refine aspects of the program as we progress. We have incurred and expect to incur incremental expenses associated with the implementation of this program. We incurred \$10.6 million and \$18.9 million of Cost of services and Selling, general, and administrative expenses, respectively, related to this program for the year ended December 31, 2023. We incurred \$2.7 million and \$19.1 million of Cost of services and Selling, general, and administrative expenses, respectively, related to this program for the year ended December 31, 2022, and we have incurred \$51.3 million of total expenses under this program from inception through December 31, 2023.

Cost of Services

Cost of services primarily consists of agent commissions, which represented approximately 60% of total cost of services for the year ended December 31, 2023. Cost of services increased for the year ended December 31, 2023 compared to the prior year primarily due to increased agent commissions, which generally vary with revenues, as well as increased investment in information technology, and increased other variable expenses, including bank fees and credit and non-credit losses, partially offset by a decrease associated with the Business Solutions divestiture.

Selling, General, and Administrative

Selling, general, and administrative expenses decreased for the year ended December 31, 2023 compared to the prior year due to the Business Solutions divestiture, a reduction in general and administrative expenses in our shared services functions, including as a result of our operating expense redeployment program, exit costs associated with the suspension of our Russia and Belarus operations and the Business Solutions divestiture that were incurred in the prior year, as discussed above, fluctuations between the United States dollar and foreign currencies, and a reduction in advertising expenses. The decrease was partially offset by increases in employee incentive compensation.

[Table of Contents](#)

Total Other Income/(Expense), Net

Total other income/(expense), net for the year ended December 31, 2023 compared to the prior year was impacted by the gain on the first, second, and final closings of the Business Solutions divestiture, which occurred on March 1, 2022, December 31, 2022 and July 1, 2023, respectively, as described further above, and by the expense associated with payment obligations to the Buyer of the Business Solutions business for a measure of the profits, as contractually agreed, from the European Union and United Kingdom operations, while owned by us.

Income Taxes

Our effective tax rates on pre-tax income were 16.1% and 9.7% for the years ended December 31, 2023 and 2022, respectively. The increase in our effective tax rate for the year ended December 31, 2023 compared to the prior year was primarily due to the reversal of uncertain tax positions in the prior year, including from statute of limitations expirations and the completion of the examination of our federal income tax returns for 2017 and 2018, partially offset by the effects of the sale of our Business Solutions business.

We have established contingency reserves for a variety of material, known tax exposures. As of December 31, 2023, the total amount of tax contingency reserves was \$244.8 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 the 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.

A significant proportion of our profits are foreign-derived. For the years ended December 31, 2023 and 2022, 105% and 95%, respectively, of our pre-tax income was derived from foreign sources. While the income tax imposed by any one foreign country is not material to us, our overall effective tax rate could be adversely affected by changes in foreign tax laws.

Earnings Per Share

During the years ended December 31, 2023 and 2022, basic earnings per share were \$1.69 and \$2.35, respectively, and diluted earnings per share were \$1.68 and \$2.34, 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 were 9.7 million and 8.0 million for the years ended December 31, 2023 and 2022, respectively. The effect of these shares was anti-dilutive under the treasury stock method, as the assumed proceeds of the options and restricted stock per unit were above our average share price during the periods.

Earnings per share for the year ended December 31, 2023 compared to the prior year were impacted by the previously described factors impacting net income, partially offset by a lower number of average shares outstanding. The lower number of shares outstanding for the year ended December 31, 2023 compared to the prior year is due to stock repurchases exceeding stock issuances under 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 addressed a different combination of customer groups, distribution networks, and services offered. Our segments were Consumer Money Transfer, Business Solutions, and Consumer Services. On August 4, 2021, we entered into an agreement to sell our Business Solutions business, as discussed above. The operations of the Business Solutions business sold in the final closing were included in Revenues and Operating income after the second closing and have completely transitioned to the Buyer as of the final closing. However, between the first and final closings, we were required

[Table of Contents](#)

to pay the Buyer a measure of the profits from these operations, while we owned them, adjusted for other charges, and this expense was recognized in Other expense, net in the Consolidated Statements of Income.

During the years ended December 31, 2023 and 2022, we incurred \$29.5 million and \$21.8 million, respectively, of costs associated with our operating expense redeployment program, as described above, primarily related to severance, expenses associated with streamlining our organizational and legal structure and non-cash impairments of operating lease right-of-use ("ROU") assets and property and equipment. During the year ended December 31, 2022, we incurred \$10.0 million and \$7.7 million of exit costs associated with the suspension of our Russia and Belarus operations and the Business Solutions divestiture, respectively. These exit costs were primarily related to severance and non-cash impairments of property and equipment, an operating lease ROU asset, and other intangible assets. While certain of the above expenses are identifiable to our segments, the expenses are not included in the measurement of segment operating income provided to the Chief Operating Decision Maker ("CODM") for purposes of performance assessment and resource allocation. These expenses are therefore excluded from our segment operating income results.

The business segment measurements provided to, and evaluated by, our CODM are computed in accordance with the following principles:

- The accounting policies of the segments are the same as those described in the summary of significant accounting policies.
- Corporate costs, including overhead expenses, are allocated to the segments primarily based on a percentage of the segments' revenue compared to total revenue.
- All items not included in operating income are excluded from the segments.

The following table sets forth the components of segment revenues as a percentage of the consolidated totals for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
Consumer Money Transfer	92 %	89 %
Business Solutions	1 %	5 %
Consumer Services	7 %	6 %
	<u>100 %</u>	<u>100 %</u>

Consumer Money Transfer

The following table sets forth our Consumer Money Transfer segment results of operations for the years ended December 31, 2023 and 2022:

	Year Ended December 31,		
(dollars and transactions in millions)	2023	2022	% Change
Revenues	\$ 4,005.0	\$ 3,993.5	0 %
Operating income	\$ 750.8	\$ 765.1	(2) %
Operating income margin	19 %	19 %	
Key indicator:			
Consumer Money Transfer transactions	279.4	274.1	2 %

Our Consumer Money Transfer service facilitates money transfers sent from our retail agent locations worldwide and our Branded Digital services. The segment includes five geographic regions whose functions are primarily related to generating, managing, and maintaining agent relationships and localized marketing activities. We include Branded Digital transactions in our regions. By means of common processes and systems, these regions, including Branded Digital transactions, create one interconnected global network for consumer transactions, thereby constituting one Consumer Money Transfer business and one operating segment.

[Table of Contents](#)

Transaction volume is the primary generator of revenue in our Consumer Money Transfer segment. A Consumer Money Transfer transaction constitutes the transfer of funds to a designated recipient utilizing one of our consumer money transfer services. The geographic split for transactions and revenue in the table that follows is determined based upon the region where the money transfer is initiated. Included in each region's transaction and revenue percentages in the tables below are Branded Digital transactions for the years ended December 31, 2023 and 2022. Where reported separately in the discussion below, Branded Digital consists of 100% of the transactions conducted and funded through that channel.

The table below sets forth revenue and transaction changes by geographic region compared to the prior year. Additionally, due to the significance of our Consumer Money Transfer segment to our overall results, we have also provided constant currency results for our Consumer Money Transfer segment revenues. Consumer Money Transfer segment constant currency revenue growth/(decline) is a non-GAAP financial measure, as further discussed in Revenues Overview above.

	Year Ended December 31, 2023			
	Revenue Growth / (Decline) as Reported - (GAAP)	Foreign Exchange Translation Impact	Constant Currency Revenue Growth ^(a) / (Decline) - (Non-GAAP)	Transaction Growth/ (Decline)
Consumer Money Transfer regional growth/(decline):				
North America (United States & Canada) ("NA")	(5)%	0%	(5)%	5%
Europe and CIS ("EU & CIS")	(11)%	0%	(11)%	(6)%
Middle East, Africa, and South Asia ("MEASA")	31%	(1)%	32%	6%
Latin America and the Caribbean ("LACA")	8%	(1)%	9%	7%
East Asia and Oceania ("APAC")	(7)%	(2)%	(5)%	1%
Total Consumer Money Transfer growth/(decline):	0%	(1)%	1%	2%
Branded Digital ^(b)	0%	0%	0%	11%

(a) Constant currency revenue growth/(decline) 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 prior year.

(b) As noted above, Branded Digital revenues are included in the regions.

The table below sets forth regional revenues as a percentage of our Consumer Money Transfer revenue for the years ended December 31, 2023 and 2022:

	Year Ended December 31,	
	2023	2022
Consumer Money Transfer revenue as a percentage of segment revenue:		
NA	37%	40%
EU & CIS	25%	28%
MEASA	21%	16%
LACA	11%	10%
APAC	6%	6%

Branded Digital, which is included in the regional percentages above, represented approximately 22% of our Consumer Money Transfer revenues for both the years ended December 31, 2023 and 2022.

Our consumers transferred \$101.7 billion and \$93.6 billion in cross-border principal for the years ended December 31, 2023 and 2022, respectively. The increase in cross-border principal transferred during the year ended December 31, 2023 compared to the prior year is primarily attributable to principal growth due to a change in monetary policy in Iraq, as discussed above, and growth in our NA and LACA regions. Consumer Money Transfer cross-border principal is the amount of consumer funds transferred to a designated recipient in a country or territory that differs from the country or territory from which the transaction was initiated. Consumer Money Transfer cross-border principal is a metric used by management to monitor and better understand the growth in our underlying business relative to competitors, as well as changes in our market share of global remittances.

[Table of Contents](#)

Revenues

Consumer Money Transfer revenue remained flat and transactions increased 2% for the year ended December 31, 2023 compared to the prior year. Fluctuations in the United States dollar compared to foreign currencies, net of the impact of foreign currency hedges, negatively impacted revenue by 1% for the year ended December 31, 2023 compared to the prior year.

For the year ended December 31, 2023, in our Consumer Money Transfer regions, NA revenue decreased and transactions increased compared to the prior year primarily due to promotional pricing related to our new Branded Digital go-to-market strategy and other price reductions. Growth in cross-border transactions sent from the United States was partially offset by declines in transactions sent within the United States. The EU & CIS revenues were negatively impacted by price reductions, the loss of a significant retail agent in the fourth quarter of 2022, and our suspension of operations in Russia and Belarus. Revenue growth in the MEASA region was driven by a change in monetary policy in Iraq, as discussed above, and revenue growth in the LACA region benefited from an increase in local currency revenue per transaction in Argentina, and strength in Ecuador and Venezuela.

We have historically implemented price reductions or price increases throughout many of our global corridors. We will likely continue to implement price changes 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. Price increases may adversely affect transaction volumes, as consumers may not use our services if we fail to price them appropriately. We believe revenues could continue to be adversely impacted by price reductions we have implemented in connection with our go-to-market strategy.

Operating Income

Consumer Money Transfer operating income decreased 2% during the year ended December 31, 2023 compared to the prior year primarily due to increases in agent commissions, which generally vary with revenues, employee incentive compensation, variable expenses, including bank fees and credit and non-credit losses, and investment in information technology, partially offset by a reduction in general and administrative expenses in our shared services functions, including as a result of our operating expense redeployment program, fluctuations between the United States dollar and foreign currencies, an increase in revenues, and a reduction in advertising expenses.

Business Solutions

The following table sets forth our Business Solutions segment results of operations for the years ended December 31, 2023 and 2022:

(dollars in millions)	2023		Year Ended December 31, 2022		% Change
Revenues	\$	29.7	\$	196.9	(85)%
Operating income	\$	3.7	\$	58.5	(a)
Operating income margin		12%		30%	

(a) Calculation not meaningful.

Revenues

Business Solutions revenue decreased 85% for the year ended December 31, 2023 compared to the prior year, primarily due to the first, second, and final closings of the sale of our Business Solutions business, which occurred on March 1, 2022, December 31, 2022, and July 1, 2023, respectively, as described further above.

Operating Income

For the year ended December 31, 2023, Business Solutions operating income and operating income margin was impacted by the first, second, and final closings of the sale of our Business Solutions business, as described further above.

[Table of Contents](#)

Effective January 1, 2022, we stopped allocating corporate costs to our Business Solutions segment, given our agreement to sell this business.

Consumer Services

The following table sets forth Consumer Services segment results for the years ended December 31, 2023 and 2022:

(dollars in millions)	2023		Year Ended December 31, 2022		% Change
	\$		\$		
Revenues		322.3		285.1	13%
Operating income	\$	92.5	\$	100.8	(8)%
Operating income margin		29%		35%	

Revenues

For the year ended December 31, 2023 compared to the prior year, Consumer Services revenues increased primarily due to increased investment revenues associated with our money order and other investment securities, as well as an increase in local currency revenue per transaction in our cash-based bill payments services offered at retail locations in Argentina, due to inflation, partially offset by the strengthening of the United States dollar against the Argentine peso.

Operating Income

Consumer Services operating income for the year ended December 31, 2023 compared to the prior year was negatively impacted by increased investment in information technology, a reduction in the reimbursement of expenses associated with transition services provided after the first and second closings of the sale of our Business Solutions business, and an increase in consulting expenses associated with new services, partially offset by the increase in revenue described above.

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 payments for employee and agent incentives, interest payments on our outstanding borrowings, and timing of income tax payments, among other items. Many of our annual employee incentive compensation and agent incentive payments are made in the first quarter following the year they were incurred. 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 resulting from the United States tax reform legislation enacted in 2017 (the "Tax Act") include amounts related to the United States taxation of certain previously undistributed earnings of foreign subsidiaries. These payments 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. These factors include, but are not limited to, 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: (i) 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, (ii) other legal or regulatory restrictions, including statutory or formalized minimum net worth requirements, and (iii) 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 \$1.25 billion revolving credit facility ("Revolving Credit Facility"), which expires in November 2028 and supports our commercial paper program. Our commercial paper program enables us to issue unsecured commercial paper notes in an amount not to exceed \$1.25 billion outstanding at any time, reduced to the extent of any borrowings outstanding on our Revolving Credit Facility. As of December 31, 2023, we had no outstanding borrowings on our Revolving Credit Facility and \$364.9 million of outstanding borrowings on the commercial paper program.

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 repatriated or otherwise made available from our international subsidiaries. These decisions can influence our overall tax rate and impact our total liquidity. We regularly evaluate our United States cash requirements, taking tax consequences and other factors into consideration 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 December 31, 2023 and 2022, we had Cash and cash equivalents of \$1,268.6 million and \$1,291.1 million, including \$5.2 million related to Business Solutions as of December 31, 2022. 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 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.

[Table of Contents](#)

Investment securities, classified within Settlement assets on the Consolidated Balance Sheets, were \$1,458.1 million and \$1,333.4 million as of December 31, 2023 and 2022, respectively, and consist primarily of highly-rated state and municipal debt securities. These 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. Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 7, Settlement Assets and Obligations for more details regarding investment securities.

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 December 31, 2023, 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 for the year ended December 31, 2023 increased to \$783.1 million from \$581.6 million for the year ended December 31, 2022. Cash provided by operating activities was impacted by changes to our consolidated net income, excluding the gain on sale of the Business Solutions business, in addition to fluctuations in our working capital balances, among other factors. In addition, cash provided by operating activities for the year ended December 31, 2022 was negatively impacted by higher income taxes paid, including those related to the gain on the sale of the Business Solutions business.

Financing Resources

As of December 31, 2023, we had the following outstanding borrowings (in millions):

Commercial paper	\$	364.9
Notes:		
2.850% notes due 2025 ^(a)		500.0
1.350% notes due 2026 ^(a)		600.0
2.750% notes due 2031 ^(a)		300.0
6.200% notes due 2036 ^(a)		500.0
6.200% notes due 2040 ^(a)		250.0
Total borrowings at par value		2,514.9
Debt issuance costs and unamortized discount, net		(10.3)
Total borrowings at carrying value ^(b)	\$	<u>2,504.6</u>

(a) The difference between the stated interest rate and the effective interest rate is not significant.

(b) As of December 31, 2023, our weighted-average effective rate on total borrowings was approximately 4.0%.

Commercial Paper Program

Pursuant to our commercial paper program, we may issue unsecured commercial paper notes in an amount not to exceed \$1.25 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. As of December 31, 2023 and 2022, we had \$364.9 million and \$180.0 million in commercial paper borrowings outstanding, respectively. Our commercial paper borrowings as of December 31, 2023 had a weighted-average annual interest rate of approximately 5.6% and a weighted-average term of approximately 3 days. During the years ended December 31, 2023 and 2022, the average commercial paper balance outstanding was \$276.7 million and \$192.9 million, respectively, and the maximum balance outstanding was \$885.0 million and \$725.0 million, respectively. Proceeds from our commercial paper borrowings were used for the repayment of our notes due in June 2023, general corporate purposes, and working capital needs, including the settlement of our money transfer obligations prior to collecting receivables from agents or others.

Revolving Credit Facility

On December 18, 2018, we entered into a credit agreement providing for unsecured financing facilities in an aggregate amount of \$1.5 billion, including a \$250.0 million letter of credit sub-facility, with a final maturity date of January 8, 2025. On October 31, 2022, we amended the facility to transition away from the London Interbank Offered Rate ("LIBOR") and allow us to draw loans payable based upon the Secured Overnight Financing Rate ("SOFR"), the Euro Interbank Offered Rate, or the Sterling Overnight Index Average. On November 30, 2023, we amended the facility by entering into a second amended and restated credit agreement (the "New Credit Agreement") providing for unsecured financing facilities in an aggregate amount of \$1.25 billion, including a \$250.0 million letter of credit subfacility and \$300.0 million swing line sublimit, with a final maturity date of November 30, 2028, subject to extension in certain circumstances.

Interest due under the New Credit Agreement is payable according to the terms of that borrowing. Generally, interest under the New Credit Agreement is calculated using either (i) an adjusted term SOFR, or other applicable benchmark based on the currency of the borrowing, plus an interest rate margin determined on a sliding scale from 0.920% to 1.425% based on our credit rating (currently 1.140%) or (ii) a base rate plus a margin determined on a sliding scale from 0.000% to 0.425% based on our credit rating (currently 0.140%). A facility fee on the total amount of the facility is also payable quarterly, regardless of usage, and such facility fee is determined on a sliding scale from 0.080% to 0.200% based on our credit rating (currently 0.110%).

The purpose of our Revolving Credit Facility, which is diversified through a group of 16 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 \$1.25 billion is approximately 14%. As of December 31, 2023 and 2022, we had no outstanding borrowings under the 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.

Term Loan Facility

On December 18, 2018, we entered into an amended and restated term loan facility providing for up to \$950.0 million in borrowings and extending the final maturity of the facility to January 2024 (the "Term Loan Facility"). In the first quarter of 2021, we repaid \$650.0 million of the Term Loan Facility. On January 4, 2022, we repaid all remaining borrowings owed under the Term Loan Facility for total consideration of \$300.0 million, using proceeds from our commercial paper and cash, including cash generated from operations. We are no longer able to borrow money under this facility.

Notes

For a discussion regarding the terms and maturities of our notes, please refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 15, Borrowings.

Credit Ratings and Debt Covenants

The credit ratings on our debt are an important consideration in our overall business, managing our financing costs, and facilitating access to additional capital on favorable terms. Factors that we believe are important in assessing our credit ratings include earnings, cash flow generation, leverage, available liquidity, and the overall business.

Our Revolving Credit Facility contains interest rate margins which are determined based on certain of our credit ratings and also contains a facility fee that is based on our credit ratings. In addition, the interest rates payable on our notes due in 2025, 2026, and 2031 can be impacted by our credit ratings. We are also subject to certain provisions in many of our notes and certain of our derivative contracts, which could require settlement or collateral posting in the event of a change in control combined with a downgrade below investment grade, as further described below. We do not have any other terms within our debt agreements that are tied to changes in our credit ratings.

The Revolving Credit Facility contains covenants, subject to certain exceptions, that, among other things, limit or restrict our ability to sell or transfer assets or merge or consolidate with another company, grant certain types of security interests, incur certain types of liens, impose restrictions on subsidiary dividends, enter into sale and leaseback transactions, incur certain subsidiary level indebtedness, or use proceeds in violation of anti-corruption or anti-money laundering laws. Our notes are subject to similar covenants except that only the notes due in 2036 contain covenants limiting or restricting subsidiary indebtedness, and none of our notes are subject to a covenant that limits our ability to impose restrictions on subsidiary dividends. Our Revolving Credit Facility requires us to maintain a consolidated adjusted Earnings before Interest, Taxes, Depreciation, and Amortization ("EBITDA") interest coverage ratio of greater than 3:1 (ratio of consolidated adjusted EBITDA, defined as net income/(loss) plus the sum of (i) interest expense, (ii) income tax expense, (iii) depreciation expense, (iv) amortization expense, (v) any other non-cash deductions, losses or charges made in determining net income/(loss) for such period, and (vi) extraordinary, non-recurring, or unusual losses or charges (including costs and expenses of litigation included in operating income), minus extraordinary, non-recurring or unusual gains provided that the amount added back to net income (or net loss) for such extraordinary, non-recurring or unusual losses, expenses or charges may not exceed 10% of adjusted EBITDA, in each case determined in accordance with United States generally accepted accounting principles for such period, to interest expense) for each period comprising the four most recent consecutive fiscal quarters. Our consolidated interest coverage ratio was 10:1 for the year ended December 31, 2023.

For the year ended December 31, 2023, we were in compliance with our debt covenants. A violation of our debt covenants could impair our ability to borrow, and outstanding amounts borrowed could become due, thereby restricting our ability to use our excess cash for other purposes.

Certain of our notes (including our notes due in 2025, 2026, 2031, and 2040) include a change of control triggering event provision, as defined in the terms of the notes. If a change of control triggering event occurs, holders of the notes may require us to repurchase some or all of their notes at a price equal to 101% of the principal amount of their notes, plus any accrued and unpaid interest. A change of control triggering event will occur when there is a change of control involving us and, among other things, within a specified period in relation to the change of control, the notes are downgraded from an investment grade rating to below an investment grade rating by certain major credit rating agencies.

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.

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. For additional information, please refer to Part II, Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*.

[Table of Contents](#)

Capital Expenditures

The total aggregate amount paid for purchased and developed software, contract costs, and purchases of property and equipment was \$147.8 million and \$208.2 million in 2023 and 2022, 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. Other capital expenditures during these periods included investments in our information technology infrastructure.

Share Repurchases and Dividends

On February 10, 2022, our Board of Directors authorized \$1.0 billion of common stock repurchases through December 31, 2024. During the years ended December 31, 2023 and 2022, 24.3 million and 22.3 million shares, respectively, were repurchased for \$300.0 million and \$351.8 million, respectively, excluding commissions, at an average cost of \$12.35 and \$15.81, respectively, under this share repurchase authorization. As of December 31, 2023, \$348.2 million remained available under this share repurchase authorization.

Our Board of Directors declared quarterly cash dividends of \$0.235 per common share in all four quarters of 2023 and 2022, representing \$346.1 million and \$361.6 million in total dividends, respectively. These amounts were paid to shareholders of record in the respective quarter the dividend was declared.

On February 6, 2024, the Board of Directors declared a quarterly cash dividend of \$0.235 per common share payable on March 29, 2024.

Material Cash Requirements

Debt Service Requirements

Our 2024 and future debt service requirements will include payments on all outstanding indebtedness, including any borrowings under our commercial paper program. Our next scheduled principal payment on our outstanding notes is in 2025.

As of December 31, 2023, the total projected interest payments on outstanding borrowings were \$762.3 million, of which \$77.1 million is expected to be paid in the next 12 months. We have estimated our future interest payments based on the assumption that no debt issuances or renewals will occur upon the maturity dates of our notes. However, we may refinance all or a portion of our borrowings in future periods, and we expect to continue to borrow under our commercial paper program for general corporate purposes and working capital needs.

2017 United States Federal Tax Liability

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, of which approximately \$358 million remained as of December 31, 2023. We elected to pay this liability in periodic installments through 2025. Under the terms of the law, we owe 20% and 25% of the original liability in 2024 and 2025, respectively. During the years ended December 31, 2023 and 2022, we made installment payments of \$119.5 million and \$63.7 million, respectively. These payments have affected and will continue to adversely affect our cash flows and liquidity and may adversely affect future share repurchases.

Operating Leases

We lease real properties for use as administrative and sales offices, in addition to transportation, office, and other equipment. Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 12, Leases for details on our leasing arrangements, including future maturities of our operating lease liabilities.

[Table of Contents](#)

Purchase Obligations

A purchase obligation is an agreement to purchase goods or services that is enforceable, legally binding, and specifies all significant terms. As of December 31, 2023, we had approximately \$210 million of outstanding purchase obligations, of which approximately \$130 million is expected to be paid in the next 12 months. Many of our contracts contain clauses that allow us to terminate the contract with notice and with a termination penalty. Termination penalties are generally an amount less than the original obligation. Obligations under certain contracts are usage-based and are, therefore, estimated in the above amounts. Historically, we have not had any significant defaults on our contractual obligations or incurred significant penalties for termination of our contractual obligations.

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, results of operations, liquidity, capital expenditures, or capital resources.

Other Commercial Commitments

We had approximately \$150 million in outstanding letters of credit and bank guarantees as of December 31, 2023 primarily held in connection with regulatory requirements, lease arrangements, and certain agent agreements. We expect to renew many of our letters of credit and bank guarantees prior to expiration.

Critical Accounting Policies and Estimates

Management's discussion and analysis of results of operations and financial condition is based on our consolidated financial statements that have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires that management make estimates and assumptions that affect the amounts reported for revenues, expenses, assets, liabilities, and other related disclosures. Actual results may or may not differ from these estimates. Our significant accounting policies are discussed in Part II, Item 8, *Financial Statements and Supplementary Data*, Note 2, Summary of Significant Accounting Policies.

Our critical accounting policies and estimates, described below, are very important to the portrayal of our financial condition and our results of operations, and applying them requires our management to make difficult, subjective, and complex judgments. We believe that the understanding of these key accounting policies and estimates is essential in achieving more insight into our operating results and financial condition.

Income Taxes

Income taxes, as reported in our consolidated financial statements, represent the net amount of income taxes we expect to pay to various taxing jurisdictions in connection with our operations. We provide for income taxes based on amounts that we believe we will ultimately owe after applying the required analyses and judgments.

The determination of our worldwide provision for income taxes requires significant judgment. We routinely receive, and may in the future receive, questions from taxing authorities on various tax-related assertions. In many of these instances, the ultimate tax determination is uncertain, given the complexities in interpreting tax laws and applying our facts and circumstances to these laws in many jurisdictions throughout the world.

We recognize the tax benefit from an uncertain tax position only when it is more likely than not, based on the technical merits of the position, that the tax position will be sustained upon examination, including the resolution of any related appeals or litigation. The tax benefits recognized in the consolidated financial statements from such a position are measured as the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution.

We have established contingency reserves for a variety of material, known tax exposures. 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 consolidated financial statements and the final resolution of a tax issue during the period.

Our tax contingency reserves for our uncertain tax positions as of December 31, 2023 were \$244.8 million, including accrued interest and penalties, net of related items. While we believe that our reserves are adequate to cover reasonably expected tax risks, in the event that the ultimate resolution of our uncertain tax positions differs from our estimates, we may be exposed to material increases in income tax expense, which could materially impact our financial condition, results of operations, and cash flows. Furthermore, the timing of any related cash payments for these tax liabilities is inherently uncertain and is affected by variable factors outside our control.

Goodwill

Goodwill represents the excess of purchase price over the fair value of tangible and other intangible assets acquired less liabilities assumed, arising from business combinations. An impairment assessment of goodwill is conducted annually during our fourth quarter at the reporting unit level. This assessment of goodwill is performed more frequently if events or changes in circumstances indicate that the carrying value of the goodwill may not be recoverable. Reporting units are determined by the level at which management reviews segment operating results. In some cases, that level is the operating segment, and in others, it is one level below the operating segment.

Our impairment assessment typically begins with a qualitative assessment to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. The initial qualitative assessment includes

comparing the overall financial performance of the reporting unit against the planned results. Additionally, each reporting unit's fair value is assessed based on current and expected events and circumstances, including macroeconomic conditions, industry and market considerations, cost factors, and other relevant entity-specific events. Periodically, we perform a quantitative assessment, as described below, for each of our reporting units, regardless of the results of prior qualitative assessments.

If we determine in the qualitative assessment that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then we estimate the fair value of the reporting unit using discounted cash flows and compare the estimated fair value to its carrying value. If the carrying value exceeds the fair value of the reporting unit, then an impairment is recognized for the difference. Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 2, Summary of Significant Accounting Policies, for further discussion regarding our accounting policies for goodwill and any related impairments.

The determination of the reporting units and which reporting units to include in the qualitative assessment requires significant judgment. Also, all of the assumptions used in the qualitative assessment require judgment. Additionally, for the quantitative goodwill impairment test, we calculate the fair value of reporting units through discounted cash flow analyses which require us to make estimates and assumptions including, among other items, revenue growth rates, operating margins, and capital expenditures based on our budgets and business plans. Development of such estimates and assumptions and the resultant fair value takes into consideration expected regulatory, marketplace, and other economic factors as well as relevant discount rates and terminal values.

We could be required to evaluate the recoverability of goodwill if we experience disruptions to the business, unexpected significant declines in operating results, a divestiture of a significant component of our business, or other triggering events. In addition, as our business or the way we manage our business changes, our reporting units may also change. If an event described above occurs and causes us to recognize a goodwill impairment charge, it would impact our reported earnings in the period such charge occurs.

The carrying value of goodwill as of December 31, 2023 was \$2,034.6 million, which represented approximately 25% of our consolidated assets. As of December 31, 2023, goodwill of \$1,980.7 million resides in our Consumer Money Transfer reporting unit, while the remaining \$53.9 million resides in Consumer Services. For the years ended December 31, 2023 and 2022, we did not record any goodwill impairments. For the reporting units that comprise Consumer Money Transfer and Consumer Services, the fair values of the businesses significantly exceed their carrying amounts.

Other Intangible Assets

We capitalize acquired intangible assets as well as certain initial payments for new and renewed agent contracts and software. We evaluate such intangible assets for impairment on an annual basis or whenever events or changes in circumstances indicate the carrying amount of such assets may not be recoverable. In such reviews, estimated undiscounted cash flows associated with these assets or operations are compared with their carrying amounts to determine if a write-down to fair value (normally measured by the present value technique) is required.

The capitalization of software costs incurred during the application development stage, as well as costs incurred to acquire, install, and customize software for internal use, is subject to accounting policy criteria which requires management judgment to determine the stage of development, the amount of costs eligible to be capitalized, and the related period of benefit. For developed software, we capitalize the eligible costs (predominantly detailed design, development, and testing) incurred during the application development stage, and all other costs are expensed as incurred. Once the software is ready for its intended use, the capitalized costs are amortized over the software's estimated useful life. The capitalization of initial payments for new and renewed agent contracts is subject to strict accounting policy criteria and requires management judgment as to the amount to capitalize and the related period of benefit. Our accounting policy is to limit the amount of capitalized costs for a given agent contract to the lesser of the estimated future cash flows from the contract or the termination fees we would receive in the event of early termination of the contract.

Disruptions to contractual relationships, significant actual or expected declines in cash flows or transaction volumes associated with contracts or software applications, or the discontinued use of a software application would cause us to evaluate the recoverability of the asset and could result in an impairment charge. Additionally, evaluating future cash flows

associated with each asset requires us to make estimates and assumptions, including, among other things, revenue growth rates and operating margins based on our budgets and business plans.

The net carrying value of our other intangible assets as of December 31, 2023 was \$380.2 million. During the year ended December 31, 2023, we recorded impairments of approximately \$9 million to other intangible assets primarily related to software no longer in use. During the year ended December 31, 2022, we recorded immaterial impairments related to other intangible assets.

Recent Accounting Pronouncements

Refer to Part II, Item 8, *Financial Statements and Supplementary Data*, Note 2, Summary of Significant Accounting Policies for further discussion.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

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 significant majority of our agents in United States dollars, Mexican pesos, or euros, 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 significant majority of transactions are paid by the next day after they are initiated, and agent settlements occur within a few days in most instances. To mitigate this risk further, we enter into short duration foreign currency forward contracts, generally with maturities ranging from a few days 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 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 a 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 in the euro, and, to a lesser degree, the Canadian dollar, the 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.

As of December 31, 2023, 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 \$28 million, based on our forecast of unhedged exposure to foreign currency at that date. There are inherent limitations in this sensitivity analysis, primarily due to the following assumptions: (i) foreign exchange rate movements are linear and instantaneous, (ii) fixed exchange rates between certain currency pairs are retained, (iii) the unhedged exposure is static, and (iv) 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 December 31, 2023 of approximately \$2.6 billion. Approximately \$1.3 billion of these assets bear interest at floating rates. These assets primarily include cash in banks, money market investments, and state and municipal variable-rate securities and are included in our 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 remaining interest-bearing assets pay fixed interest rates and primarily consist of highly-rated state and municipal debt securities and asset-backed securities. These investments may include investments made from cash received from our money order services, money transfer business, and other related payment services awaiting redemption and are classified within Settlement assets in the Consolidated Balance Sheets. As interest rates rise, the fair values 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 Consolidated Balance Sheets, and accordingly, recorded these instruments at their fair value with the net unrealized gains and losses, excluding credit related losses, net of the applicable deferred income tax effect, being added to or deducted from our Total stockholders' equity in our Consolidated Balance Sheets.

Borrowings under our commercial paper program mature in such a short period that the financing is effectively floating rate. As of December 31, 2023, there were \$364.9 million in outstanding borrowings under our commercial paper program.

We review our overall exposure to floating and fixed rates by evaluating our net asset or liability position and the duration of each individual position. 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). From time to time, we use interest rate swaps designated as hedges to vary the percentage of fixed to floating rate debt, subject to market conditions, although there were no such swaps outstanding as of December 31, 2023. As of December 31, 2023, our weighted-average effective rate on total borrowings was approximately 4.0%.

A hypothetical 100 basis point increase/decrease in interest rates would result in a decrease/increase to annual pre-tax income of approximately \$4 million based on borrowings that are sensitive to interest rate fluctuations, net of the impact of hedges, on December 31, 2023. The same 100 basis point increase/decrease in interest rates, if applied to our cash and investment balances on December 31, 2023 that bear interest at floating rates, would result in an offsetting increase/decrease to annual pre-tax income of approximately \$13 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, 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 losses directly from consumer transactions, particularly through our digital channels, where transactions are originated through means other than cash

[Table of Contents](#)

and are therefore subject to "chargebacks," insufficient funds, or other collection impediments, such as fraud, which are anticipated to increase as digital channels become a greater proportion of our money transfer business.

Our losses have been less than 2% of our consolidated revenues in all periods presented.

[Table of Contents](#)

Item 8. Financial Statements and Supplementary Data

THE WESTERN UNION COMPANY

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Management's Report on Internal Control Over Financial Reporting	67
Reports of Independent Registered Public Accounting Firm (PCAOB ID: _____)	68
Consolidated Statements of Income for each of the three years in the period ended December 31, 2023	71
Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2023	72
Consolidated Balance Sheets as of December 31, 2023 and 2022	73
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2023	74
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2023	76
Notes to Consolidated Financial Statements	77
Schedule I - Condensed Financial Information of the Registrant (Parent Company Only)	121

All other financial statement schedules for The Western Union Company have been omitted since the required information is not present or not present in amounts sufficient to require submission of the schedule, or because the information required is included in the respective consolidated financial statements or notes thereto.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. The Western Union Company's ("Western Union" or the "Company") internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. Western Union's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and Board of Directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Western Union's internal control over financial reporting as of December 31, 2023, utilizing the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control—Integrated Framework (2013 framework). Based on the results of its evaluation, the Company's management concluded that as of December 31, 2023, the Company's internal control over financial reporting is effective. Western Union's internal control over financial reporting as of December 31, 2023 has been audited by Ernst & Young LLP, Western Union's independent registered public accounting firm, as stated in their attestation report included in this Annual Report on Form 10-K.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Western Union Company

Opinion on Internal Control Over Financial Reporting

We have audited The Western Union Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, The Western Union Company (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 22, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. 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 Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Denver, Colorado
February 22, 2024

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of The Western Union Company

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Western Union Company (the Company) as of December 31, 2023 and 2022, and the related consolidated statements of income, comprehensive income, cash flows and stockholders' equity for each of the three years in the period ended December 31, 2023 and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 22, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. 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 Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Income taxes – International tax structure

Description of the Matter

As described in Note 10 to the consolidated financial statements, the Company operates in a multinational tax environment and is subject to taxation in various jurisdictions. The Company earns a significant amount of its operating income in multiple foreign jurisdictions and the Company's organizational structure is designed to reflect strategic and operational business imperatives that change over time. As the Company operates in a multinational tax environment and incurs income tax obligations in a number of jurisdictions, complexities and uncertainties can arise in the application of complex tax laws.

Auditing the application of tax legislation to the Company's affairs is inherently complex, highly specialized and requires judgment. These factors impact the Company's estimation of uncertain tax positions and income tax provisions.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's interpretation of tax laws and application of interpretations in the determination of the provision for income taxes. This included controls over the Company's interpretation of tax laws in jurisdictions the Company operates as well as the completeness and accuracy of the underlying data used in the provision for income tax calculations.

We involved our tax professionals, including U.S. and select foreign tax professionals, to assist in the evaluation of the Company's tax obligations. We assessed the Company's evaluation of tax laws and tested the provision for income tax calculations, including the completeness and accuracy of underlying data used in the calculations. We evaluated third-party tax advice obtained by the Company. We also evaluated the adequacy of the Company's financial statement disclosures related to income tax matters.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2006.

Denver, Colorado
February 22, 2024

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

	Year Ended December 31,		
	2023	2022	2021
Revenues			
	\$ 4,357.0	\$ 4,475.5	\$ 5,070.8
Expenses:			
Cost of services	2,671.7	2,626.4	2,896.4
Selling, general, and administrative	867.8	964.2	1,051.3
Total expenses ^(a)	3,539.5	3,590.6	3,947.7
Operating income	817.5	884.9	1,123.1
Other income/(expense):			
Gain on divestiture of business (Note 4)	18.0	248.3	—
Gain on sale of noncontrolling interest in a private company (Note 4)	—	—	47.9
Pension settlement charges (Note 11)	—	—	(109.8)
Interest income	15.6	13.9	1.4
Interest expense	(105.3)	(101.0)	(105.5)
Other expense, net	—	37.5	21.7
Total other income/(expense), net	(71.7)	123.7	(187.7)
Income before income taxes	745.8	1,008.6	935.4
Provision for income taxes	119.8	98.0	129.6
Net income	\$ 626.0	\$ 910.6	\$ 805.8
Earnings per share:			
Basic	\$ 1.69	\$ 2.35	\$ 1.98

Diluted				
		1.68	2.34	1.97
	\$		\$	\$
Weighted-average shares outstanding:				
Basic				
		370.8	387.2	406.8
Diluted				
		371.8	388.4	408.9

(a) As further described in Note 6, total expenses include amounts incurred with related parties of \$

45.4
million, \$

48.8
million, and \$

54.7
million for the years ended December 31, 2023, 2022, and 2021 , respectively.

See Notes to Consolidated Financial Statements.

THE WESTERN UNION COMPANY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in millions)

	2023	Year Ended December 31, 2022	2021
Net income	\$ 626.0	\$ 910.6	\$ 805.8
Other comprehensive income, net of reclassifications and tax (Note 13):			
Unrealized gains/(losses) on investment securities	36.4	(99.8)	(27.9)
Unrealized gains/(losses) on hedging activities	(35.8)	1.8	49.2
Foreign currency translation adjustments	—	(17.8)	—
Defined benefit pension plan adjustments (Note 11)	—	—	86.1
Total other comprehensive income/(loss)	0.6	(115.8)	107.4
Comprehensive income	\$ 626.6	\$ 794.8	\$ 913.2

See Notes to Consolidated Financial Statements.

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

	December 31,	
	2023	2022
Assets		
Cash and cash equivalents	\$ 1,268.6	\$ 1,285.9
Settlement assets	3,687.0	3,486.8
Property and equipment, net of accumulated depreciation of \$		
438.8		
and \$		
512.8	91.4	109.6
, respectively		
Goodwill	2,034.6	2,034.6
Other intangible assets, net of accumulated amortization of \$		
685.9		
and \$		
616.3	380.2	457.9
, respectively		
Other assets (Note 9)	737.0	859.9
Assets held for sale (Note 4)	—	261.6
Total assets	\$ 8,198.8	\$ 8,496.3
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable and accrued liabilities	\$ 453.0	\$ 464.0
Settlement obligations	3,687.0	3,486.8
Income taxes payable	659.5	725.3
Deferred tax liability, net	147.6	158.5
Borrowings	2,504.6	2,616.8
Other liabilities (Note 9)	268.1	384.6

Liabilities associated with assets held for sale (Note 4)	—	182.5
Total liabilities	7,719.8	8,018.5
Commitments and contingencies (Note 5)		
Stockholders' equity:		
Preferred stock, \$		
1.00		
par value;		
10		
shares authorized;		
no		
shares issued	—	—
Common stock, \$		
0.01		
par value;		
2,000		
shares authorized;		
350.5		
shares and		
373.5		
shares issued and outstanding as of December 31, 2023 and 2022, respectively	3.5	3.7
Capital surplus	1,031.9	995.9
	((
Accumulated deficit	389.1	353.9
))
	((
Accumulated other comprehensive loss	167.3	167.9
))
Total stockholders' equity	479.0	477.8
Total liabilities and stockholders' equity	\$ 8,198.8	\$ 8,496.3

See Notes to Consolidated Financial Statements.

THE WESTERN UNION COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in millions)

	2023	Year Ended December 31, 2022	2021
Cash flows from operating activities			
Net income			
	\$ 626.0	\$ 910.6	\$ 805.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	39.1	42.7	49.6
Amortization	144.5	141.1	158.6
Pension settlement charges (Note 11)			109.8
	—	—	
Gain on divestiture of business, excluding transaction costs (Note 4)	(18.0)	(254.8)	—
Gain on the sale of noncontrolling interest in a private company (Note 4)			(47.9)
	—	—	
Deferred income tax benefit (Note 10)	(11.0)	(26.7)	(2.6)
Other non-cash items, net			
	113.9	115.4	149.6
Increase/(decrease) in cash, excluding the effects of divestitures, resulting from changes in:			
Other assets	(36.3)	(209.2)	(73.0)
Accounts payable and accrued liabilities	(22.4)	(42.6)	(24.8)
Income taxes payable (Note 10)	(68.1)	(152.7)	(56.2)
Other liabilities	15.4	27.4	23.6
Net cash provided by operating activities	783.1	581.6	1,045.3
Cash flows from investing activities			
Payments for capitalized contract costs	(36.4)	(71.9)	(107.5)
Payments for internal use software	(88.5)	(104.4)	(69.4)
Purchases of property and equipment	(22.9)	(31.9)	(37.7)

Purchases of settlement investments	(((
	495.3	1,160.0	433.0
)))
Proceeds from the sale of settlement investments			
	262.0	919.3	755.3
Maturities of settlement investments			
	144.0	169.7	229.7
Proceeds from the sale of noncontrolling interest in a private company (Note 4)			
			50.9
	—	—	
Purchase of noncontrolling interest in stc Bank (Note 4)			(
			200.0
	—	—)
Purchases of non-settlement investments (Note 8)		(
		400.0	
	—)	—
Proceeds from the sale of non-settlement investments (Note 8)			
	100.0	300.0	
			—
Proceeds from divestiture, net of cash divested (Note 4)			
		887.2	
	—		—
Other investing activities	(
	3.7	17.5	3.7
)		
Net cash (used in)/provided by investing activities	(
	140.8	525.5	192.0
)		
Cash flows from financing activities			
Cash dividends and dividend equivalents paid (Note 13)	(((
	349.0	364.2	381.6
)))
Common stock repurchased (Note 13)	(((
	308.4	369.9	409.9
)))
Net proceeds from/(repayments of) commercial paper		(
	184.9	95.0	195.0
)	
Net proceeds from issuance of borrowings			
	—	—	891.7
Principal payments on borrowings	(((
	300.0	300.0	1,150.0
)))
Make-whole premium on early extinguishment of debt (Note 15)			(
			14.3
	—	—)
Proceeds from exercise of options			
	0.2	9.5	11.6
Net change in settlement obligations	(((
	122.8	56.4	412.2
)))
Other financing activities	((
	1.7	1.3	0.2
))	
Net cash used in financing activities	(((
	896.8	1,177.3	1,269.5
)))

Net change in cash and cash equivalents, including settlement, and restricted cash	(((
	254.5	70.2	32.2
)))
Cash and cash equivalents, including settlement, and restricted cash at beginning of period			
	2,040.7	2,110.9	2,143.1
Cash and cash equivalents, including settlement, and restricted cash at end of period			
	1,786.2	2,040.7	2,110.9
	\$	\$	\$
	<u> </u>	<u> </u>	<u> </u>

See Notes to Consolidated Financial Statements.

THE WESTERN UNION COMPANY
SUPPLEMENTAL CASH FLOW INFORMATION
(in millions)

	2023	Year Ended December 31, 2022	2021
Reconciliation of balance sheet cash and cash equivalents to cash flows:			
Cash and cash equivalents on balance sheet			
	\$ 1,268.6	\$ 1,285.9	\$ 1,208.3
Settlement cash and cash equivalents (Note 7)			
	496.0	708.1	835.5
Restricted cash in Other assets			
	21.6	41.5	29.4
Cash and cash equivalents included in Assets held for sale (Note 4)			
	—	5.2	37.7
Cash and cash equivalents, including settlement, and restricted cash at end of period	\$ 1,786.2	\$ 2,040.7	\$ 2,110.9
Supplemental cash flow information:			
Interest paid			
	\$ 102.4	\$ 97.2	\$ 101.6
Income taxes paid			
	\$ 197.4	\$ 279.8	\$ 185.9
Cash paid for lease liabilities			
	\$ 40.1	\$ 40.5	\$ 46.5
Non-cash lease liabilities arising from obtaining right-of-use assets (Note 12)			
	\$ 39.1	\$ 12.4	\$ 18.5
Internal use software capitalized but not yet paid			
	\$ —	\$ —	\$ 26.4
Accrued and unpaid capitalized contract costs			
	\$ —	\$ 32.3	\$ —

See Notes to Consolidated Financial Statements.

THE WESTERN UNION COMPANY
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in millions)

	Common Stock Shares	Common Stock Amount	Capital Surplus	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance, December 31, 2020				((
	411.2	4.1	885.1	543.1	159.5	186.6
		\$	\$	\$	\$	\$
Net income				805.8		805.8
Stock-based compensation	—	—	—		—	
			44.3			44.3
Common stock dividends and dividend equivalents declared (\$	—	—		—	—	
0.94 per share)				384.8		384.8
Repurchase and retirement of common shares	((((
	20.1	0.2	—	415.1		415.3
))))
Shares issued under stock-based compensation plans	2.7		11.6			11.6
Other comprehensive income (Note 13)		—		—	—	
					107.4	107.4
Balance, December 31, 2021				((
	393.8	3.9	941.0	537.2	52.1	355.6
))	
Net income				910.6		910.6
Stock-based compensation	—	—	—		—	
			45.5			45.5
Common stock dividends and dividend equivalents declared (\$	—	—		—	—	
0.94 per share)				363.0		363.0
Repurchase and retirement of common shares	((((
	23.0	0.3	—	364.3		364.6
))))
Shares issued under stock-based compensation plans	2.7	0.1	9.4			9.5
Other comprehensive loss (Note 13)					((
					115.8	115.8
Balance, December 31, 2022				((
	373.5	3.7	995.9	353.9	167.9	477.8
))	

Net income

				626.0		626.0
	—	—	—		—	
Stock-based compensation						
			35.9			35.9
	—	—		—	—	
Common stock dividends and dividend equivalents declared (\$				((
0.94				350.3		350.3
per share)	—	—	—)	—)
Repurchase and retirement of common shares	((((
	24.9	0.3		310.9		311.2
))	—)	—)
Shares issued under stock-based compensation plans						
	1.9	0.1	0.1			0.2
				—	—	
Other comprehensive income (Note 13)						
					0.6	0.6
	—	—	—	—		
Balance, December 31, 2023				((
	350.5	3.5	1,031.9	389.1	167.3	479.0
	<u> </u>	<u>\$ </u>	<u>\$ </u>	<u>\$ </u>)	<u>\$ </u>)	<u>\$ </u>

See Notes to Consolidated Financial Statements.

THE WESTERN UNION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business and Basis of Presentation

Business

The Western Union Company ("Western Union" or the "Company") is a leader in cross-border, cross-currency money movement, payments, and digital financial services, empowering consumers, businesses, financial institutions, and governments 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 available through a network of agent locations in more than

200

countries and territories and also through money transfer transactions conducted and funded through websites and mobile applications marketed under the Company's brands ("Branded Digital") and transactions initiated on internet and mobile applications hosted by the Company's third-party white label or co-branded digital partners. Each location in the Company's agent network is capable of providing one or more of the Company's services.

The Western Union business consisted of the following segments:

- *Consumer Money Transfer* - The Consumer Money Transfer operating segment (previously Consumer-to-Consumer) facilitates money transfers, which are primarily sent from retail agent locations worldwide or through websites and mobile devices. The Company's money transfer service is provided through one interconnected global network. This service is available for international cross-border transfers and, in certain countries, intra-country transfers.
- *Business Solutions* - On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (collectively, "the Buyer"), and the final closing for this transaction occurred on July 1, 2023. Accordingly, the Company will no longer report Business Solutions revenues and operating expenses after July 1, 2023. See Note 4 for further information regarding this transaction. The Buyer has rebranded the sold operations within a new standalone company (now referred to as "Convera"). The Business Solutions operating segment facilitated payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. The Business Solutions business related to exchanges of currency at spot rates, which enabled customers to make cross-currency payments, and in limited countries, the Company wrote foreign currency forward and option contracts for customers to facilitate future payments.
- *Consumer Services* - The Consumer Services segment (previously Other) includes the Company's bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as the Company's money order services, retail foreign exchange services, prepaid cards, lending partnerships, and digital wallets. Certain of the Company's 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 Consumer Services.

See Note 17 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, 2023, the Company's restricted net assets associated with these asset limitations and minimum capital requirements totaled approximately \$

440
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.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis of Presentation

The financial statements in this Annual Report on Form 10-K are presented on a consolidated basis and include the accounts of the Company and its majority-owned subsidiaries. All significant intercompany transactions and accounts have been eliminated.

Consistent with industry practice, the accompanying 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.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America 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.

Principles of Consolidation

The Company consolidates financial results when it has a controlling financial interest in a subsidiary via voting rights or when it has both the power to direct the activities of an entity that most significantly impact the entity's economic performance and the ability to absorb losses or the right to receive benefits of the entity that could potentially be significant to the entity. The Company utilizes the equity method of accounting when it is able to exercise significant influence over an entity's operations, which generally occurs when the Company has an ownership interest between 20% and 50%.

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.

Shares excluded from the diluted earnings per share calculation were

9.7
million,

8.0
million, and

2.3

million for the years ended December 31, 2023, 2022, and 2021, respectively. The effect of these shares was anti-dilutive under the treasury stock method, as assumed proceeds of the options and restricted stock per unit were above the Company's average share price during the periods.

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

	Year Ended December 31,		
	2023	2022	2021
Basic weighted-average shares outstanding	370.8	387.2	406.8
Common stock equivalents	1.0	1.2	2.1
Diluted weighted-average shares outstanding	371.8	388.4	408.9

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Fair Value Measurements

The Company determines the fair values of its assets and liabilities that are recognized or disclosed at fair value in accordance with the hierarchy described below. The following three levels of inputs may be used to measure fair value:

- *Level 1* - Quoted prices in active markets for identical assets or liabilities.
- *Level 2* - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. For most of these assets, the Company utilizes pricing services that use multiple prices as inputs to determine daily market values.
- *Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include items where the determination of fair value requires significant management judgment or estimation. The Company holds assets classified as Level 3 that are recognized and disclosed at fair value on a non-recurring basis related to the Company's business combinations, where the values of the intangible assets and goodwill acquired in a purchase are derived utilizing one of the three recognized approaches: the market approach, the income approach, or the cost approach.

Carrying amounts for many of the Company's financial instruments, including cash and cash equivalents, settlement cash and cash equivalents, and settlement receivables and settlement obligations approximate fair value due to their short maturities. Available-for-sale investment securities, as further discussed in Notes 7 and 8, and derivative financial instruments, as further discussed in Notes 8 and 14, are carried at fair value. Fixed-rate notes are carried at their original issuance values and adjusted over time to amortize or accrete that value to par. The fair values of fixed-rate notes are disclosed in Note 8 and are based on market quotations.

The fair values of non-financial assets and liabilities related to the Company's business combinations, as applicable, will be disclosed in Note 4.

Business Combinations

The Company accounts for all business combinations where control over another entity is obtained using the acquisition method of accounting, which requires that most assets (both tangible and intangible), liabilities (including contingent consideration), and remaining noncontrolling interests be recognized at fair value at the date of acquisition. The excess of the purchase price over the fair value of assets less liabilities and noncontrolling interests is recognized as goodwill. Certain adjustments to the assessed fair values of the assets, liabilities, or noncontrolling interests made subsequent to the acquisition date, but within the measurement period, which is one year or less, are recorded as adjustments to goodwill. Any adjustments subsequent to the measurement period are recorded within Net income. Any cost or equity method interest that the Company holds in the acquired company prior to the acquisition is remeasured to fair value at acquisition with a resulting gain or loss recognized within Other expense, net for the difference between fair value and existing book value. Results of operations of the acquired company are included in the Company's results from the date of the acquisition forward and include amortization expense arising from acquired intangible assets. The Company expenses all costs as incurred related to or involved with an acquisition in Selling, general, and administrative expenses.

Cash and Cash Equivalents

Highly liquid investments (other than those included in settlement assets) with maturities of three months or less at the date of purchase (that are readily convertible to cash) are considered cash equivalents and are stated at cost, which approximates fair value.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company maintains cash and cash equivalent balances, which may include a portion in money market funds, with a group of globally diversified banks and financial institutions. The Company limits the concentration of its cash and cash equivalents with any one institution and regularly reviews investment concentrations and credit worthiness of these institutions.

Allowance for Credit Losses

For the Company's accounting policies with respect to the allowance for credit losses, refer to Note 7.

Settlement Assets and Obligations

Settlement assets represent funds received or to be received from agents and others 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. The Company has included the settlement assets and obligations related to the Business Solutions segment in the Assets held for sale and Liabilities associated with assets held for sale lines, respectively, of the Consolidated Balance Sheets as of December 31, 2022.

Settlement assets consist of cash and cash equivalents, receivables from agents and others, and investment securities. Cash received by Western Union agents generally becomes available to the Company within one week after initial receipt by the agent. Cash equivalents consist of short-term time deposits, commercial paper, and other highly liquid investments. Receivables from agents represent funds collected by such agents, but in transit to the Company. Western Union has a large and diverse agent base, thereby reducing the Company's credit risk from any one agent. The Company performs ongoing credit evaluations of its agents' financial condition and credit worthiness.

Receivables from Business Solutions customers arose from cross-currency payment transactions in the Business Solutions segment. Receivables occurred when funds were paid out to a beneficiary but were not yet received from the customer.

Settlement obligations consist of money transfer, money order and payment service payables, and payables to agents. Money transfer payables represent amounts to be paid to transferees when they request their funds. Most agents typically settle with transferees first and then obtain reimbursement from the Company. Money order payables represent amounts not yet presented for payment. Payment service payables represent amounts to be paid to utility companies, auto finance companies, mortgage servicers, financial service providers, government agencies, and others. Due to the agent funding and settlement process, payables to agents represent amounts due to agents for money transfers that have been settled with transferees.

Refer to Note 7 for additional details on the Company's settlement assets and obligations.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the lesser of the estimated life of the related assets (generally three to seven years for equipment and furniture and fixtures) or the lease term. Maintenance and repairs, which do not extend the useful life of the respective assets, are charged to expense as incurred.

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

Property and equipment consisted of the following (in millions):

	2023	December 31,	2022
Equipment	\$ 373.4	\$	464.6
Leasehold improvements	121.6		120.1
Furniture and fixtures	35.2		37.5
Projects in process			1.9
	—		
Total property and equipment, gross	530.2		624.1
Less accumulated depreciation	(438.8)		(513.8)
Property and equipment, net ^(a)	91.4		110.3
	\$	\$	

(a) As of December 31, 2022, Property and equipment, net included Assets held for sale of \$

0.7

million, which consisted of property and equipment of the Company's Business Solutions business, as further described in Note 4.

Amounts charged to expense for depreciation of property and equipment were \$

39.1
million, \$

42.7
million, and \$

49.6
million during the years ended December 31, 2023, 2022, and 2021, respectively.

Goodwill

Goodwill represents the excess of purchase price over the fair value of tangible and other intangible assets acquired less liabilities assumed, arising from business combinations. In the event a reporting unit's carrying amount exceeds its fair value, the Company recognizes an impairment charge for the amount by which the carrying amount of the reporting unit exceeds its fair value. The Company's annual impairment assessment did

no

identify any goodwill impairment during the years ended December 31, 2023, 2022, and 2021.

Other Intangible Assets

Other intangible assets primarily consist of contract costs (primarily amounts paid to agents in connection with establishing and renewing long-term contracts), software, and acquired contracts. Other intangible assets are generally amortized on a straight-line basis over the length of the contract or benefit period. Included in the Consolidated Statements of Income is amortization expense of \$

144.5
million, \$

141.1

million, and \$

158.6

million for the years ended December 31, 2023, 2022, and 2021, respectively.

The Company purchases and develops software that is used in providing services and in performing administrative functions. For developed software, the Company capitalizes the eligible costs (predominantly detailed design, development, and testing) incurred during the application development stage, and all other costs are expensed as incurred. Once the software is ready for its intended use, software development costs and purchased software are generally amortized over a term of three to seven years .

The Company capitalizes initial payments for new and renewed agent contracts to the extent recoverable through future operations or penalties in the case of early termination. The Company's accounting policy is to limit the amount of capitalized costs for a given contract to the lesser of the estimated future cash flows from the contract or the termination fees the Company would receive in the event of early termination of the contract.

Acquired contracts include customer and contractual relationships and networks of subagents that are recognized in connection with the Company's acquisitions.

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

The following table provides the components of other intangible assets (in millions):

		December 31, 2023		December 31, 2022	
	Weighted-Average Amortization Period (in years)	Initial Cost	Net of Accumulated Amortization	Initial Cost	Net of Accumulated Amortization
Capitalized contract costs	5.9	\$ 469.7	\$ 166.4	\$ 524.4	\$ 252.8
Internal use software	4.4	443.6	166.0	387.8	155.3
Acquired contracts	11.8	66.6	0.3	87.4	3.0
Acquired trademarks	25.4	30.1	8.4	30.2	9.6
Other intangibles	4.4	17.4	0.4	17.0	—
Projects in process	(a)	38.7	38.7	38.6	38.6
Total other intangible assets ^(b)	6.2	\$ 1,066.1	\$ 380.2	\$ 1,085.4	\$ 459.3

(a) Not applicable as the assets have not been placed in service.

(b) Total other intangible assets, net includes Assets held for sale of \$

1.4

million as of December 31, 2022, which consists of Other intangible assets associated with the Company's Business Solutions business as further described in Note 4.

The estimated future aggregate amortization expense for existing other intangible assets as of December 31, 2023 is expected to be \$

137.2

million in 2024, \$

90.5

million in 2025, \$

53.6

million in 2026, \$

36.0

million in 2027, \$

8.8

million in 2028, and \$

15.4

million thereafter.

Other intangible assets are reviewed for impairment on an annual basis or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. In such reviews, estimated undiscounted cash flows associated with these assets or operations are compared with their carrying values to determine if a write-down to fair value (normally measured by the present value technique) is required. The Company recorded approximately \$

million of impairments related to other intangible assets during the year ended December 31, 2023 and recorded immaterial impairments related to other intangible assets during the years ended December 31, 2022 and 2021.

Other Investments

Other investments consist of equity investments in privately-held companies that do not have readily determinable fair values. For these investments, the Company has less than a 20% interest and does not have control or significant influence. The Company has elected to measure these investments at cost less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment in the same issuer. These investments are reflected in Other assets in the Consolidated Balance Sheets as of December 31, 2023 and 2022. The Company has not recorded any material annual or cumulative impairment losses or valuation adjustments based on observable price changes.

Revenue Recognition

For the Company's accounting policies with respect to revenue recognition, refer to Note 3.

Cost of Services

Cost of services primarily consists of agent commissions and expenses for call centers, settlement operations, and related information technology costs. Expenses within these functions include personnel, software, equipment, telecommunications, bank fees, credit losses, depreciation, amortization, and other expenses incurred in connection with providing money transfer and other payment services.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Advertising Costs

Advertising costs are charged to operating expenses as incurred. Advertising costs for the years ended December 31, 2023, 2022, and 2021 were \$

186.7
million, \$

195.4
million, and \$

177.8
million, respectively.

Income Taxes

The Company accounts for income taxes under the liability method, which requires that deferred tax assets and liabilities be determined based on the expected future income tax consequences of events that have been recognized in the consolidated financial statements. Deferred tax assets and liabilities are recognized based on temporary differences between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse. The Company routinely assesses the realizability of its deferred tax assets. A valuation allowance must be established when, based upon available evidence, it is more likely than not that all or a portion of the deferred tax assets will not be realized.

The Company recognizes the tax benefits from uncertain tax positions only when it is more likely than not, based on the technical merits of the position, that the tax position will be sustained upon examination, including the resolution of any related appeals or litigation. The tax benefits recognized in the consolidated financial statements from such a position are measured as the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate resolution.

The Company accounts for the effects of global intangible low-taxed income taxed in the United States as a component of income tax expense in the period the tax arises.

Foreign Currency Translation

The United States dollar is the functional currency for substantially all of the Company's businesses. Revenues and expenses are generally translated at average exchange rates prevailing during the period. Foreign currency denominated assets and liabilities for those businesses for which the local currency is the functional currency are translated into United States dollars based on exchange rates at the end of the year. The effects of foreign exchange gains and losses arising from the translation of assets and liabilities of these businesses are included as a component of Accumulated other comprehensive loss ("AOCL") in the accompanying Consolidated Balance Sheets. Foreign currency denominated monetary assets and liabilities of businesses for which the United States dollar is the functional currency are remeasured based on exchange rates at the end of the period, and the resulting remeasurement gains and losses are recognized in net income. Non-monetary assets and liabilities of these operations are remeasured at historical rates in effect when the asset was recognized or the liability was incurred.

The Company has bill payment and other businesses in Argentina for which the local currency is the functional currency. However, as Argentina is currently classified as a highly inflationary economy, all changes in the value of the Argentine peso on these businesses' monetary assets and liabilities are reflected in net income.

Derivatives

The Company has used derivatives to minimize its exposures related to changes in foreign currency exchange rates and, periodically, interest rates. The Company recognizes all derivatives in the accompanying Consolidated Balance Sheets at their fair value. All cash flows associated with derivatives are included in Cash flows from operating activities in the Consolidated Statements of Cash Flows. Certain of the Company's derivative arrangements are designated as cash flow hedges at the time of inception, and others are not designated as accounting hedges.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- *Cash flow hedges* – Cash flow hedges consist of foreign currency hedging of forecasted revenues, as well as hedges of the forecasted issuance of fixed-rate debt. Derivative fair value changes that are captured in AOCL are reclassified to earnings in the same period the hedged item affects earnings when the instrument is effective in offsetting the change in cash flows attributable to the risk being hedged. The Company excludes time value from the assessment of effectiveness, and the initial value of the excluded components in the Company's foreign currency cash flow hedges is amortized into Revenues within the Consolidated Statements of Income.

- *Undesignated* - Derivative contracts entered into to reduce the foreign exchange variability related to: (i) money transfer settlement assets and obligations, generally with maturities from a few days up to one month, and (ii) certain foreign currency denominated cash and other asset and liability positions, typically with maturities of less than one year at inception, are not designated as hedges for accounting purposes, and changes in their fair value are included in Selling, general, and administrative. The Company aggregated its Business Solutions payments foreign currency exposures arising from customer contracts, including the derivative contracts described above, and hedged the resulting net currency risks by entering into offsetting contracts with Convera through the final closing of the Business Solutions divestiture on July 1, 2023. The derivatives written were part of the broader portfolio of foreign currency positions arising from the Company's cross-currency payment operations, which primarily included spot exchanges of currency in addition to forwards and options. The changes in the fair value related to these contracts were recorded in Revenues.

The fair value of the Company's derivatives is derived from standardized models that use market-based inputs (e.g., forward prices for foreign currency).

The details of each designated hedging relationship must be formally documented at the inception of the arrangement, including the risk management objective, hedging strategy, hedged item, specific risks being hedged, the derivative instrument, and how effectiveness is being assessed. The derivative must be highly effective in offsetting the changes in cash flows of the hedged item, and effectiveness is evaluated quarterly on a retrospective and prospective basis.

Legal Contingencies

The Company is a party to certain legal and regulatory proceedings with respect to a variety of matters. The Company records an accrual for these contingencies to the extent that a loss is both probable and reasonably estimable. If some amount within a range of loss is determined to be a better estimate than other amounts within the range, that amount is accrued. When no amount within a range of loss is determined to be a better estimate than any other amount, the lowest amount in the range is accrued.

Stock-Based Compensation

The Company has a stock-based compensation plan that provides for grants of Western Union stock options, restricted stock awards, restricted stock units, and deferred stock units to employees and non-employee directors of the Company.

All stock-based compensation to employees is required to be measured at fair value and expensed over the requisite service period. The Company generally recognizes compensation expense on awards on a straight-line basis over the requisite service period with an estimate for forfeitures. Refer to Note 16 for additional discussion regarding details of the Company's stock-based compensation plans.

Severance and Other Related Expenses

The Company records severance-related expenses once they are both probable and estimable in accordance with the provisions of the applicable accounting guidance for severance provided under an ongoing benefit arrangement. One-time involuntary benefit arrangements and other costs are generally recognized when the liability is incurred. The Company

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

also evaluates impairment issues associated with restructuring and other activities when the carrying amount of the related assets may not be fully recoverable, in accordance with the appropriate accounting guidance.

Accounting Pronouncements Not Yet Adopted

In November 2023, the Financial Accounting Standards Board issued a new accounting pronouncement regarding segment reporting. The standard requires that public entities expand reportable segment disclosures, primarily through enhanced disclosures about significant segment expenses. The Company is required to adopt the new standard for its 2024 annual reporting and effective January 1, 2025 for its interim reporting, using a retrospective approach. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's disclosures.

In December 2023, the Financial Accounting Standards Board issued a new accounting pronouncement regarding income tax disclosures. The standard requires that public entities disclose more consistent and detailed categories in their statutory to effective income tax rate reconciliations and further disaggregate income taxes paid by jurisdiction. The Company is required to adopt the new standard for its 2025 annual reporting, using a prospective approach. Management is currently evaluating the potential impact that the adoption of this standard will have on the Company's disclosures.

3. Revenue

The Company's revenues are primarily derived from consideration paid by customers to transfer money. These revenues vary by transaction based upon factors such as channel, send and receive locations, the principal amount sent, and the difference between the exchange rate set by the Company to the customer and a rate available in the wholesale foreign exchange market, when the money transfer involves different send and receive currencies. The Company also offers other services, including bill payment 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. The Company also provides services to financial institutions and other third parties to enable such entities to offer money transfer services to their own customers under their brands. Generally, in these arrangements, consumers agree to terms and conditions specified by the financial institution or other third party that, among other things, establish pricing paid by the consumer for the service. The Company recognizes revenue on a net basis under these arrangements. Revenue is recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Company recognized \$

4,158.0
million, \$

4,254.0
million, and \$

4,865.5

million in revenues from contracts with customers for the years ended December 31, 2023, 2022, and 2021, respectively. There were no material upfront costs incurred to obtain contracts with customers during these same periods. Under the Company's loyalty programs, which were 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 for the years ended December 31, 2023, 2022, and 2021, and the Company has immaterial contract liability balances as of December 31, 2023 and 2022, which primarily related to its customer loyalty programs and other services. Contract asset balances related to customers were also immaterial as of December 31, 2023 and 2022, 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 investment income generated on settlement assets primarily related to money transfer and money order services and impacts from the Company's foreign currency cash flow hedges.

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 Money Transfer segment, revenues from foreign exchange and payment services were included in the Company's Business Solutions segment, and revenues from consumer bill payment and other services were included in the Company's Consumer Services segment. See Note 17 for further information on the Company's segments. On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Group LLC, and the final closing for this transaction occurred on July 1, 2023. Accordingly, the Company will no longer report Business Solutions revenues and operating expenses after July 1, 2023. See Note 4 for further information regarding this transaction.

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: (i) the customer's acknowledgment of the Company's terms and conditions and payment information has been received by the Company, (ii) the Company has agreed to process the money transfer, and (iii) the Company has completed the processing of the money transfer, so that funds are available to be picked up in cash at a retail location or have been delivered to the account of 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 a 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

The Company's foreign exchange and payment services ceased after the divestiture of its Business Solutions business. For the Company's foreign exchange and payment services, customers agreed 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 made payments to the recipient to satisfy its performance obligation to the customer, and therefore, the Company recognized revenue on foreign exchange and payment services when this performance obligation had been fulfilled. Revenues from foreign exchange and payment services were primarily comprised of the difference between the exchange rate set by the Company to the customer and a rate available in the wholesale foreign exchange market.

Consumer Services

The Company offers bill payment and other services that vary by contractual features, including the types and amounts of fixed charges and with respect to how fees are billed and collected. The identification of the contract with the customer for revenue recognition purposes is consistent with these features for each of the Company's bill payment and other services. As with consumer money transfers, customers engage the Company to perform

one
integrated service — collect money from the consumer and process the transaction, thereby providing billers with real-time or near real-time information regarding consumer payments and simplifying the billers' collection efforts.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The substantial 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 years ended December 31, 2023, 2022, and 2021 (in millions). The regional split of revenue shown in the tables below is based upon where transactions are initiated.

	Year Ended December 31, 2023			
	Consumer Money Transfers	Foreign Exchange and Payment Services ^(b)	Consumer Services	Total
Regions:				
North America				
	1,469.7		138.3	1,608.0
	\$	\$	\$	\$
Europe and CIS				
	953.5	13.0	16.8	983.3
Middle East, Africa, and South Asia				
	829.4	—	0.4	829.8
Latin America and the Caribbean				
	419.2	—	102.6	521.8
East Asia and Oceania				
	215.1	—	—	215.1
Revenues from contracts with customers				
	3,886.9	13.0	258.1	4,158.0
	\$	\$	\$	\$
Other revenues ^(a)				
	118.1	16.7	64.2	199.0
Total revenues				
	4,005.0	29.7	322.3	4,357.0
	\$	\$	\$	\$

	Year Ended December 31, 2022			
	Consumer Money Transfers	Foreign Exchange and Payment Services ^(b)	Consumer Services	Total
Regions:				
North America				
	1,553.2	17.9	129.5	1,700.6
	\$	\$	\$	\$
Europe and Russia/CIS				
	1,056.0	102.3	21.1	1,179.4
Middle East, Africa, and South Asia				
	630.5	0.4	0.4	631.3

Latin America and the Caribbean				
	388.0	0.5	108.2	496.7
East Asia and Oceania				
	233.0	12.5	0.5	246.0
Revenues from contracts with customers				
	3,860.7	133.6	259.7	4,254.0
Other revenues ^(a)	\$	\$	\$	\$
	132.8	63.3	25.4	221.5
Total revenues				
	3,993.5	196.9	285.1	4,475.5
	\$	\$	\$	\$

	Year Ended December 31, 2021			
	Consumer Money Transfers	Foreign Exchange and Payment Services	Consumer Services	Total
Regions:				
North America				
	1,625.7	101.8	130.4	1,857.9
	\$	\$	\$	\$
Europe and Russia/CIS				
	1,381.3	145.5	6.9	1,533.7
Middle East, Africa, and South Asia				
	660.8	2.2	0.6	663.6
Latin America and the Caribbean				
	376.6	3.4	83.1	463.1
East Asia and Oceania				
	276.5	69.6	1.1	347.2
Revenues from contracts with customers				
	4,320.9	322.5	222.1	4,865.5
Other revenues ^(a)	\$	\$	\$	\$
	73.1	99.3	32.9	205.3
Total revenues				
	4,394.0	421.8	255.0	5,070.8
	\$	\$	\$	\$

(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, impacts from the Company's foreign currency cash flow hedges, and other sources.

(b) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC. The first closing occurred on March 1, 2022, the second occurred on December 31, 2022, and the final closing occurred on July 1, 2023. See Note 4 for further information regarding this transaction.

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

4. Divestitures, Investment Activities, and Goodwill

Business Solutions Divestiture

On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC for cash consideration of \$

910.0
million. The sale was completed in

three
closings, with the entire cash consideration collected at the first closing and allocated to the closings on a relative fair value basis. The first closing occurred on March 1, 2022, excluded the operations in the European Union and the United Kingdom, and resulted in a gain of \$

151.4
million. In connection with the first closing, the Company reclassified \$

17.8
million of currency translation gains previously included within AOCL as a component of Gain on divestiture of business in the Consolidated Statements of Income. The second closing, which occurred on December 31, 2022 and included the United Kingdom operations, resulted in a gain of \$

96.9
million. As of December 31, 2022, the Company classified the proceeds allocated to the European Union operations of approximately \$

104
million within Other liabilities in the Consolidated Balance Sheets. The final closing occurred on July 1, 2023, included the European Union operations, and resulted in a gain of \$

18.0
million. During the period between the first and final closings, the Company was required to pay the Buyer a measure of profit of the European Union and United Kingdom operations, while owned by the Company, adjusted for the occupancy charges for employees of the Buyer using Company facilities and other items, as contractually agreed, which was \$

2.7
million and \$

32.0
million for the years ended December 31, 2023 and 2022, respectively, and was included in Other expense, net in the Consolidated Statements of Income. The related income tax expense on this income was also passed to the Buyer.

Business Solutions revenues included in the Consolidated Statements of Income were \$

29.7
million, \$

196.9
million, and \$

421.8
million, and direct operating expenses, excluding corporate allocations, were \$

26.1
million, \$

140.3
million, and \$

317.7
million for the years ended December 31, 2023, 2022, and 2021, respectively. Divestiture costs directly associated with this transaction were \$

1.1
million, \$

5.2
million, and \$

14.4
million for the years ended December 31, 2023, 2022, and 2021, respectively.

The following table reflects the assets held for sale and associated liabilities of the Business Solutions business in the accompanying Consolidated Balance Sheets (in millions).

Cash and cash equivalents	5.2
	\$
Settlement assets	74.9
Property and equipment, net of accumulated depreciation of \$	
1.0	0.7
Goodwill	61.4
Other intangible assets, net of accumulated amortization of \$	
9.8	1.4
Other assets	118.0
Total assets	261.6
	\$
Accounts payable and accrued liabilities	18.2
	\$
Settlement obligations	74.9
Other liabilities	89.4
Total liabilities	182.5
	\$

Investment Activities

The Company entered into an agreement in November 2020, which was subsequently amended, to acquire an ownership interest in stc Bank (formerly Saudi Digital Payments Company), a subsidiary of Saudi Telecom Company and one of the Company's Consumer Money Transfer digital white label partners. Under the terms of the amended agreement, the Company agreed to invest \$

200.0
million for a

15

% ownership in stc Bank ("Investment"), and this transaction closed in October 2021. In conjunction with the Investment, the Company and stc Bank extended and expanded the terms of their

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

commercial agreement. The Company assigned a value of \$

36.0

million to certain rights under the commercial agreement that are included in Other assets in the Consolidated Balance Sheets and are being amortized over the life of the agreement. During the fourth quarter of 2023, the majority shareholder communicated that it will make an additional equity contribution at the same per share price as the Company's carrying value of the Investment, which would dilute the Company's ownership to

12.4

%. The Company is measuring the Investment at cost, less any impairment, adjusted for any changes resulting from observable price changes in orderly transactions for identical or similar investments in stc Bank.

In April 2021, the Company sold a substantial majority of the noncontrolling interest it held in a private company for cash proceeds of \$

50.9

million. The Company recorded a gain of \$

47.9

million within Total other income/(expense), net, during the year ended December 31, 2021. The Company retains an immaterial equity interest in this private company.

Goodwill

The following tables present changes to goodwill for the years ended December 31, 2023 and 2022 and the accumulated impairment losses as of December 31, 2023, 2022, and 2021 (in millions):

	Consumer Money Transfer	Business Solutions ^(a)	Consumer Services	Total
January 1, 2022 goodwill, net				
	\$ 1,980.7	\$ 532.0	\$ 53.9	\$ 2,566.6
Additions	—	—	—	—
Divestiture ^(a)	—	(470.6)	—	(470.6)
December 31, 2022 goodwill, net				
	\$ 1,980.7	\$ 61.4	\$ 53.9	\$ 2,096.0
Additions	—	—	—	—
Divestiture ^(a)	—	(61.4)	—	(61.4)
December 31, 2023 goodwill, net				
	\$ 1,980.7	\$ —	\$ 53.9	\$ 2,034.6

(a) Related to the Business Solutions divestiture, as described above.

	2023	As of December 31, 2022	2021
Goodwill, gross			
	\$ 2,034.6	\$ 2,125.6	\$ 3,030.6
Accumulated impairment losses	—	(29.6)	(464.0)

Goodwill, net ^(a)				
		2,034.6	2,096.0	2,566.6
	\$	\$	\$	

(a) As of December 31, 2022, Goodwill of \$

61.4 million related to the Company's Business Solutions business was included in Assets held for sale on the Company's Consolidated Balance Sheets, as further described above. All of the Company's accumulated impairment losses related to the Business Solutions business.

The Company did

no

t record any goodwill impairments during the years ended December 31, 2023, 2022, and 2021.

5. Commitments and Contingencies

Letters of Credit and Bank Guarantees

The Company had approximately \$ 150 million in outstanding letters of credit and bank guarantees as of December 31, 2023, which were primarily held in connection with regulatory requirements, lease arrangements, and certain agent agreements. The Company expects to renew many of its letters of credit and bank guarantees prior to expiration.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 material loss or additional material losses may have been incurred. The Company also evaluates 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 \$

30

million as of December 31, 2023. For the remaining matters, management is unable to provide a meaningful estimate of the possible loss or range of loss because, among other reasons: (i) the proceedings are in preliminary stages; (ii) specific damages have not been sought; (iii) damage claims are unsupported and/or unreasonable; (iv) there is uncertainty as to the outcome of pending appeals or motions; (v) there are significant factual issues to be resolved; or (vi) 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, 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.

Legal Matters

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 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.

In December 2022, a purported class action complaint was filed against several money transfer business defendants, including the Company, in the United States District Court for the Northern District of California, alleging that these defendants violated the federal Right to Financial Privacy Act and California's Financial Information Privacy Act. The United States Department of Homeland Security and Immigration and Customs Enforcement are also named as defendants. The operative complaint alleges that the defendants violated plaintiffs' financial privacy rights by sharing private financial information with law enforcement agencies through a program coordinated by the Transaction Record Analysis Center. On January 24, 2023, an amended complaint was filed naming the Company's subsidiary Western Union Financial Services, Inc. ("WUFSI") as a defendant in place of The Western Union Company. Due to the preliminary stage of this matter, the ultimate outcome and any potential financial impact to the Company cannot be reasonably determined at this time. WUFSI intends to defend itself vigorously in this matter.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In late 2017, three individuals filed a lawsuit against certain alleged Western Union entities (collectively, the "Defendants") in the Commercial Court in Kinshasa-Gombe in the Democratic Republic of the Congo ("DRC"), which was later joined by three additional individuals. These

six individuals (the "Plaintiffs"), including current and/or former DRC government officials, claim that their privacy rights were violated and sought €

22.4 million in damages. In 2018, the Commercial Court in Kinshasa-Gombe entered a judgment against the Defendants in the amount of €

10.5 million (\$

11.6 million as of December 31, 2023). In 2019, the Commercial Court in Kinshasa-Gombe entered a judgment against The Western Union Company ("TWUC") in the amount of €

9 million (\$

10.0 million as of December 31, 2023). The business in the DRC is operated through independent agents. No Western Union entity has a presence in the country. The Plaintiffs have previously sought and may continue to attempt to seize funds from the Company's independent agents in the DRC to satisfy the judgments. The Defendants have learned that certain challenges to the judgments have been denied. The Defendants and TWUC intend to continue to challenge both judgments and defend themselves vigorously in these matters.

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.

6. 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 years ended December 31, 2023, 2022, and 2021 totaled \$

45.4 million, \$

48.8 million, and \$

54.7 million, respectively.

7. Settlement Assets and Obligations

Settlement assets represent funds received or to be received from agents and others 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. As of December 31, 2022, settlement assets and obligations also included amounts receivable from, and payable to, customers for the value of their cross-currency payment transactions related to the Business Solutions segment.

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

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

	December 31, 2023
Settlement assets:	
Cash and cash equivalents	496.0
	\$
Receivables from agents and others	1,748.3
Less: Allowance for credit losses	(15.4)
Receivables from agents and others, net	1,732.9
Investment securities	1,458.2
Less: Allowance for credit losses	(0.1)
Investment securities, net	1,458.1
Total settlement assets	3,687.0
	\$
Settlement obligations:	
Money transfer, money order, and payment service payables	2,764.5
	\$
Payables to agents	922.5
Total settlement obligations	3,687.0
	\$
	December 31, 2022
Settlement assets:	
Cash and cash equivalents	708.1
	\$
Receivables from agents, Business Solutions customers, and others	1,533.2
Less: Allowance for credit losses	(13.0)
Receivables from agents, Business Solutions customers, and others, net	1,520.2
Investment securities	1,333.7

Less: Allowance for credit losses	(
	0.3
)
Investment securities, net	
	1,333.4
Total settlement assets ^(a)	
	3,561.7
	\$
Settlement obligations:	
Money transfer, money order, and payment service payables	
	2,843.3
	\$
Payables to agents	
	718.4
Total settlement obligations ^(a)	
	3,561.7
	\$

(a) As of December 31, 2022, both Settlement assets and Settlement obligations include \$

74.9

million, classified as Assets held for sale and Liabilities associated with assets held for sale (see Note 4).

Allowance for Credit Losses

Receivables from agents and others primarily represent funds collected by such agents, but in transit to the Company, and were \$

1,732.9

million and \$

1,508.5

million as of December 31, 2023 and 2022, respectively. Cash received by Western Union agents generally becomes available to the Company within one week after initial receipt by the agent. Western Union has a large and diverse agent base, thereby reducing the credit risk of the Company from any one agent. The Company performs ongoing credit evaluations of its agents' financial condition and credit worthiness.

Receivables from Business Solutions customers arose from cross-currency payment transactions in the Business Solutions segment. Business Solutions receivables totaled \$

11.7

million as of December 31, 2022. Receivables occurred when funds were paid out to a beneficiary but were not yet received.

The Company establishes and monitors an allowance for credit losses related to receivables from agents and others. The Company has estimated the allowance based on its historical collections experience, adjusted for current conditions and forecasts of future economic conditions based on information known as of December 31, 2023.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables summarize the activity in the allowance for credit losses on receivables from agents and others, and Business Solutions customers (in millions):

	Agents and Others	Business Solutions Customers
Allowance for credit losses as of January 1, 2023	11.4	1.6
	\$	\$
Current period provision for expected credit losses ^(a)	19.4	1.4
Write-offs charged against the allowance	((
	27.3	3.1
))
Recoveries of amounts previously written off	13.9	—
Impacts of foreign currency exchange rates, divestitures, and other	((
	2.0	0.1
))
Allowance for credit losses as of December 31, 2023	15.4	—
	\$	\$
	Agents and Others	Business Solutions Customers
Allowance for credit losses as of January 1, 2022	18.0	5.7
	\$	\$
Current period provision for expected credit losses ^(a)	14.1	3.8
Write-offs charged against the allowance	((
	20.9	1.5
))
Recoveries of amounts previously written off	4.7	—
Impacts of foreign currency exchange rates, divestitures, and other	((
	4.5	6.4
))
Allowance for credit losses as of December 31, 2022	11.4	1.6
	\$	\$
	Agents and Others	Business Solutions Customers
Allowance for credit losses as of January 1, 2021	49.3	3.9
	\$	\$
Current period provision for expected credit losses ^(a)	8.9	4.2
Write-offs charged against the allowance	((
	44.8	2.1
))

Recoveries of amounts previously written off

	6.8	—
Impacts of foreign currency exchange rates and other	((
	2.2	0.3
))
Allowance for credit losses as of December 31, 2021		
	18.0	5.7
	\$	\$

(a) Provision does not include losses from chargebacks or fraud associated with transactions initiated through the Company's digital channels, as these losses are not credit-related. The Company recognized losses that were not credit-related of \$

42.2
million, \$

37.5
million, and \$

51.4
million for the years ended December 31, 2023, 2022, and 2021 , respectively.

In addition, from time to time, the Company has made advances to its agents and disbursement partners . The Company often owes settlement funds payable to these agents that offset these advances. These amounts advanced to agents and disbursement partners are included within Other assets in the accompanying Consolidated Balance Sheets. As of December 31, 2023 and 2022, amounts advanced to agents and disbursement partners were \$

188.5
million and \$

154.9
million, respectively, and the related allowances for credit losses were immaterial.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Investment Securities

Investment securities included in Settlement assets in the Company's 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. Investment securities are exposed to market risk due to changes in interest rates and credit risk. 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 regulatory requirements.

The Company's investment securities are classified as available-for-sale and recorded at fair value. Western Union regularly monitors credit risk and attempts to mitigate its exposure by investing in highly-rated securities and through investment diversification.

Unrealized gains on available-for-sale securities are excluded from earnings and presented as a component of accumulated other comprehensive loss, net of related deferred taxes. Available-for-sale securities with a fair value below the amortized cost basis are evaluated on an individual basis to determine whether the impairment is due to credit-related factors or noncredit-related factors. Factors that could indicate a credit loss exists include but are not limited to: (i) negative earnings performance, (ii) credit rating downgrades, or (iii) adverse changes in the regulatory or economic environment of the asset. Any impairment that is not credit-related is excluded from earnings and presented as a component of accumulated other comprehensive loss, net of related deferred taxes, unless the Company intends to sell the impaired security or it is more likely than not that the Company will be required to sell the security before recovering its amortized cost basis. Credit-related impairments are recognized immediately as an adjustment to earnings, regardless of whether the Company has the ability or intent to hold the security to maturity, and are limited to the difference between fair value and the amortized cost basis. As of December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022, and 2021, the Company's allowance for credit losses and provision for credit losses on its available-for-sale securities were immaterial.

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

	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Net Unrealized Gains/(Losses)
December 31, 2023					
Settlement assets:					
Cash and cash equivalents:					
Money market funds					
	\$ 11.8	\$ 11.8	\$ —	\$ —	\$ —
Available-for-sale securities:					
State and municipal debt securities ^(a)				((
	1,049.3	1,011.4	8.7	46.6	37.9
))
Asset-backed securities					
	194.5	195.7	1.2	—	1.2
Corporate debt securities				((
	155.2	152.2	1.5	4.5	3.0
))
State and municipal variable-rate demand notes					
	86.8	86.8	—	—	—
United States government agency mortgage-backed securities				((
	12.6	12.1	—	0.5	0.5
))
Total available-for-sale securities				((
	1,498.4	1,458.2	11.4	51.6	40.2
))
Total investment securities				((
	\$ 1,510.2	\$ 1,470.0	\$ 11.4	\$ 51.6	\$ 40.2
))

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

December 31, 2022	Amortized Cost	Fair Value	Gross Unrealized Gains	Gross Unrealized Losses	Net Unrealized Gains/(Losses)
Settlement assets:					
Cash and cash equivalents:					
Money market funds					
	\$ 11.7	\$ 11.7	\$ —	\$ —	\$ —
Available-for-sale securities:					
State and municipal debt securities ^(a)				((
	1,010.5	933.3	0.3	77.5	77.2
))
Asset-backed securities				(
	183.4	184.1	0.8	0.1	0.7
)	
Corporate debt securities				((
	153.5	146.9	0.3	6.9	6.6
))
State and municipal variable-rate demand notes					
	48.9	48.9	—	—	—
United States government agency mortgage-backed securities				((
	21.5	20.5	—	1.0	1.0
))
Total available-for-sale securities				((
	1,417.8	1,333.7	1.4	85.5	84.1
))
Total investment securities				((
	1,429.5	1,345.4	1.4	85.5	84.1
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

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

The following summarizes investment securities that were in an unrealized loss position as of December 31, 2023, by the length of time the securities were in a continuous loss position (in millions):

Less Than One Year	Number of Securities	Fair Value	Unrealized Losses
State and municipal debt securities		\$	(
	27	84.6	0.4
			\$
One Year or Greater	Number of Securities	Fair Value	Unrealized Losses
State and municipal debt securities		\$	(
	267	572.2	46.2
			\$
)
	14	52.2	4.5
Corporate debt securities			
United States government agency mortgage-backed securities			(
	10	11.5	0.5

As noted above, the Company's provision for credit losses on its investment securities for the year ended December 31, 2023 and the related allowance for credit losses as of December 31, 2023 were immaterial, as the unrealized losses were driven by a rise in U.S. Treasury interest rates. As of December 31, 2023, the Company did not intend to sell its securities in an unrealized loss position and did not expect it would be required to sell these securities prior to recovering their amortized cost basis.

The following summarizes the contractual maturities of available-for-sale securities within Settlement assets as of December 31, 2023 (in millions):

	Fair Value
Due within 1 year	
	\$ 99.7
Due after 1 year through 5 years	
	606.0
Due after 5 years through 10 years	
	395.5
Due after 10 years	
	357.0
Total	
	\$ 1,458.2

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 \$

86.8 million are included in the "Due after 10 years" category in the table above.

8. 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. Refer to Note 2 for additional information on how the Company measures fair value.

The following tables present the Company's assets and liabilities which are measured at fair value on a recurring basis, by balance sheet category (in millions):

December 31, 2023	Fair Value Measurement Using Level 1	Fair Value Measurement Using Level 2	Total Fair Value
Assets:			
Settlement assets:			
Measured at fair value through net income:			
Money market funds	\$ 11.8	\$ —	\$ 11.8
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):			
State and municipal debt securities	—	1,011.4	1,011.4
Asset-backed securities	—	195.7	195.7
Corporate debt securities	—	152.2	152.2
State and municipal variable-rate demand notes	—	86.8	86.8
United States government agency mortgage-backed securities	—	12.1	12.1
Other assets:			
Derivatives	—	10.8	10.8
Total assets	<u>\$ 11.8</u>	<u>\$ 1,469.0</u>	<u>\$ 1,480.8</u>
Liabilities:			
Other liabilities:			
Derivatives	\$ —	\$ 17.4	\$ 17.4
Total liabilities	<u>\$ —</u>	<u>\$ 17.4</u>	<u>\$ 17.4</u>

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

December 31, 2022	Fair Value Measurement Using Level 1	Level 2	Total Fair Value
Assets:			
Settlement assets:			
Measured at fair value through net income:			
Money market funds	\$ 11.7	\$ —	\$ 11.7
Measured at fair value through other comprehensive income (net of expected credit losses recorded through net income):			
State and municipal debt securities	—	933.3	933.3
Asset-backed securities	—	184.1	184.1
Corporate debt securities	—	146.9	146.9
State and municipal variable-rate demand notes	—	48.9	48.9
United States government agency mortgage-backed securities	—	20.5	20.5
Other assets:			
Derivatives	—	126.1	126.1
Total assets	\$ 11.7	\$ 1,459.8	\$ 1,471.5
Liabilities:			
Other liabilities:			
Derivatives	\$ —	\$ 98.9	\$ 98.9
Total liabilities	\$ —	\$ 98.9	\$ 98.9

There were no material, non-recurring fair value adjustments for the year ended December 31, 2023 other than approximately \$

12 million of impairments primarily related to software no longer in use and property and equipment. There were no material, non-recurring fair value adjustments other than approximately \$

15 million of operating lease ROU asset, property and equipment, and other intangible asset impairments associated with the Company's suspension of its operations in Russia and Belarus, the first closing of its Business Solutions divestiture, and its operating expense redeployment initiatives for the year ended December 31, 2022, as discussed further in Note 17. There were no transfers between Level 1 and Level 2 measurements during the years ended December 31, 2023 and 2022.

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 obligations approximate fair value due to their short maturities. The Company's borrowings are classified as Level 2 within the valuation hierarchy, and the aggregate fair value of these borrowings was based on quotes from multiple banks. Fixed-rate notes are carried in the Company's Consolidated Balance Sheets at their original issuance values as adjusted over time to amortize or accrete that value to par. As of December 31, 2023, the carrying value and fair value of the Company's borrowings were \$

2,504.6

million and \$

2,419.0

million, respectively (see Note 15). As of December 31, 2022, the carrying value and fair value of the Company's borrowings were \$

2,616.8

million and \$

2,442.5

million, respectively.

In 2022, the Company entered into reverse repurchase agreements, a form of secured lending, with broker-dealer affiliates of large U.S. banks, using a portion of the proceeds from the sale of the Company's Business Solutions business. These agreements required the counterparties to pledge marketable securities with a value greater than the amount of cash transferred as collateral, which was held and valued by a third-party custodial bank. These investments generated interest income through the date of repurchase, at which point the purchase price together with the interest due was paid back to the Company. The Company has fully redeemed these investments as of December 31, 2023. As of December 31, 2022, the carrying value of these investments, as reported in Other assets in the Company's Consolidated Balance Sheets, was \$

100.0

million, which approximated fair value due to the creditworthiness of the counterparty, the value of the collateral, and the investments' short-term nature and variable interest rate.

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

9 . Other Assets and Other Liabilities

The following table summarizes the components of Other assets and Other liabilities (in millions):

	2023	December 31,	2022
Other assets:			
Amounts advanced to agents and disbursement partners	\$ 188.5	\$ 154.9	
Other investments ^(a)	169.2	169.5	
ROU assets	126.6	122.4	
Prepaid expenses	91.9	94.7	
Equity method investments	41.2	41.4	
Derivatives	10.8	126.1	
Reverse repurchase agreements			100.0
Other	108.8	168.9	
Total other assets ^(b)	\$ 737.0	\$ 977.9	
Other liabilities:			
Operating lease liabilities	162.3	161.3	
Agent deposits	46.9	43.5	
Derivatives	17.4	98.9	
Accrued agent contract costs	2.3	37.4	
Deferred proceeds - Business Solutions divestiture (Note 4)			104.3
Other	39.2	28.6	
Total other liabilities ^(b)	\$ 268.1	\$ 474.0	

(a) Represents equity investments without readily determinable fair values recorded at cost less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment in the same issuer.

(b) As of December 31, 2022, Other assets included \$

118.0

million classified as Assets held for sale, and Other liabilities included \$

89.4

million classified as Liabilities associated with assets held for sale (see Note 4).

10. Income Taxes

The components of pre-tax income, generally based on the jurisdiction of the legal entity, were as follows (in millions):

	2023	Year Ended December 31, 2022	2021
Domestic	(((
	40.0	46.8	59.9
	\$)	\$)	\$)
Foreign			
	785.8	961.8	995.3
Total pre-tax income			
	745.8	1,008.6	935.4
	\$	\$	\$

For the years ended December 31, 2023, 2022, and 2021,

105

%,

95

% and

106

% of the Company's pre-tax income was derived from foreign sources, respectively.

The provision for income taxes was as follows (in millions):

	2023	Year Ended December 31, 2022	2021
Federal	(((
	18.5	34.0	40.3
	\$)	\$)	\$)
State and local			
	2.0	8.0	1.4
)	
Foreign			
	99.3	140.0	87.9
Total provision for income taxes			
	119.8	98.0	129.6
	\$	\$	\$

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's effective tax rates differed from statutory rates as follows:

	Year Ended December 31,		
	2023	2022	2021
Federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefits	(0.3 %)	(0.1 %)	(0.2 %)
Foreign rate differential, net of United States tax paid on foreign earnings (3.0 %, 4.6 %, and 3.3 %, respectively)	(8.5 %)	(8.3 %)	(9.5 %)
Divestitures	0.5 %	5.6 %	— %
Change in Business Solutions permanent reinvestment assertion	— %	— %	1.9 %
Lapse of statute of limitations	(0.8 %)	(9.7 %)	(0.5 %)
Valuation allowances	0.7 %	0.2 %	— %
Uncertain tax positions	2.3 %	0.7 %	1.7 %
Other	0.6 %	1.7 %	0.9 %
Effective tax rate	16.1 %	9.7 %	13.9 %

The increase in the Company's effective tax rate for the year ended December 31, 2023 compared to the prior year was primarily due to the reversal of uncertain tax positions in the prior year, including from statute of limitations expirations and the completion of the examination of the Company's federal income tax returns for 2017 and 2018, partially offset by the effects of the sale of the Business Solutions business. The decrease in the Company's effective tax rate for the year ended December 31, 2022 compared to the prior year was primarily due to the reversal of uncertain tax positions, including from statute of limitations expirations and the completion of the examination of the Company's federal income tax returns for 2017 and 2018 ("IRS Examination"), as well as tax expense incurred in the prior period related to changes in the Company's permanent reinvestment assertions, partially offset by the sale of the Company's Business Solutions business and the Company's decision to suspend its operations in Russia and Belarus.

In addition to the items included in the reconciliation of the Company's comparable effective tax rate, in the fourth quarter of 2023, the Company concluded steps to eliminate certain intercompany financing subsidiaries. The steps resulted in cancellation of certain intercompany debts which were offset by utilization of net operating losses that prior to fourth quarter of 2023 were determined to have a remote possibility of realization, subject to full valuation allowance. There was no net tax effect of these steps.

The Company's provision for income taxes consisted of the following components (in millions):

	Year Ended December 31,		
	2023	2022	2021
Current:			

Federal		(
	\$	30.6	\$	17.1
State and local)	\$	43.9
		(
		2.7		4.6
Foreign)		4.3
		97.5		146.4
				84.0
Total current taxes				
		130.8		124.7
				132.2
Deferred:				
Federal		(((
		12.1		16.9
)		3.6
State and local		(((
		0.7		3.4
)		2.9
Foreign			(
		1.8		6.4
)		3.9
Total deferred taxes		(((
		11.0		26.7
)		2.6
	\$	119.8	\$	98.0
			\$	129.6

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred tax assets and liabilities are recognized for the expected tax consequences of temporary differences between the book and tax bases of the Company's assets and liabilities. The following table outlines the principal components of deferred tax items (in millions):

	2023	December 31, 2022
Deferred tax assets related to:		
Reserves, accrued expenses and employee-related items	\$ 17.5	\$ 12.4
Lease liabilities	19.2	18.4
Tax attribute carryovers	29.9	24.9
Intangibles, property and equipment	8.0	9.0
Deferred benefits of uncertain tax positions	10.0	—
Securities and investments	8.4	14.7
Other	2.0	3.7
Valuation allowance	(18.5)	(14.1)
Total deferred tax assets	76.5	69.0
Deferred tax liabilities related to:		
Intangibles, property and equipment	203.8	207.7
Lease right-of-use assets	12.3	10.8
Total deferred tax liabilities	216.1	218.5
Net deferred tax liability ^(a)	\$ 139.6	\$ 149.5

a) As of December 31, 2023 and 2022, deferred tax assets that cannot be fully offset by deferred tax liabilities in the respective tax jurisdictions of \$

8.0

million and \$

9.0

million, respectively, are reflected in Other assets in the Consolidated Balance Sheets.

Deferred tax assets for tax attribute carryovers and valuation allowance included in the above table exclude the impact of tax attribute carryovers determined to have a remote possibility of realization.

The valuation allowances are primarily the result of uncertainties regarding the Company's ability to recognize tax benefits associated with certain United States foreign tax credit carryforwards and certain foreign and state net operating losses. Such uncertainties include generating sufficient United States foreign tax credit limitation related to passive income and generating sufficient income. Changes in circumstances, or the identification and implementation of relevant tax planning strategies, could make it foreseeable that the Company will recover these deferred tax assets in the future, which could lead to a reversal of these valuation allowances and a reduction in income tax expense.

Outside tax basis differences of \$

1.3

billion as of December 31, 2023 primarily relate to undistributed foreign earnings not already subject to United States income tax and additional outside basis difference inherent in certain entities. To the extent such outside basis differences are attributable to undistributed earnings not already subject to United States tax, such undistributed earnings continue to be indefinitely reinvested in foreign operations. Upon the future realization of the Company's basis difference, the Company could be subject to United States income taxes, state income taxes, and possible withholding taxes payable to various foreign countries. However, determination of this amount of unrecognized deferred tax liability is not practicable because of complexities associated with its hypothetical calculation.

Tax reform legislation enacted into United States law in 2017 ("the Tax Act") imposed a domestic one-time tax on the Company's previously undistributed earnings of foreign subsidiaries, with certain exceptions. This tax charge, combined with the Company's other 2017 United States taxable income and tax attributes, resulted in a 2017 United States federal tax liability of approximately \$

800

million, of which approximately \$

358

million remained as of December 31, 2023. The Company has elected to pay this liability in periodic installments through 2025. For the years ended December 31, 2023, 2022, and 2021, the Company made installment payments of \$

119.5

million, \$

63.7

million, and \$

63.4

million, respectively.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Uncertain Tax Positions

The Company has established contingency reserves for a variety of material, known tax exposures. As of December 31, 2023, the total amount of tax contingency reserves was \$

244.8

million, including accrued interest and penalties, net of related items. 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 in facts and circumstances (i.e., new information) surrounding a tax issue during the period 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 Consolidated Balance Sheets. A reconciliation of the beginning and ending amount of unrecognized tax benefits, excluding interest and penalties and before offset of related items, is as follows (in millions):

	2023	2022
Balance as of January 1	270.5	344.6
	\$	\$
Increase related to current period tax positions ^(a)	0.4	1.6
Increase related to prior period tax positions	2.7	—
Decrease related to prior period tax positions	(0.5)	(16.5)
Decrease due to settlements with taxing authorities	—	(2.2)
Decrease due to lapse of applicable statute of limitations	(3.7)	(55.0)
Decrease due to effects of foreign currency exchange rates	—	(2.0)
Balance as of December 31	269.4	270.5
	\$	\$

(a) Includes recurring accruals for issues which initially arose in previous periods .

The total amount of unrecognized tax benefits that, if recognized, would affect the effective tax rate was \$

259.5

million and \$

260.1

million as of December 31, 2023 and 2022, respectively, excluding interest and penalties.

The Company recognizes interest and penalties with respect to unrecognized tax benefits in Provision for income taxes in its Consolidated Statements of Income and records the associated liability in Income taxes payable in its Consolidated Balance Sheets. The Company recognized \$

14.7

million, \$(

10.9

) million, and \$

4.4

million in interest and penalties during the years ended December 31, 2023, 2022, and 2021, respectively. The Company has accrued \$

40.7
million and \$

21.0
million for the payment of interest and penalties as of December 31, 2023 and 2022, respectively.

The unrecognized tax benefits accrual as of December 31, 2023 consists of federal, state, and foreign tax matters. It is reasonably possible that the Company's total unrecognized tax benefits could decrease by up to approximately \$

250
million during the next 12 months in connection with various matters which may be resolved.

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 tax filings are subject to examination by U.S. federal, state, and various non-United States jurisdictions. The conclusion of the IRS Examination resulted in both agreed and unagreed adjustments. The agreed adjustments were reflected in the Company's financial statements for the year ended December 31, 2022. The Company is contesting the unagreed adjustments at the IRS Appeals level and believes its reserves for these proposed adjustments are adequate. The statute of limitations for the U.S. federal

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

income tax returns for 2017 and 2018 has been extended to March 31, 2025. The Company's U.S. federal income tax returns since 2020 are also eligible to be examined.

11. Employee Benefit Plans

Defined Contribution Plans

The Company administers several defined contribution plans in various countries globally, including The Western Union Company Incentive Savings Plan (the "401(k)"), which covers eligible employees on the United States payroll. Such plans have vesting and employer contribution provisions that vary by country. In addition, the Company sponsors a non-qualified deferred compensation plan for a select group of highly compensated United States employees. The plan provides tax-deferred contributions and the restoration of Company contributions otherwise limited under the 401(k). The aggregate amount charged to expense in connection with all of the above plans was \$

11.3
million, \$

13.6
million, and \$

17.8
million for the years ended December 31, 2023, 2022, and 2021, respectively.

Defined Benefit Plan

On July 22, 2021, the Company's Board of Directors approved a plan to terminate and settle the Company's frozen defined benefit pension plan (the "Plan"). Upon settlement in the fourth quarter of 2021, the Company transferred Plan assets to an insurance company that will provide for and pay the remaining benefits to participants.

The Company incurred \$

109.8
million of charges associated with this settlement in the year ended December 31, 2021. The pre-tax balance in AOCL associated with the Plan, along with costs related to the settlement, were recorded as a component of Total other income/(expense), net, with the related income tax effects recorded in Provision for income taxes, in the Consolidated Statements of Income.

The net periodic benefit cost associated with the Plan was \$

9.4
million for the year ended December 31, 2021. The Company made no material contributions to the Plan during the year ended December 31, 2021.

12. Leases

The Company leases real properties for use as administrative and sales offices, in addition to transportation, office, and other 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 present value of 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.

[Table of Contents](#)

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's leasing arrangements are classified as operating leases, for which expense is recognized on a straight-line basis. As of December 31, 2023 and 2022, total ROU assets were \$

126.6
million and \$

122.4
million, respectively, and operating lease liabilities were \$

162.3
million and \$

161.3
million, respectively. The ROU assets and operating lease liabilities are included in Other assets and Other liabilities, respectively, in the Company's Consolidated Balance Sheets. Cash paid for operating lease liabilities is included in Cash flows from operating activities in the Company's Consolidated Statements of Cash Flows. Operating lease costs, which are included in Total expenses in the Company's Consolidated Statements of Income, were \$

37.4
million, \$

40.3
million, and \$

50.6
million for the years ended December 31, 2023, 2022, and 2021, respectively. Short-term and variable lease costs were not material for the years ended December 31, 2023, 2022, and 2021.

The Company's leases have remaining terms from less than 1 year to 9 years. Certain of these leases contain escalation provisions and/or renewal options, giving the Company the right to extend the lease by up to 10 years. However, a substantial majority of these options are not reflected in the calculation of the ROU asset and operating 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:

	December 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years)	5.6	6.4
Weighted-average discount rate	6.8 %	6.1 %

The following table represents maturities of operating lease liabilities as of December 31, 2023 (in millions):

	December 31, 2023
Due within 1 year	42.6
	\$
Due after 1 year through 2 years	37.1
Due after 2 years through 3 years	30.0
Due after 3 years through 4 years	22.9
Due after 4 years through 5 years	18.6
Due after 5 years	38.0

Total lease payments	189.2
Less imputed interest	(26.9)
Total operating lease liabilities	162.3
	\$

13. Stockholders' Equity

Accumulated Other Comprehensive Loss

AOCL includes all changes in equity during a period that have not yet been recognized in income, except those resulting from transactions with shareholders. The components include unrealized gains and losses on investment securities, unrealized gains and losses from cash flow hedging activities, foreign currency translation adjustments, and defined benefit pension plan adjustments.

Unrealized gains and losses on investment securities that are available for sale, primarily state and municipal debt securities, are included in AOCL until the investment is either sold or experiences a credit loss. See Note 7 for further discussion.

The effective portion of the change in the fair value of derivatives that qualifies as a cash flow hedge is recorded in AOCL. Generally, amounts are recognized in income when the related forecasted transaction affects earnings. See Note 14 for further discussion.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

While the United States dollar is the functional currency for substantially all of the Company's businesses, the assets and liabilities of foreign subsidiaries whose functional currency is not the United States dollar are translated using the appropriate exchange rate as of the end of the year. Foreign currency translation adjustments represent unrealized gains and losses on assets and liabilities arising from the difference in these foreign currencies compared to the United States dollar. These gains and losses are accumulated in other comprehensive income/(loss). When a foreign subsidiary is substantially liquidated or sold, the cumulative translation gain or loss is removed from AOCL and recognized as a component of the gain or loss on the liquidation or sale. During the year ended December 31, 2022, the Company reclassified \$

17.8

million of currency translation gains previously included within AOCL as a component of Gain on divestiture of business in the Consolidated Statements of Income. See Note 4 for further discussion.

On July 22, 2021, the Company's Board of Directors approved a plan to terminate and settle the Company's frozen defined benefit pension plan. As discussed in Note 11, in the fourth quarter of 2021, the Company settled its defined benefit pension plan and incurred approximately \$

109.8

million of charges associated with this settlement. The pre-tax balance in AOCL was reclassified as a component of Total other income/(expense), net, with the related income tax effects recorded in Provision for income taxes in the Consolidated Statements of Income.

The following table details reclassifications out of AOCL and into Net income. All amounts reclassified from AOCL affect the line items as indicated below, and the amounts in parentheses indicate decreases to Net income in the Consolidated Statements of Income.

Income for the period (in millions)	Income Statement Location	Amounts Reclassified from AOCL to Net Income		
		Year Ended December 31,		
		2023	2022	2021
Accumulated other comprehensive loss components:				
Gains/(losses) on investment securities:				
Available-for-sale securities				
		((
		6.6	8.9	3.7
	Revenues	\$)	\$)	\$)
Income tax benefit/(expense)				
		1.0	1.7	0.8
	Provision for income taxes)
Total reclassification adjustments related to investment securities, net of tax				
		((
		5.6	7.2	2.9
))	
Gains/(losses) on cash flow hedges:				
Foreign currency contracts				
				(
		23.9	47.7	7.6
	Revenues)
Interest rate contracts				
		0.1	—	0.6
	Interest expense)
Interest rate contracts				
		—	—	0.7
	Other expense, net			
Income tax expense				
		((
		0.2	0.4	—
	Provision for income taxes))	
Total reclassification adjustments related to cash flow hedges, net of tax				
		23.8	47.3	7.5
)
Foreign currency translation adjustments:				
Foreign currency translation				
			17.8	—
	Gain on divestiture of business	—		—

Total reclassification adjustments related to foreign
currency translation adjustments, net of tax

		—	17.8	—
Effects of 2021 settlement and amortization of components of defined benefit plans:				
Settlement charges				(
	Pension settlement charges	—	—	109.8
Actuarial loss)
	Other expense, net	—	—	9.9
Income tax benefit)
	Provision for income taxes	—	—	25.7
Total reclassification adjustments related to defined benefit plans, net of tax				
		—	—	94.0
Total reclassifications, net of tax)
		18.2	57.9	98.6
		<u>\$</u>	<u>\$</u>	<u>\$</u>

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables summarize the components of AOCL, net of tax in the accompanying Consolidated Balance Sheets (in millions):

	Investment Securities	Hedging Activities	Foreign Currency Translation	Total
As of December 31, 2022	((((
	69.4	20.5	119.0	167.9
	\$)	\$)	\$)	\$)
Unrealized gains/(losses)		(
	37.3	12.1	—	25.2
))		
Tax benefit/(expense)	((
	6.5	0.1	—	6.4
))
Amounts reclassified from AOCL into earnings, net of tax		((
	5.6	23.8	—	18.2
)))
As of December 31, 2023	((((
	33.0	15.3	119.0	167.3
	\$)	\$)	\$)	\$)

	Investment Securities	Hedging Activities	Foreign Currency Translation	Total
As of December 31, 2021			((
	30.4	18.7	101.2	52.1
	\$)	\$)	\$)	\$)
Unrealized gains/(losses)	((
	130.8	49.5	—	81.3
))
Tax benefit/(expense)		(
	23.8	0.4	—	23.4
)))
Amounts reclassified from AOCL into earnings, net of tax		(((
	7.2	47.3	17.8	57.9
))))
As of December 31, 2022	(((
	69.4	20.5	119.0	167.9
	\$)	\$)	\$)	\$)

	Investment Securities	Hedging Activities	Foreign Currency Translation	Defined Benefit Pension Plan	Total
As of December 31, 2020		((((
	58.3	30.5	101.2	86.1	159.5
	\$)	\$)	\$)	\$)	\$)
Unrealized gains/(losses)	((
	31.0	42.9	—	8.7	3.2
))	
Tax benefit/(expense)		(
	6.0	1.2	—	0.8	5.6
)))
Amounts reclassified from AOCL into earnings, net of tax	(
	2.9	7.5	—	94.0	98.6
))

As of December 31, 2021				((
	30.4	18.7	101.2		52.1	
	\$	\$	\$)	\$)

Cash Dividends Paid

Cash dividends paid for the years ended December 31, 2023, 2022, and 2021 were \$

346.1
million, \$

361.6
million, and \$

380.5
million, respectively. The Company's Board of Directors declared quarterly cash dividends of \$

0.235

per common share for each quarter during the years ended December 31, 2023, 2022, and 2021.

On February 6, 2024 , the Company's Board of Directors declared a quarterly cash dividend of \$

0.235
per common share payable on March 29, 2024 .

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Share Repurchases

On February 10, 2022, the Company's Board of Directors authorized \$

1.0 billion of common stock repurchases through December 31, 2024. During the years ended December 31, 2023, 2022, and 2021,

24.3 million,

22.3 million, and

19.5 million shares, respectively, were repurchased for \$

300.0 million, \$

351.8 million, and \$

400.0 million, respectively, excluding commissions, at an average cost of \$

12.35 , \$

15.81 , and \$

20.56 , respectively, under the share repurchase authorizations approved by the Company's Board of Directors, including one which expired on December 31, 2021 . As of December 31, 2023, \$

348.2

million remained available under the current share repurchase authorization. The amounts included in the Common stock repurchased line in the Company's Consolidated Statements of Cash Flows represent both shares authorized by the Board of Directors for repurchase under publicly announced authorizations and shares withheld from employees to cover tax withholding obligations on restricted stock units that have vested.

14. Derivatives

The Company is exposed to foreign currency exchange risk resulting from fluctuations in exchange rates, including the euro, and, to a lesser degree, the British pound, the Canadian dollar, and other currencies, related to forecasted revenues and settlement assets and obligations, as well as on certain foreign currency denominated cash and other asset and liability positions. 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 minimize its exposures related to changes in foreign currency exchange rates and interest rates.

The Company executes derivatives with established financial institutions; the substantial majority of these financial institutions have a credit rating of "A-" or higher from a major credit rating agency. 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, while also monitoring 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 would take action if doubt arose about the counterparties' ability to perform. These actions could include 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 duration 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 December 31, 2023, these 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. The initial value of the excluded components is amortized into Revenues within the Company's Consolidated Statements of Income.

The Company also uses short duration foreign currency forward contracts, generally with maturities ranging from a few days 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 WESTERN UNION COMPANY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The aggregate equivalent United States dollar notional amounts of foreign currency forward contracts as of December 31, 2023 and 2022 were as follows (in millions):

	December 31, 2023
Contracts designated as hedges:	
Euro	227.0
	\$
Canadian dollar	97.9
British pound	56.9
Australian dollar	46.5
Swiss franc	37.4
Other ^(a)	40.3
Contracts not designated as hedges:	
Euro	597.9
	\$
British pound	174.9
Mexican peso	168.1
Australian dollar	79.9
Canadian dollar	77.2
Indian rupee	55.3
Philippine peso	38.0
Brazilian real	31.4
Chinese yuan	30.0
Japanese yen	29.2

Singapore dollar	27.5
Other ^(a)	146.2
December 31, 2022	
Contracts designated as hedges:	
Euro	321.6
	\$
Canadian dollar	117.3
Australian dollar	53.2
Swiss franc	40.4
British pound	40.4
Swedish krona	25.8
Other ^(a)	22.1
Contracts not designated as hedges:	
Euro	603.2
	\$
Mexican peso	132.9
British pound	115.1
Indian rupee	52.6
Australian dollar	48.7
Canadian dollar	32.2
Japanese yen	30.5
Chinese yuan	30.1
Swiss franc	28.3
Swedish krona	26.7
Philippine peso	26.2

Other^(a)

137.0

(a) Comprised of exposures to various currencies; none of these individual currency exposures is greater than \$

25

million.

107

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Business Solutions Operations

On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC, and the final closing for this transaction occurred on July 1, 2023. See Note 4 for further information regarding this transaction. Prior to the final closing, the Company wrote derivatives, primarily foreign currency forward contracts and option contracts, mostly with small and medium size enterprises and derived a currency spread from this activity as part of its Business Solutions operations. The Company aggregated its Business Solutions foreign currency exposures arising from customer contracts, including the derivative contracts described above, and hedged the resulting net currency risks by entering into offsetting contracts with Convera through the final closing of the Business Solutions divestiture. The derivatives written were part of the broader portfolio of foreign currency positions arising from the Company's cross-currency payments operations, which primarily included spot exchanges of currency, in addition to forwards and options. Foreign exchange revenues from the total portfolio of positions were \$

27.8
million, \$

177.4
million, and \$

366.8
million for the years ended December 31, 2023, 2022, and 2021, respectively, and were included in Revenues in the Company's Consolidated Statements of Income. None of the derivative contracts used in Business Solutions operations were designated as accounting hedges.

The aggregate equivalent United States dollar notional amount of derivative customer contracts held by the Company in its Business Solutions operations was approximately \$

3.0
billion as of December 31, 2022.

Balance Sheet

The following table summarizes the fair value of derivatives reported in the Company's Consolidated Balance Sheets as of December 31, 2023 and 2022 (in millions):

	Balance Sheet Location	Derivative Assets		Balance Sheet Location	Derivative Liabilities	
		Fair Value December 31, 2023	Fair Value December 31, 2022		Fair Value December 31, 2023	Fair Value December 31, 2022
Derivatives designated as hedges:						
Foreign currency cash flow hedges	Other assets	8.5	35.2	Other liabilities	13.2	4.7
		\$	\$		\$	\$
Total derivatives designated as hedges		8.5	35.2		13.2	4.7
		\$	\$		\$	\$
Derivatives not designated as hedges:						
Business Solutions operations - foreign currency	Assets held for sale	—	88.6	Liabilities associated with assets held for sale	—	89.5
		\$	\$		\$	\$
Foreign currency	Other assets	2.3	2.3	Other liabilities	4.2	4.7
Total derivatives not designated as hedges		2.3	90.9		4.2	94.2
		\$	\$		\$	\$
Total derivatives						
		10.8	126.1		17.4	98.9
		\$	\$		\$	\$

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.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In addition, certain of the Company's other agreements include netting provisions, the enforceability of which may vary from jurisdiction to jurisdiction, 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. In certain circumstances, the Company had required its Business Solutions customers to maintain collateral balances to 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 December 31, 2023 and 2022 (in millions):

Offsetting of Derivative Assets

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Derivatives Not Offset in the Consolidated Balance Sheets	Net Amounts
December 31, 2023					
Derivatives subject to a master netting arrangement or similar agreement				(
	7.4	—	7.4	7.3	0.1
	\$	\$	\$)	\$
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	3.4				
Total	10.8				
	<u>\$</u>				
December 31, 2022					
Derivatives subject to a master netting arrangement or similar agreement				(
	55.8	—	55.8	26.3	29.5
	\$	\$	\$)	\$
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	70.3				
Total	126.1				
	<u>\$</u>				

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

Offsetting of Derivative Liabilities

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Balance Sheets	Net Amounts Presented in the Consolidated Balance Sheets	Derivatives Not Offset in the Consolidated Balance Sheets	Net Amounts
December 31, 2023					
Derivatives subject to a master netting arrangement or similar agreement				(
	14.1	—	14.1	7.3	6.8
	\$	\$	\$	\$	\$
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	3.3)	
Total	17.4				
	\$				
December 31, 2022					
Derivatives subject to a master netting arrangement or similar agreement				(
	77.8	—	77.8	26.3	51.5
	\$	\$	\$	\$	\$
Derivatives that are not or may not be subject to master netting arrangement or similar agreement	21.1)	
Total	98.9				
	\$				

Income Statement

Cash Flow Hedges

The effective portion of the change in fair value of derivatives that qualify as cash flow hedges is recorded in AOCL in the Company's Consolidated Balance Sheets. Generally, amounts are recognized in income when the related forecasted transaction affects earnings.

The following table presents the pre-tax amount of unrealized gains/(losses) recognized in other comprehensive income from cash flow hedges for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	Year Ended December 31, 2022	2021
Foreign currency derivatives ^(a)	(
	12.1	49.5	39.5
	\$	\$	\$
Interest rate derivatives			3.4
	—	—	

(a) For the years ended December 31, 2023, 2022, and 2021, gains/(losses) of \$

2.5

million, (\$

1.8

) million, and (\$

2.4

) million, respectively, represent amounts excluded from the assessment of effectiveness and recognized in other comprehensive income, for which an amortization approach is applied.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table presents the location and amounts of pre-tax net gains/(losses) from cash flow hedging relationships recognized in the Consolidated Statements of Income for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023		Year Ended December 31, 2022		2021		Other Expense, net
	Revenues	Interest Expense	Revenues	Interest Expense	Revenues	Interest Expense	
Total amounts presented in the Consolidated Statements of Income in which the effects of cash flow hedges are recorded		((((
	4,357.0	105.3	4,475.5	101.0	5,070.8	105.5	21.7
	\$	\$	\$	\$	\$	\$	\$
Gain/(loss) on cash flow hedges:))))
Foreign currency derivatives:							
Gains/(losses) reclassified from AOCL into earnings					(
	23.9	—	47.7	—	7.6	—	—
		—		—)	—	—
Amount excluded from effectiveness testing recognized in earnings based on an amortization approach							
	6.6	—	5.6	—	6.1	—	—
		—		—		—	—
Interest rate derivatives:							
Gains/(losses) reclassified from AOCL into earnings						(
	—	0.1	—	—	—	0.6	0.7
)	

Undesignated Hedges

The following table presents the location and amount of pre-tax net gains from undesignated hedges in the Consolidated Statements of Income on derivatives for the years ended December 31, 2023, 2022, and 2021 (in millions):

Derivatives ^(a)	Location	Year Ended December 31,		
		2023	2022	2021
Foreign currency derivatives ^(b)				
	Selling, general, and administrative	\$ 18.0	\$ 66.5	\$ 52.0

(a) The Company used foreign currency forward and option contracts as part of its Business Solutions payments operations. These derivative contracts are excluded from this table as they were managed as part of a broader currency portfolio that included 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 derivative activity as displayed above, and included in Selling, general, and administrative in the Consolidated Statements of Income, were \$

2.6
million, \$

62.2
million, and \$

56.1
million for the years ended December 31, 2023, 2022, and 2021, respectively.

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

Based on December 31, 2023 foreign exchange rates, an accumulated other comprehensive pre-tax loss of \$

6.6
million related to the foreign currency forward contracts is expected to be reclassified into Revenues within the next 12 months.

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

15. Borrowings

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

	December 31, 2023	December 31, 2022
Commercial paper	\$ 364.9	\$ 180.0
Notes:		
4.250		
% notes due 2023 ^(a)	—	300.0
2.850		
% notes due 2025 ^(b)	500.0	500.0
1.350		
% notes due 2026 ^(b)	600.0	600.0
2.750		
% notes due 2031 ^(b)	300.0	300.0
6.200		
% notes due 2036 ^(b)	500.0	500.0
6.200		
% notes due 2040 ^(b)	250.0	250.0
Total borrowings at par value	2,514.9	2,630.0
Debt issuance costs and unamortized discount, net	(10.3)	(13.2)
Total borrowings at carrying value ^(c)	\$ 2,504.6	\$ 2,616.8

(a) Commercial paper and cash, including cash generated from operations, were used to repay \$

300.0

million of the aggregate principal amount of

4.250

% unsecured notes due in June 2023.

(b) The difference between the stated interest rate and the effective interest rate is not significant.

(c) As of December 31, 2023, the Company's weighted-average effective rate on total borrowings was approximately

4.0

% .

The following summarizes the Company's maturities of notes at par value as of December 31, 2023 (in millions):

Due within 1 year	\$	—
Due after 1 year through 2 years		500.0
Due after 2 years through 3 years		600.0
Due after 3 years through 4 years		—
Due after 4 years through 5 years		—
Due after 5 years		1,050.0
Total	\$	2,150.0

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

Commercial Paper Program

Pursuant to the Company's commercial paper program, the Company may issue unsecured commercial paper notes in an amount not to exceed \$

1.25

billion outstanding at any time, reduced to the extent of borrowings outstanding on the Company's Revolving Credit Facility as defined below. The commercial paper notes may have maturities of up to 397 days from date of issuance. The Company's commercial paper borrowings as of December 31, 2023 had a weighted-average annual interest rate of approximately

5.6

% and a weighted-average term of approximately 3 days. As of December 31, 2023 and 2022, the Company had \$

364.9

million and \$

180.0

million in commercial paper borrowings outstanding, respectively.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Revolving Credit Facility

On December 18, 2018, the Company entered into a credit agreement providing for unsecured financing facilities in an aggregate amount of \$

1.5
billion, including a \$

250.0
million letter of credit sub-facility, with a final maturity date of January 8, 2025. On October 31, 2022, the Company amended the facility to transition away from the London Interbank Offered Rate and to draw loans payable based upon the Secured Overnight Financing Rate ("SOFR"), the Euro Interbank Offered Rate, or the Sterling Overnight Index Average. On November 30, 2023, the Company amended the facility by entering into a second amended and restated credit agreement (the "New Credit Agreement") providing for unsecured financing facilities in an aggregate amount of \$

1.25
billion, including a \$

250.0
million letter of credit sub-facility and \$

300.0
million swing line sublimit, with a final maturity date of November 30, 2028, subject to extension in certain circumstances ("Revolving Credit Facility"). The Company is required to maintain compliance with a consolidated adjusted Earnings before Interest, Taxes, Depreciation and Amortization interest coverage ratio covenant of greater than

3
:1 for each period of four consecutive fiscal quarters. The Revolving Credit Facility supports borrowings under the Company's commercial paper program.

Interest due under the New Credit Agreement is payable according to the terms of that borrowing. Generally, interest under the New Credit Agreement is calculated using either (i) an adjusted term SOFR, or other applicable benchmark based on the currency of the borrowing, plus an interest rate margin determined on a sliding scale from

0.920
% to

1.425
% based on the Company's credit rating (currently

1.140
%) or (ii) a base rate plus a margin determined on a sliding scale from

0.000
% to

0.425
%) based on the Company's credit rating (currently

0.140
%). A facility fee on the total amount of the facility is also payable quarterly, regardless of usage, and such facility fee is determined on a sliding scale from

0.080
% to

0.200
% based on the Company's credit rating (currently

0.110
%).

As of December 31, 2023 and 2022, the Company had

no

outstanding borrowings under its revolving credit facility.

Term Loan Facility

On December 18, 2018, the Company entered into an amended and restated term loan facility providing for up to \$

950.0
million in borrowings and extending the final maturity of the facility to January 2024 (the "Term Loan Facility"). In October 2016, the Company borrowed \$

575.0 million under the prior term loan facility. In December 2018, the Company borrowed the remaining amount available under the Term Loan Facility. In the first quarter of 2021, proceeds from the 2026 Notes (as defined below) and the 2031 Notes (as defined below), and cash, including cash generated from operations, were used to repay \$

650.0 million of the Term Loan Facility. On January 4, 2022, the Company repaid all remaining borrowings owed under the Term Loan Facility for total consideration of \$

300.0 million, using proceeds from commercial paper and cash, including cash generated from operations. The Company is no longer able to borrow money under this facility.

Notes

On March 9, 2021, the Company issued \$

600.0 million of aggregate principal amount of

1.350 % unsecured notes due March 15, 2026 ("2026 Notes") and \$

300.0 million of aggregate principal amount of

2.750 % unsecured notes due March 15, 2031 ("2031 Notes"). Interest with respect to these notes is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2021. The Company may redeem the 2026 Notes and the 2031 Notes, in whole or in part, at any time prior to February 15, 2026 and December 15, 2030, respectively, at the greater of par or a price based on the applicable treasury rate plus

15 and

25 basis points, respectively. The Company may redeem the 2026 Notes and the 2031 Notes at any time after February 15, 2026 and December 15, 2030, respectively, at a price equal to par, plus accrued interest.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

On November 25, 2019, the Company issued \$

500.0

million of aggregate principal amount of unsecured notes due January 10, 2025 ("2025 Notes"). Interest with respect to the 2025 Notes is payable semi-annually in arrears on January 10 and July 10 of each year, beginning on July 10, 2020, based on the per annum rate of

2.850

%. The Company may redeem the 2025 Notes, in whole or in part, at any time prior to December 10, 2024 at the greater of par or a price based on the applicable treasury rate plus

20

basis points. The Company may redeem the 2025 Notes at any time after December 10, 2024 at a price equal to par, plus accrued interest.

On June 11, 2018, the Company issued \$

300.0

million of aggregate principal amount of unsecured notes due June 9, 2023 ("2023 Notes"). The 2023 Notes matured and were repaid in June 2023 using commercial paper and cash, including cash generated from operations.

On March 15, 2017, the Company issued \$

400.0

million of aggregate principal amount of unsecured notes due March 15, 2022. On August 22, 2017, the Company issued an additional \$

100.0

million of aggregate principal amount of unsecured notes due March 15, 2022 for an aggregate principal total of \$

500.0

million of

3.600

% unsecured notes ("2022 Notes"). The 2022 Notes were repaid in April 2021 using proceeds from the 2026 Notes and the 2031 Notes. The cost associated with the early termination of the 2022 Notes, including the make-whole premium of \$

14.3

million, was recorded to Other income/(expense), net, during the year ended December 31, 2021.

On June 21, 2010, the Company issued \$

250.0

million of aggregate principal amount of unsecured notes due June 21, 2040 ("2040 Notes"). Interest with respect to the 2040 Notes is payable semi-annually on June 21 and December 21 each year based on the fixed per annum rate of

6.200

%. The Company may redeem the 2040 Notes at any time prior to maturity at the greater of par or a price based on the applicable treasury rate plus

30

basis points.

On November 17, 2006, the Company issued \$

500.0

million of aggregate principal amount of unsecured notes due November 17, 2036 ("2036 Notes"). Interest with respect to the 2036 Notes is payable semi-annually on May 17 and November 17 each year based on the fixed per annum rate of

6.200

%. The Company may redeem the 2036 Notes at any time prior to maturity at the greater of par or a price based on the applicable treasury rate plus

25

basis points.

The Revolving Credit Facility contains covenants, subject to certain exceptions, that, among other things, limit or restrict the Company's ability to sell or transfer assets or merge or consolidate with another company, grant certain types of security interests, incur certain types of liens, impose restrictions on subsidiary dividends, enter into sale and leaseback transactions, incur certain subsidiary level indebtedness, or use proceeds in violation of anti-corruption or anti-money laundering laws. The Company's notes are subject to similar covenants except that only the 2036 Notes contain covenants limiting or restricting subsidiary indebtedness, and none of the Company's notes are subject to a covenant that limits the Company's ability to impose restrictions on subsidiary dividends.

Certain of the Company's notes (including the 2025 Notes, 2026 Notes, 2031 Notes, and 2040 Notes) include a change of control triggering event provision, as defined in the terms of the notes. If a change of control triggering event occurs, holders of the notes may require the Company to repurchase some or all of their notes at a price equal to

% of the principal amount of their notes, plus any accrued and unpaid interest. A change of control triggering event will occur when there is a change of control involving the Company and among other things, within a specified period in relation to the change of control, the notes are downgraded from an investment grade rating to below an investment grade rating by certain major credit rating agencies. In addition, the interest rates payable on the Company's notes due in 2025, 2026, and 2031 can be impacted by the Company's credit ratings.

16. Stock-Based Compensation Plans

The Western Union Company 2015 Long-Term Incentive Plan

The Western Union Company 2015 Long-Term Incentive Plan ("2015 LTIP"), approved on May 15, 2015, provides for the granting of stock options, restricted stock awards and units, unrestricted stock awards and units, and other

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

equity-based awards to employees and non-employee directors of the Company. Shares available for grant under the 2015 LTIP were

10.5
million as of December 31, 2023.

Stock options granted to employees under the 2015 LTIP are issued with exercise prices equal to the fair market value of Western Union common stock on the grant date, have 10-year terms, and typically vest over four equal annual increments beginning one year after the grant date. Stock options granted to executive officers and retirement eligible employees generally vest on a prorated basis upon termination. Compensation expense related to stock options is recognized over the requisite service period, which is the same as the vesting period.

Restricted stock units granted to employees typically vest on a graded basis over three or four years in equal, annual increments, beginning one year after the grant date, or three years after grant date on a cliff basis. Restricted stock units granted to executive officers, retirement eligible employees, and employees terminated involuntarily and without cause after the one-year anniversary of the grant date generally vest on a prorated basis upon termination. The fair value of restricted stock units is measured based on the Company's stock price on the grant date. Restricted stock units accrue dividend equivalents, with dividend equivalents paid in cash to the extent that the underlying shares vest. Compensation expense related to restricted stock units is recognized over the requisite service period, which is the same as the vesting period.

In 2023 and 2022, the Compensation and Benefits Committee of the Company's Board of Directors ("the CBC") granted the Company's executive officers and certain other key employees, excluding the CEO, long-term incentive awards under the 2015 LTIP, which consisted of

60

% Financial Performance Share Units ("PSUs") with a TSR modifier (as defined below) and

40

% restricted stock unit awards. In 2023, the CEO received long-term incentive awards under the 2015 LTIP consisting of

60

% Financial PSUs with a TSR modifier,

20

% stock option awards, and

20

% restricted stock unit awards. The CBC granted other executive management of the Company awards under the 2015 LTIP, which consisted of

50

% Financial PSUs with a TSR modifier and

50

% restricted stock unit awards. Additionally, the CBC granted certain other non-executive employees of the Company participating in the 2015 LTIP annual equity grants consisting of restricted stock unit awards in 2023 and 2022.

The performance-based restricted stock units granted to the Company's executives in 2023 and 2022 are restricted stock units that include a financial performance condition and a market condition ("Financial PSUs with a TSR modifier"). The financial metric requires the Company to meet certain financial objectives over three individual, annual performance periods. The market condition consists of a modifier tied to the Company's total shareholder return in relation to the S&P 500 Index as calculated over a three-year performance period.

The PSUs discussed above will vest

100

% on the third anniversary of the grant date, contingent upon threshold financial and market performance metrics being met. The actual number of performance-based restricted stock units that the recipients will receive for awards in 2023 and 2022 range from

0

% up to

% of the target number of stock units granted, contingent upon actual financial and total shareholder return performance results. The grant date fair value of all performance based restricted stock units is fixed, and the amount of restricted stock units that will ultimately vest depends upon the level of achievement of the performance and market conditions over the performance period. The fair value of the Financial PSUs with a TSR modifier is determined using the Monte-Carlo simulation model. Certain awards granted to executive officers, retirement eligible employees, and employees terminated involuntarily and without cause after the one-year anniversary of the grant date vest on a prorated basis upon termination. Compensation expense related to PSUs is recognized over the requisite service period, which is the same as the vesting period.

The Company has also granted restricted stock units and options under the 2015 LTIP to the non-employee directors of the Company. The fair value of these restricted stock units is measured based on the fair value of the shares on the grant date and may be settled upon vesting unless the participant elects to defer the receipt of common shares under the applicable plan rules. Options have 10-year terms and are issued with exercise prices equal to the fair market value of Western Union common stock on the grant date. Both of these awards vest one year after the grant date and on a prorated basis upon a qualifying departure. Compensation expense for these awards is recognized over the requisite service period, which is the same as the vesting period.

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

Stock Option Activity

A summary of stock option activity for the year ended December 31, 2023 was as follows (options and aggregate intrinsic value in millions):

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding as of January 1	6.4	18.68		
		\$		
Granted	1.0	13.27		
		\$		
Exercised	—	—		
Cancelled/forfeited	(
	0.3	13.94		
)	\$		
Outstanding as of December 31	7.1	18.09	6.3	—
		\$		\$
Options exercisable as of December 31	4.8	19.10	5.2	—
		\$		\$

The Company received \$

0.2
million, \$

9.5
million, and \$

11.6

million in cash proceeds related to the exercise of stock options during the years ended December 31, 2023, 2022, and 2021, respectively. Upon the exercise of stock options, shares of common stock are issued from authorized common shares.

The total tax benefits from the exercise of options were immaterial for the year ended December 31, 2023 and were \$

0.2
million and \$

0.6
million for the years ended December 31, 2022 and 2021, respectively.

The total intrinsic value of stock options exercised was immaterial for the year ended December 31, 2023 and was \$

0.8
million and \$

2.8
million for the years ended December 31, 2022 and 2021, respectively.

Restricted Stock Activity

A summary of activity for restricted stock units and performance-based restricted stock units for the year ended December 31, 2023 was as follows (units in millions):

Units	Weighted-Average Grant-Date Fair Value
-------	---

Non-vested as of January 1	6.4		21.01
		\$	
Granted	4.6		13.00
		\$	
Vested	(
	1.9		20.72
)	\$	
Forfeited	(
	1.8		19.48
)	\$	
Non-vested as of December 31	7.3		16.39
		\$	

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Stock-Based Compensation Expense

The following table sets forth the total impact on earnings for stock-based compensation expense recognized in the Consolidated Statements of Income resulting from stock options, restricted stock units, performance-based restricted stock units and deferred stock units for the years ended December 31, 2023, 2022, and 2021 (in millions, except per share data):

	2023	2022	2021
Stock-based compensation expense	(35.9)	(45.5)	(44.3)
	\$)	\$)	\$)
Income tax benefit from stock-based compensation expense	6.1	8.1	7.5
Net income impact	(29.8)	(37.4)	(36.8)
	\$)	\$)	\$)
Earnings per share impact:			
Basic and diluted	(0.08)	(0.10)	(0.09)
	\$)	\$)	\$)

Compensation cost is recognized only for those options, awards, and units expected to vest, with forfeitures estimated at the date of grant and evaluated and adjusted periodically to reflect the Company's historical experience and future expectations. Any change in the forfeiture assumption is accounted for as a change in estimate, with the cumulative effect of the change on periods previously reported being reflected in the consolidated financial statements of the period in which the change is made.

As of December 31, 2023, there was \$

2.8

million of total unrecognized compensation cost, net of assumed forfeitures, related to non-vested stock options, which is expected to be recognized over a weighted-average period of 2.4 years, and there was \$

47.1

million of total unrecognized compensation cost, net of assumed forfeitures, related to non-vested restricted stock units and performance-based restricted stock units, which is expected to be recognized over a weighted-average period of 2.1 years.

Fair Value Assumptions

The Company used the following assumptions for the Black-Scholes option pricing model to determine the value of Western Union options granted for the years ended December 31, 2023, 2022, and 2021:

	2023	2022	2021
Stock options granted:			
Weighted-average risk-free interest rate	4.0 %	1.9 %	1.3 %
Weighted-average dividend yield	6.0 %	4.3 %	4.2 %
Volatility	27.8 %	29.9 %	29.1 %
Expected term (in years)	7.23	7.28	7.03
Weighted-average grant date fair value	2.09	3.47	3.26
	\$)	\$)	\$)

Risk-free interest rate - The risk-free rate for stock options granted during all periods presented was determined by using a United States Treasury rate for the period that coincided with the expected terms listed above.

Expected dividend yield - The Company's expected annual dividend yield for all periods presented was the calculation of the annualized Western Union dividend divided by an average Western Union stock price on each respective grant date.

Expected volatility - For the Company's CEO and non-employee directors, the Company used a blend of implied and historical volatility, which was calculated using the market price of traded options on Western Union's common stock and the historical volatility of Western Union stock data. There were

no

options granted to non-executive employees in 2023, 2022, or 2021.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Expected term - For 2023, 2022, and 2021, the expected term for the CEO and non-employee director grants was approximately seven years and eight years, respectively. The Company's expected term for options was based upon, among other things, historical exercises, the vesting term of the Company's options, and the options' contractual term of 10 years.

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and the Company's historical experience and future expectations. The calculated fair value is recognized as compensation cost in the Company's consolidated financial statements over the requisite service period of the entire award.

17. Segments

As further described in Note 1, the Company has classified its business into the following segments: Consumer Money Transfer, Business Solutions, and Consumer Services. 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 allocating resources and assessing performance.

The Consumer Money Transfer operating segment facilitates money transfers between

two
consumers. 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 Branded Digital transactions in its regions. By means of common processes and systems, these regions, including Branded Digital, create one interconnected global network for consumer transactions, thereby constituting one Consumer Money Transfer business and one operating segment.

The Business Solutions operating segment facilitated payment and foreign exchange solutions, primarily cross-border, cross-currency transactions, for small and medium size enterprises and other organizations and individuals. On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC, and the final closing for this transaction occurred on July 1, 2023. Accordingly, the Company will no longer report Business Solutions revenues and operating expenses after July 1, 2023. See Note 4 for further information regarding this transaction.

The Consumer Services segment primarily includes the Company's bill payment services which facilitate payments for consumers, businesses, and other organizations, as well as the Company's money order services, retail foreign exchange services, prepaid cards, lending partnerships, and digital wallets.

The Company's segments are reviewed separately below because each segment addresses a different combination of customer groups, distribution networks, and services offered. The business segment measurements provided to, and evaluated by, the Company's CODM are computed in accordance with the following principles:

- The accounting policies of the segments are the same as those described in the summary of significant accounting policies.
- Corporate costs, including overhead expenses, are allocated to the segments primarily based on a percentage of the segments' revenue compared to total revenue. Effective January 1, 2022, the Company stopped allocating corporate costs to its Business Solutions segment, given its agreement to sell this business, as discussed further in Note 4.
- The CODM does not review total assets by segment for purposes of assessing segment performance and allocating resources. As such, the disclosure of total assets by segment has not been included below.
- All items not included in operating income are excluded from the segments.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following tables present the Company's segment results for the years ended December 31, 2023, 2022, and 2021 (in millions):

	2023	Year Ended December 31, 2022	2021
Revenues:			
Consumer Money Transfer	\$ 4,005.0	\$ 3,993.5	\$ 4,394.0
Business Solutions ^(a)	29.7	196.9	421.8
Consumer Services	322.3	285.1	255.0
Total consolidated revenues	\$ 4,357.0	\$ 4,475.5	\$ 5,070.8
Operating income:			
Consumer Money Transfer	\$ 750.8	\$ 765.1	\$ 977.6
Business Solutions ^(a)	3.7	58.5	95.5
Consumer Services	92.5	100.8	50.0
Total segment operating income	847.0	924.4	1,123.1
Russia/Belarus exit costs ^(b)	—	(10.0)	—
Business Solutions exit costs ^(b)	—	(7.7)	—
Operating expense redeployment program costs ^(c)	(29.5)	(21.8)	—
Total consolidated operating income	\$ 817.5	\$ 884.9	\$ 1,123.1

(a) On August 4, 2021, the Company entered into an agreement to sell its Business Solutions business to the Buyer. The sale was completed in

three

closings, the first of which occurred on March 1, 2022. The second occurred on December 31, 2022, and the final occurred on July 1, 2023. See Note 4 for further information regarding this transaction.

(b) Represents the exit costs incurred in connection with the Company's suspension of its operations in Russia and Belarus and the divestiture of the Business Solutions business, primarily related to severance and non-cash impairments of property and equipment, an operating lease right-of-use asset, and other intangible assets. While certain of the expenses are identifiable to the Company's segments, the expenses are not included in the measurement of segment operating income provided to the CODM for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results.

(c) Represents severance, expenses associated with streamlining the Company's organizational and legal structure, and other expenses associated with the Company's program to redeploy expenses in its cost base through optimizations in vendor management, real estate, marketing, and people strategy, as previously announced in October 2022. In 2023 and

2022, expenses incurred under the program also included non-cash impairments of operating lease right-of-use assets and property and equipment. The expenses are not included in the measurement of segment operating income provided to the CODM for purposes of performance assessment and resource allocation. These expenses are therefore excluded from the Company's segment operating income results.

	Year Ended December 31,		
	2023	2022	2021
Depreciation and amortization:			
Consumer Money Transfer	173.7	176.6	181.6
	\$	\$	\$
Business Solutions	—	—	16.1
Consumer Services	9.9	7.2	10.5
Total consolidated depreciation and amortization	183.6	183.8	208.2
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Capital expenditures:			
Consumer Money Transfer	136.6	198.8	192.3
	\$	\$	\$
Business Solutions	—	0.2	5.2
Consumer Services	11.2	9.2	17.1
Total consolidated capital expenditures	147.8	208.2	214.6
	<u>\$</u>	<u>\$</u>	<u>\$</u>

The geographic split of revenue below for the Consumer Money Transfer, Business Solutions, and Consumer Services segments is based upon the country where the transaction is initiated with

100
% of the revenue allocated to that country. Long-lived assets, consisting of property and equipment, net, are presented based upon the location of the assets.

THE WESTERN UNION COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Based on the method used to attribute revenue between countries described in the paragraph above, each individual country outside the United States accounted for less than 10% of consolidated revenue for the years ended December 31, 2023, 2022, and 2021, respectively. In addition, each individual agent or Business Solutions customer accounted for less than 10% of consolidated revenue during these periods.

Information concerning principal geographic areas for Revenue was as follows (in millions):

	2023	Year Ended December 31, 2022	2021
United States			
	\$ 1,507.9	\$ 1,575.1	\$ 1,702.0
International			
	2,849.1	2,900.4	3,368.8
Total			
	\$ 4,357.0	\$ 4,475.5	\$ 5,070.8

Information concerning principal geographic areas for long-lived assets was as follows (in millions):

	2023	December 31, 2022
United States		
	\$ 54.6	\$ 69.7
International		
	36.8	40.6
Total ^(a)		
	\$ 91.4	\$ 110.3

(a) As of December 31, 2022, long-lived assets in International include Assets held for sale of \$

0.7

million. These assets related to the Company's Business Solutions business, as further discussed in Note 4.

THE WESTERN UNION COMPANY

SCHEDULE I - CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT

The following lists the condensed financial information for the parent company as of December 31, 2023 and 2022 and Condensed Statements of Income and Comprehensive Income and Condensed Statements of Cash Flows for each of the three years in the period ended December 31, 2023.

THE WESTERN UNION COMPANY

**CONDENSED BALANCE SHEETS
(PARENT COMPANY ONLY)**

(in millions, except per share amounts)

	December 31,	
	2023	2022
Assets		
Cash and cash equivalents	2.1	1.6
	\$	\$
Property and equipment, net of accumulated depreciation of \$		
68.6		
and \$		
59.5	19.7	29.6
, respectively		
Other assets	92.0	191.1
Investment in subsidiaries	4,547.0	4,806.4
Total assets	4,660.8	5,028.7
	\$	\$
Liabilities and stockholders' equity		
Liabilities:		
Accounts payable and accrued liabilities	47.6	45.7
	\$	\$
Income taxes payable	301.9	417.8
Payable to subsidiaries, net	1,239.3	1,283.4
Borrowings	2,504.6	2,616.8
Other liabilities	88.4	187.2
Total liabilities	4,181.8	4,550.9
Stockholders' equity:		

Preferred stock, \$		
1.00		
par value;		
10		
shares authorized;		
no		
shares issued	—	—
Common stock, \$		
0.01		
par value;		
2,000		
shares authorized;		
350.5		
shares and		
373.5		
shares issued and outstanding as of December 31, 2023 and 2022, respectively	3.5	3.7
Capital surplus		
	1,031.9	995.9
Accumulated deficit	((
	389.1	353.9
))
Accumulated other comprehensive loss	((
	167.3	167.9
))
Total stockholders' equity		
	479.0	477.8
Total liabilities and stockholders' equity		
	4,660.8	5,028.7
	\$	\$

See Notes to Condensed Financial Statements.

THE WESTERN UNION COMPANY
CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(PARENT COMPANY ONLY)
(in millions)

	Year Ended December 31,		
	2023	2022	2021
Revenues	\$ —	\$ —	\$ —
Expenses	—	—	—
Operating income	—	—	—
Gain on sale of noncontrolling interest in a private company (Note 4)			47.9
Interest income	1.2	8.3	—
Interest expense	()	()	()
Other income/(expense), net	121.5	105.7	115.9
	()	()	()
Loss before equity earnings of affiliates and income taxes	—	3.1	14.7
	()	()	()
Equity in earnings of affiliates, net of tax	120.3	94.3	82.7
	()	()	()
Income tax benefit	720.6	981.1	869.1
	25.7	23.8	19.4
Net income	626.0	910.6	805.8
Other comprehensive income, net of tax	0.3	—	2.5
Other comprehensive income/(loss) of affiliates, net of tax	0.3	()	()
	()	()	()
Comprehensive income	626.6	794.8	913.2
	\$	\$	\$

See Notes to Condensed Financial Statements.

THE WESTERN UNION COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(PARENT COMPANY ONLY)
(in millions)

	2023	Year Ended December 31, 2022	2021
Cash flows from operating activities			
Net cash provided by/(used in) operating activities		(
	\$ 514.7	\$ 108.3	\$ 510.4
Cash flows from investing activities			
Purchases of property and equipment	(((
	1.7	1.7	0.5
)))
Proceeds from the sale of noncontrolling interest in a private company (Note 4)			50.9
	—	—	
Purchases of non-settlement investments		(
	—	400.0	—
)	
Proceeds from the sale of non-settlement investments	100.0	300.0	—
			—
Proceeds from divestiture, net of cash divested (Note 4)		887.2	—
	—		—
Distributions received from/(capital contributed to) subsidiaries, net	(
	6.0	424.6	6.5
)		
Other investing activities	(
	2.5	1.7	0.5
)		
Net cash provided by investing activities	89.8	1,211.8	57.4
Cash flows from financing activities			
Advances from subsidiaries, net	170.3	15.6	289.5
Net proceeds from/(repayments of) commercial paper		(
	184.9	95.0	195.0
)	
Net proceeds from issuance of borrowings			891.7
	—	—	
Principal payments on borrowings	(((
	300.0	300.0	1,150.0
)))
Proceeds from exercise of options	0.2	9.5	11.6
Cash dividends and dividend equivalents paid	(((
	349.0	364.2	381.6
)))
Common stock repurchased	(((
	308.4	369.9	409.9
)))

Make-whole premium on early extinguishment of debt			(
	—	—	14.3)
Other financing activities	(
	2.0		0.2)
Net cash used in financing activities	(((
	604.0	1,104.0	567.8)
Net change in cash and cash equivalents		(
	0.5	0.5	—)
Cash and cash equivalents at beginning of year				
	1.6	2.1	2.1	
Cash and cash equivalents at end of year				
	2.1	1.6	2.1	
	\$	\$	\$	
Supplemental cash flow information:				
Non-cash financing activity, distribution of note from subsidiary (Note 3)				
	210.9	325.0	556.1	
	\$	\$	\$	
Cash paid for lease liabilities				
	14.2	15.3	14.6	
	\$	\$	\$	
Non-cash lease liabilities arising from obtaining right-of-use assets (Note 6)				
	16.5	—	0.9	
	\$	\$	\$	

See Notes to Condensed Financial Statements.

CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT

THE WESTERN UNION COMPANY NOTES TO CONDENSED FINANCIAL STATEMENTS

1. Basis of Presentation

The Western Union Company (the "Parent") is a holding company that conducts substantially all of its business operations through its subsidiaries. Under a parent company only presentation, the Parent's investments in its consolidated subsidiaries are presented under the equity method of accounting, and the condensed financial statements do not present the financial statements of the Parent and its subsidiaries on a consolidated basis. These financial statements should be read in conjunction with The Western Union Company's consolidated financial statements.

2. Restricted Net Assets

Certain assets of the Parent's subsidiaries totaling approximately \$

440

million as of December 31, 2023 constitute restricted net assets, as there are legal or regulatory limitations on transferring such assets outside of the countries where the respective assets are located. Additionally, certain of the Parent's subsidiaries must meet minimum capital requirements in some countries in order to maintain operating licenses.

3. Related Party Transactions

The Parent enters into contracts with third-party vendors on behalf of its subsidiaries. Because the Parent is a holding company, as noted above, these corporate costs are incurred by the Parent, and the expenses are then allocated to its subsidiaries based primarily on the subsidiaries' percentage of revenues compared to total revenues.

All transactions described below are with subsidiaries of the Parent. The Parent has issued multiple promissory notes payable to its 100% owned subsidiary, First Financial Management Corporation, in exchange for funds distributed to the Parent. All notes pay interest at a fixed rate, may be repaid at any time without penalty, and are included within Payable to subsidiaries, net in the Condensed Balance Sheets. These promissory notes are as follows:

Date Issued	Amount (in millions)	Due Date	Interest Rate (per annum)
July 1, 2022 ^(a)	170.4		2.21
	\$	March 31, 2025	%
September 1, 2022 ^(a)	70.3		2.88
	\$	May 31, 2025	%
June 29, 2023 ^(b)	84.5		5.00
	\$	May 31, 2024	%
September 1, 2023 ^(a)	93.7		5.07
	\$	May 31, 2026	%
October 1, 2023 ^(a)	290.1		5.12
	\$	June 30, 2026	%
December 1, 2023 ^(a)	245.2		5.30
	\$	August 31, 2026	%

(a) This note refinanced a note originally issued on a prior date.

(b) Note is payable to the Parent's

100

% owned indirect subsidiary, Western Union International Bank.

The Parent files its United States federal consolidated income tax return and also a number of consolidated state income tax returns on its and certain of its affiliates' behalf. In these circumstances, the Parent is responsible for remitting income tax payments on behalf of the consolidated group. The Parent's provision for income taxes has been computed as if it were a separate tax-paying entity. Accordingly, the Parent has recorded income taxes payable on behalf of certain of its subsidiaries, and these income taxes payable are significant due to the enactment of the Tax Act into United States law.

Excess cash generated from operations of the Parent's subsidiaries that is not required to meet certain regulatory requirements may be periodically distributed to the Parent in the form of a distribution, although the amounts of such distributions may vary from year to year.

CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT

THE WESTERN UNION COMPANY

NOTES TO CONDENSED FINANCIAL STATEMENTS (Continued)

4. Divestitures and Investment Activities

Divestitures

On August 4, 2021, the Parent entered into an agreement to sell its Business Solutions business to Goldfinch Partners LLC and The Baupost Group LLC (collectively, "the Buyer") for cash consideration of \$

910.0

million. The sale was completed in three closings, with the entire cash consideration collected at the first closing and allocated to the closings on a relative fair value basis. The first closing occurred on March 1, 2022 and excluded the operations in the European Union and the United Kingdom. The second closing occurred on December 31, 2022 and included the United Kingdom operations. The final closing occurred on July 1, 2023 and included the European Union operations. As of December 31, 2022, the Parent classified the proceeds allocated to the European Union operations of approximately \$

104

million within Other liabilities in the Parent's Condensed Balance Sheets. The gain on the sale from each closing was recognized by the Parent's subsidiaries, and portions of the proceeds payable to the Parent's subsidiaries were settled by means of non-cash distributions by those subsidiaries.

Investment Activities

In April 2021, the Parent sold a substantial majority of the noncontrolling interest it held in a private company for cash proceeds of \$

50.9

million. The Parent recorded a gain of \$

47.9

million within Loss before equity earnings of affiliates and income taxes during the year ended December 31, 2021. The Parent retains an immaterial equity interest in this private company.

5. Commitments, Contingencies, and Guarantees

The Parent had approximately \$

140

million in outstanding letters of credit and bank guarantees as of December 31, 2023 primarily held in connection with regulatory requirements, certain agent agreements, and the Parent's guarantees of its subsidiaries' performance under these letters of credit and bank guarantees. In 2022, the Parent provided a \$

200

million guarantee to an underwriter of a surety bond, payable in the event the Parent's subsidiary defaults on its obligation. In December 2023, the surety bond was amended, which increased the guarantee to \$

209

million.

CONDENSED FINANCIAL INFORMATION OF THE REGISTRANT

THE WESTERN UNION COMPANY

NOTES TO CONDENSED FINANCIAL STATEMENTS (Continued)

6. Leases

The Parent leases real properties primarily for use as administrative and sales offices, in addition to transportation and other equipment. The Parent determines if a contract contains a lease arrangement at the inception of the contract. For leases in which the Parent 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 present value of future lease payments. Lease and variable non-lease components within the Parent's lease agreements are accounted for separately. The Parent has no material leases in which the Parent is the lessor.

The Parent's leasing arrangements are classified as operating leases, for which expense is recognized on a straight-line basis. As of December 31, 2023 and 2022, the total ROU assets were \$

54.5
million and \$

44.1
million, respectively, and lease liabilities were \$

86.1
million and \$

80.4
million, respectively. The ROU assets and operating lease liabilities were included in Other assets and Other liabilities, respectively, in the Parent's Condensed Balance Sheets. Cash paid for operating lease liabilities is recorded as Cash flows from operating activities in the Parent's Condensed Statements of Cash Flows. Short-term and variable lease costs were not material for the years ended December 31, 2023, 2022, and 2021.

The Parent's leases have remaining terms from less than 2 years to nearly 8 years. Certain of these leases contain escalation provisions and/or renewal options, giving the Parent the right to extend the lease by up to 10 years. However, 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 term and discount rate for operating lease liabilities as of December 31, 2023 and 2022:

	December 31, 2023	December 31, 2022
Weighted-average remaining lease term (in years)	6.6	7.9
Weighted-average discount rate	5.6 %	5.5 %

The following table represents maturities of operating lease liabilities as of December 31, 2023 (in millions):

	December 31, 2023
Due within 1 year	17.2
	\$
Due after 1 year through 2 years	16.9
Due after 2 years through 3 years	14.4
Due after 3 years through 4 years	14.3
Due after 4 years through 5 years	13.2
Due after 5 years	27.6

Total lease payments	103.6
Less imputed interest	(17.5)
Total operating lease liabilities	<u>\$ 86.1</u>

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None.

Item 9A. 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 defined by Rules 13a-15(e) and 15d-15(e) within the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of December 31, 2023, which is the end of the period covered by this Annual Report on Form 10-K. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that, as of December 31, 2023, 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 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.

Management's Annual Report on Internal Control Over Financial Reporting

Management's report on Western Union's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934), and the related Report of Independent Registered Public Accounting Firm, are set forth under Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

There were no changes that occurred during our most recently completed fiscal quarter covered by this Annual Report on Form 10-K that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

During the three months ended December 31, 2023, none of the Company's directors or executive officers adopted, modified, or terminated any contract, instruction, or written plan for the purchase or sale of the Company's securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any non-Rule 10b5-1 trading arrangement, as defined in Item 408 of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Except for the information required by this item with respect to our executive officers included in Item 1 of Part I of this Annual Report on Form 10-K and our Code of Ethics, the information required by this Item 10 is incorporated herein by reference to the discussion in "Proposal 1—Election of Directors," "Board of Directors Information," and "Corporate Governance—Committees of the Board of Directors" of our definitive proxy statement for the 2024 annual meeting of stockholders.

Code of Ethics

The Company's Directors' Code of Conduct, Code of Ethics for Senior Financial Officers, Reporting Procedure for Accounting and Auditing Concerns, Attorneys' Professional Conduct Policy, and the Code of Conduct are available without charge through the "Corporate Governance" portion of the Company's website, www.westernunion.com, or by writing to the attention of: Investor Relations, The Western Union Company, 7001 East Belleview Avenue, Denver, Colorado 80237. In the event of an amendment to, or a waiver from, the Company's Code of Ethics for Senior Financial Officers, the Company intends to post such information on its website, www.westernunion.com.

Item 11. Executive Compensation

The information required by this Item 11 is incorporated herein by reference to the discussion in "Compensation Discussion and Analysis," "Executive Compensation," "Compensation of Directors," and "Compensation and Benefits Committee Report" of our definitive proxy statement for the 2024 annual meeting of stockholders, provided that the Compensation and Benefits Committee Report shall not be deemed filed in this Form 10-K.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item 12 is incorporated herein by reference to the discussion in "Stock Beneficially Owned by Directors, Executive Officers and Our Largest Stockholders," and "Equity Compensation Plan Information" of our definitive proxy statement for the 2024 annual meeting of stockholders.

Item 13. Certain Relationships and Related Transactions, and Director Independence

The information required by this Item 13 is incorporated herein by reference to the discussion of "Corporate Governance—Independence of Directors" and "Certain Transactions and Other Matters" of our definitive proxy statement for the 2024 annual meeting of stockholders.

Item 14. Principal Accountant Fees and Services

The information required by this Item 14 is incorporated herein by reference to the discussion in "Proposal 3—Ratification of Selection of Auditors" of our definitive proxy statement for the 2024 annual meeting of stockholders.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) The following documents are filed as part of this report:

1. Financial Statements (See Index to Consolidated Financial Statements in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K);
2. Financial Statement Schedule (See Index to Consolidated Financial Statements in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report on Form 10-K);
3. The exhibits listed in the "Exhibit Index" attached to this Annual Report on Form 10-K.

EXHIBIT INDEX

Exhibit Number	Description
2.1	Separation and Distribution Agreement, dated as of September 29, 2006, between First Data Corporation and The Western Union Company (filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on October 3, 2006 and incorporated herein by reference thereto).
3.1	Amended and Restated Certificate of Incorporation of The Western Union Company, as amended on May 12, 2023 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on May 18, 2023 and incorporated herein by reference thereto).
3.2	Amended and Restated By-laws of The Western Union Company adopted on December 12, 2023 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 12, 2023 and incorporated herein by reference thereto).
4.1	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Securities and Exchange Act of 1934.**
4.2	Indenture, dated as of November 17, 2006, between The Western Union Company and Wells Fargo Bank, National Association, as trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 20, 2006 and incorporated herein by reference thereto).
4.3	Supplemental Indenture, dated as of September 6, 2007, among The Western Union Company and Wells Fargo Bank, National Association, as trustee (filed as Exhibit 4.13 to the Company's Annual Report on Form 10-K filed on February 26, 2008 and incorporated herein by reference thereto).
4.4	Second Supplemental Indenture, dated as of May 3, 2019, between The Western Union Company and Wells Fargo Bank, National Association, as trustee (filed as Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed on May 7, 2019 and incorporated herein by reference thereto).
4.5	Form of 6.200% Note due 2036 (filed as Exhibit 4.14 to the Company's Registration Statement on Form S-4 filed on December 22, 2006 and incorporated herein by reference thereto).
4.6	Form of 6.200% Note due 2040 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on June 21, 2010 and incorporated herein by reference thereto).
4.7	Form of 2.850% Note due 2025 (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on November 25, 2019 and incorporated herein by reference thereto).

Table of Contents

- 4.8 [Form of 1.350% Note due 2026 \(filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on March 10, 2021 and incorporated herein by reference thereto\).](#)
- 4.9 [Form of 2.750% Note due 2031 \(filed as Exhibit 4.2 to the Company's Current Report on Form 8-K filed on March 10, 2021 and incorporated herein by reference thereto\).](#)
- 10.1 [Second Amended and Restated Credit Agreement, dated as of November 30, 2023, among The Western Union Company, the banks named therein, as lenders, Citibank, N.A., Bank of America, N.A. and Wells Fargo Bank, National Association, in their respective capacities as Issuing Lenders and in their respective capacities as Swing Line Banks, Bank of America, N.A. and Wells Fargo Bank, National Association, as Syndication Agents, Barclays Bank PLC, JPMorgan Chase Bank, N.A., and U.S. Bank National Association, as Documentation Agents, and Citibank, N.A., as Administrative Agent for the banks thereunder \(filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 4, 2023 and incorporated herein by reference thereto\).](#)
- 10.2 [Form of Director Indemnification Agreement \(filed as Exhibit 10.10 to Amendment No. 2 to the Company's Registration Statement on Form 10 \(file no. 001-32903\) filed on August 28, 2006 and incorporated herein by reference thereto\).*](#)
- 10.3 [The Western Union Company Severance/Change in Control Policy \(Executive Committee Level\), as Amended and Restated on July 19, 2023 \(filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on July 26, 2023 and incorporated herein by reference thereto\).*](#)
- 10.4 [The Western Union Company 2006 Long-Term Incentive Plan, as Amended and Restated on January 31, 2014 \(filed as Exhibit 10.11 to the Company's Annual Report on Form 10-K filed on February 24, 2014 and incorporated herein by reference thereto\).*](#)
- 10.5 [The Western Union Company 2006 Non-Employee Director Equity Compensation Plan, as Amended and Restated Effective January 31, 2014 \(filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on February 24, 2014 and incorporated herein by reference thereto\).*](#)
- 10.6 [The Western Union Company Non-Employee Director Deferred Compensation Plan, as Amended and Restated Effective December 31, 2008 \(filed as Exhibit 10.12 to the Company's Annual Report on Form 10-K filed on February 19, 2009 and incorporated herein by reference thereto\).*](#)
- 10.7 [The Western Union Company Senior Executive Performance Incentive Plan, Established February 20, 2019 \(filed as Exhibit 10.21 to the Company's Annual Report on Form 10-K filed on February 21, 2019 and incorporated herein by reference thereto\).*](#)
- 10.8 [Form of Unrestricted Stock Unit Award Agreement Under The Western Union Company 2006 Non-Employee Director Equity Compensation Plan, as Amended and Restated Effective February 17, 2009 \(filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K filed on February 26, 2010 and incorporated herein by reference thereto\).*](#)
- 10.9 [Form of Unrestricted Stock Unit Award Agreement for Non-Employee Directors Residing in the United States Under The Western Union Company 2006 Non-Employee Director Equity Compensation Plan \(filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on May 6, 2010 and incorporated herein by reference thereto\).*](#)
- 10.10 [Form of Nonqualified Stock Option Award Agreement for Non-Employee Directors Residing in the United States Under The Western Union Company 2006 Non-Employee Director Equity Compensation Plan \(filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on May 6, 2010 and incorporated herein by reference thereto\).*](#)

Table of Contents

10.11	<u>Form of Bonus Stock Unit Award Agreement for Non-Employee Directors Residing in the United States Under The Western Union Company 2006 Long-Term Incentive Plan (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 1, 2012 and incorporated herein by reference thereto).*</u>
10.12	<u>Form of Nonqualified Stock Option Award Agreement for Non-Employee Directors Residing in the United States Under The Western Union Company 2006 Long-Term Incentive Plan (filed as Exhibit 10.47 to the Company's Annual Report on Form 10-K filed on February 24, 2014 and incorporated herein by reference thereto).*</u>
10.13	<u>Form of Award Agreement Under The Western Union Company Senior Executive Performance Incentive Plan (filed as Exhibit 10.38 to the Company's Annual Report on Form 10-K filed on February 21, 2019 and incorporated herein by reference thereto).*</u>
10.14	<u>Form of Nonqualified Stock Option Award Agreement for Section 16 Officers (Non - U.S.) Under The Western Union Company 2006 Long-Term Incentive Plan For Awards Granted in 2014 and Thereafter (filed as Exhibit 10.10 to the Company's Quarterly Report on Form 10-Q filed on May 1, 2014 and incorporated herein by reference thereto).*</u>
10.15	<u>Form of Nonqualified Stock Option Award Agreement for Section 16 Officers (U.S.) Under The Western Union Company 2006 Long-Term Incentive Plan For Awards Granted in 2014 and Thereafter (filed as Exhibit 10.11 to the Company's Quarterly Report on Form 10-Q filed on May 1, 2014 and incorporated herein by reference thereto).*</u>
10.16	<u>The Western Union Company 2015 Long-Term Incentive Plan, as Amended and Restated on February 21, 2018 (filed as Exhibit 10.47 to the Company's Annual Report on Form 10-K filed on February 22, 2018 and incorporated herein by reference thereto).*</u>
10.17	<u>Form of Deferred Stock Unit Award Agreement for U.S. Non-Employee Directors Under The Western Union Company 2015 Long-Term Incentive Plan, Effective May 15, 2015 (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2015 and incorporated herein by reference thereto).*</u>
10.18	<u>Form of Nonqualified Stock Option Award Agreement for U.S. Non-Employee Directors Under The Western Union Company 2015 Long-Term Incentive Plan, Effective May 15, 2015 (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on July 30, 2015 and incorporated herein by reference thereto).*</u>
10.19	<u>The Western Union Company Supplemental Incentive Savings Plan, as Amended and Restated Effective January 1, 2022 (filed as Exhibit 10.22 to the Company's Annual Report on Form 10-K filed on February 24, 2022, and incorporated herein by reference thereto).*</u>
10.20	<u>Form of Nonqualified Stock Option Award Agreement for Section 16 Officers (Non - U.S.) Under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.8 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2016 and incorporated herein by reference thereto).*</u>
10.21	<u>Form of Nonqualified Stock Option Award Agreement for Section 16 Officers (Non - U.S.) Under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q filed on May 2, 2017 and incorporated herein by reference thereto).*</u>
10.22	<u>Deferred Prosecution Agreement dated January 19, 2017 by and between The Western Union Company, the United States Department of Justice, and the United States Attorney's Offices for the Eastern and Middle Districts of Pennsylvania, the Central District of California, and the Southern District of Florida (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 20, 2017 and incorporated herein by reference thereto).</u>

Table of Contents

10.23	<u>Stipulated Order for Permanent Injunction and Final Judgment dated January 19, 2017 by and between The Western Union Company and the United States Federal Trade Commission (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 20, 2017 and incorporated herein by reference thereto).</u>
10.24	<u>Consent to the Assessment of Civil Money Penalty dated January 19, 2017 by and between Western Union Financial Services, Inc. and the Financial Crimes Enforcement Network of the United States Department of Treasury (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K filed on January 20, 2017 and incorporated herein by reference thereto).</u>
10.25	<u>Form of Nonqualified Stock Option Grant Award Agreement for Non-U.S. Section 16 Officer under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.65 to the Company's Annual Report on Form 10-K filed on February 21, 2019 and incorporated herein by reference thereto).*</u>
10.26	<u>Form of Total Shareholder Return Performance-Based Restricted Stock Unit Award Agreement for U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.68 to the Company's Annual Report on Form 10-K filed on February 21, 2019 and incorporated herein by reference thereto).*</u>
10.27	<u>Form of Total Shareholder Return Performance-Based Restricted Stock Unit Award Agreement for Non-U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.71 to the Company's Annual Report on Form 10-K filed on February 21, 2019 and incorporated herein by reference thereto).*</u>
10.28	<u>Form of Restricted Stock Unit Award Agreement for U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 1, 2019 and incorporated herein by reference thereto).*</u>
10.29	<u>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 (filed as Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 1, 2019 and incorporated herein by reference thereto).*</u>
10.30	<u>Form of Restricted Stock Unit Award Agreement for Non-U.S. Section 16 Officers under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on August 1, 2019 and incorporated herein by reference thereto).*</u>
10.31	<u>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 (filed as Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 1, 2019 and incorporated herein by reference thereto).*</u>

Table of Contents

10.32	<u>Form of Restricted Stock Unit Award Agreement for Non-Employee Directors Under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 4, 2021 and incorporated herein by reference thereto).*</u>
10.33	<u>Form of Nonqualified Stock Option Award Agreement for Non-Employee Directors Residing in the United States Under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on May 4, 2021 and incorporated herein by reference thereto).*</u>
10.34	<u>Nonqualified Stock Option Grant Agreement for Devin B. McGranahan under The Western Union Company 2015 Long-Term Incentive Plan (filed as Exhibit 10.42 to the Company's Annual Report on Form 10-K filed on February 24, 2022, and incorporated herein by reference thereto).*</u>
10.35	<u>Offer Letter dated May 7, 2022, between Benjamin Adams and Western Union, LLC (filed as Exhibit 10.45 to the Company's Annual Report on Form 10-K filed on February 23, 2023, and incorporated herein by reference thereto).*</u>
10.36	<u>Letter Agreement dated May 11, 2023, between Giovanni Angelini and the Company.*,**</u>
10.37	<u>Release and Waiver Agreement dated January 3, 2024, between Western Union Financial Services, Inc. Dubai Liaison Office and Jean Claude Farah.*,**</u>
10.38	<u>The Western Union Company Dodd-Frank Clawback and Forfeiture Policy dated October 2, 2023.**</u>
10.39	<u>Form of Nonqualified Stock Option Award Agreement (U.S.) under The Western Union Company 2015 Long-Term Incentive Plan.*,**</u>
10.40	<u>Form of Nonqualified Stock Option Award Agreement (Non-U.S.) under The Western Union Company 2015 Long-Term Incentive Plan.*,**</u>
21	<u>Subsidiaries of The Western Union Company**</u>
23	<u>Consent of Independent Registered Public Accounting Firm**</u>
31.1	<u>Certification of Chief Executive Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934**</u>
31.2	<u>Certification of Chief Financial Officer of The Western Union Company Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934**</u>
32	<u>Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 1350 of Chapter 63 of Title 18 of the United States Code***</u>
101.INS	Inline 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 With Embedded Linkbase Documents**
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Management contracts and compensatory plans and arrangements required to be filed as exhibits pursuant to Item 15(b) of this report.

** Filed herewith.

*** Furnished herewith.

[Table of Contents](#)

Item 16. Form 10-K Summary

None.

134

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

The Western Union Company (Registrant)

February 22, 2024

By: **/s/ Devin B. McGranahan**
Devin B. McGranahan
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Devin B. McGranahan Devin B. McGranahan	President, Chief Executive Officer, and Director (Principal Executive Officer)	February 22, 2024
/s/ Matt Cagwin Matt Cagwin	Chief Financial Officer (Principal Financial Officer)	February 22, 2024
/s/ Mark Hinsey Mark Hinsey	Chief Accounting Officer and Controller (Principal Accounting Officer)	February 22, 2024
/s/ Jeffrey A. Joerres Jeffrey A. Joerres	Non-Executive Chairman of the Board of Directors	February 22, 2024
/s/ Julie Cameron-Doe Julie Cameron-Doe	Director	February 22, 2024
/s/ Martin I. Cole Martin I. Cole	Director	February 22, 2024
/s/ Suzette M. Deering Suzette M. Deering	Director	February 22, 2024
/s/ Betsy D. Holden Betsy D. Holden	Director	February 22, 2024
/s/ Michael A. Miles, Jr. Michael A. Miles, Jr.	Director	February 22, 2024
/s/ Timothy P. Murphy Timothy P. Murphy	Director	February 22, 2024
/s/ Jan Siegmund Jan Siegmund	Director	February 22, 2024
/s/ Angela A. Sun Angela A. Sun	Director	February 22, 2024
/s/ Solomon D. Trujillo Solomon D. Trujillo	Director	February 22, 2024

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**Introduction**

The following is a summary of information concerning the common stock of The Western Union Company (the "Company", "we", "us" or "our"), which is the only security of the Company registered pursuant to Section 12 of the Securities Exchange Act of 1934. The summaries and descriptions below do not purport to be complete statements of the relevant provisions of applicable law (including the Delaware General Corporate Law (the "DGCL")) as well as our amended and restated certificate of incorporation ("Charter") and our amended and restated by-laws ("Bylaws"), and are entirely qualified by such laws and documents, which you must read for complete information on the terms of our common stock. Our Charter and Bylaws are included as exhibits to the Company's Annual Report on Form 10-K to which this exhibit is filed and are incorporated by reference herein.

Common Stock

Our authorized capital stock consists of 2,000,000,000 shares of common stock, par value \$0.01 per share, and 10,000,000 shares of preferred stock, par value \$1.00 per share.

The holders of our common stock are entitled to one vote per share of common stock held on all matters voted on by our stockholders, including the election of directors, and except as otherwise required by law or provided in any resolution adopted by our board of directors with respect to any series of preferred stock, the holders of our common stock will possess all voting power. The Company's board of directors consists of only one class. The affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders in all matters other than the election of directors. Each director shall be elected by the vote of a majority of the votes cast with respect to that director's election at any meeting for the election of directors at which a quorum is present, unless the number of nominees exceeds the number of directors to be elected, in which case the directors shall be elected by the vote of a plurality of the shares represented in person or by proxy at such meeting.

Subject to preferences that may be applicable to any outstanding preferred stock, the holders of our common stock are entitled to receive ratably such dividends, if any, as may be declared by our board of directors out of funds legally available for that purpose. In the event of our liquidation, dissolution or winding up, subject to preferences that may be applicable to any outstanding preferred stock, the holders of our common stock would be entitled to share ratably in all assets available for distribution to stockholders.

The holders of our common stock have no preemptive or conversion rights and are not subject to further calls or assessments by us. The rights, preferences and privileges of holders of our common stock are subject to, and may be adversely affected by, the rights of holders of shares of any outstanding preferred stock. There are no redemption or sinking fund provisions applicable to the common stock. The common stock currently outstanding is validly issued, fully paid and nonassessable.

Our common stock is listed on the New York Stock Exchange under the symbol "WU."

Equiniti Trust Company serves as the transfer agent and registrar for our common stock.

Preferred Stock

Our Charter authorizes our board of directors, without the approval of our stockholders, to fix the designation, powers, preferences and rights of one or more series of preferred stock, which may be greater than those of our common stock.

We believe that the ability of our board of directors to issue one or more series of preferred stock provides us with flexibility in structuring possible future financings and acquisitions and in meeting other corporate needs that might arise.

The issuance of shares of our preferred stock, or the issuance of rights to purchase shares of preferred stock, could be used to satisfy certain regulatory requirements or to discourage an unsolicited acquisition proposal. In addition, under some circumstances, the issuance of preferred stock could adversely affect the voting power of holders of our common stock.

Certain Anti-Takeover Effects of Provisions of our Charter and Bylaws and of the DGCL

Some provisions of our Charter and Bylaws and the DGCL contain certain provisions that could make the acquisition of the Company by means of a tender offer, proxy contest or otherwise more difficult. These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions also are designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection give us the potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire us and outweigh the disadvantages of discouraging those proposals because negotiation of them could result in an improvement in their terms.

Number of Directors; Filling Vacancies; Removal

Our Charter provides that the number of directors will be between one and fifteen and our board of directors will fix the exact number of directors to comprise our board of directors. A director may only be removed from office for cause by the affirmative vote of holders of a majority of shares of common stock entitled to vote at an election of directors. Additionally, only our board of directors will be authorized to fill any vacancies on our board of directors. These provisions have the effect of making it difficult for a potential acquirer to gain control of our board of directors.

No Stockholder Action by Written Consent; Special Meetings

Our Charter provides that any action required or permitted to be taken by our stockholders must be effected at a duly called annual or special meeting of such stockholders and may not be effected by any consent in writing of such stockholders. Further, our Bylaws provide that special meetings may be called only by the chair of our board of directors, our chief executive officer, our president, our secretary, the chair of the Corporate Governance, ESG, and Public Policy Committee of our board of directors, any officer at the request in writing of a majority of our board of directors, or by our secretary upon the written request of one or more of our stockholders of record that together have continuously held, for their own account or on behalf of others, beneficial ownership of at least a ten percent (10%) aggregate "net long position" of the capital stock issued and outstanding for at least one year prior to the date such request is delivered to the Company. These provisions may have the effect of delaying consideration of a stockholder proposal until the next annual meeting unless a special meeting is called by one of the persons named above, by an officer at the request of our board of directors or by our secretary at the request of a qualifying stockholder or stockholders.

Advance Notice of Stockholder Nominations and Stockholder Proposals; Proxy Access

Our Bylaws have advance notice procedures for stockholders to make nominations of candidates for election as directors or to bring other business before a meeting of the stockholders. The business to be conducted at an annual meeting will be limited to (i) business specified in the notice of meeting (or supplement to the notice) given by or at the direction of our board of directors or a duly authorized committee thereof or (ii) business properly brought before the annual meeting by or at the direction of our board of directors or a duly authorized committee thereof or by a stockholder of record on the date of the giving of the notice who has given timely written notice to our secretary of that stockholder's intention to bring such business before such meeting.

Our Bylaws govern stockholder nominations of candidates for election as directors except with respect to the rights of holders of our preferred stock. Under our Bylaws, nominations of persons for election to our board of directors may be made at an annual meeting by any stockholder of the Company (i) who is a stockholder of record on the date of giving notice to our secretary and as of the record date for the determination of stockholders entitled to vote at the

meeting and through the date of such meeting, and (ii) is entitled to vote at such meeting if the stockholder submits a timely notice of nomination. A notice of a stockholder nomination will be timely only if it is delivered to us at our principal executive offices not later than the close of business on the 90th day nor earlier than the 120th day prior to the first anniversary date of the immediately preceding year's annual meeting of stockholders. However, if the annual meeting is called for a date that is not within 30 days prior to or more than 60 days after that anniversary date (or if no annual meeting was held in the previous year), notice by the stockholder must be received not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting and (ii) the 10th day following the earlier of the day on which such notice of the date of the annual meeting was mailed or the day of public disclosure of the date of the annual meeting was made. The notice of a stockholder nomination must contain specified information, as described in more detail in our Bylaws.

Our Bylaws provide that, in certain circumstances, we shall include in our proxy statement for an annual meeting of stockholders, the name, together with certain information specified in our Bylaws, of any person nominated for election to the board of directors by a stockholder or group of no more than 20 stockholders that satisfy the requirements specified in our Bylaws. Such stockholder or group of stockholders must have owned three percent (3%) or more of our outstanding common stock continuously for at least three years as of both the date the written notice of the nomination is delivered to or mailed and received by the Company in accordance with the Bylaws and the record date for determining stockholders entitled to vote at the annual meeting. The number of stockholder nominated candidates appearing in any of our annual meeting proxy materials shall not exceed the greater of (i) two or (ii) 20% of the number of directors in office as of the last day on which notice of a nomination may be delivered in accordance with our Bylaws, rounded down to the nearest whole number. The nominating stockholder or group of stockholders is also required to deliver certain information and undertakings, and each nominee is required to meet certain qualifications, as described in more detail in our Bylaws.

Our Bylaws will govern the notification process of all other stockholder proposals to be brought before an annual meeting. Under our Bylaws, notice of a stockholder proposal will be timely only if it is delivered to us at our principal executive offices not later than the close of business on the 90th day nor earlier than the 120th day prior to the first anniversary date of the immediately preceding year's annual meeting of stockholders. However, if the annual meeting is called for a date that is not within 30 days prior to or more than 60 days after that anniversary date (or if there has no annual meeting was held in the previous year), notice by the stockholder must be received not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of (i) the 90th day prior to such annual meeting and (ii) the 10th day following the earlier of the day on which such notice of the date of the annual meeting was mailed or the day of public disclosure of the date of the annual meeting was made. The notice of a stockholder proposal must contain specified information, as described in more detail in our Bylaws.

If the chair of the meeting determines that the stockholder nomination or proposal was not properly brought before the meeting in accordance with the provisions of our Charter or Bylaws, as the case may be, that person will not be eligible for election as a director or that business will not be conducted at the meeting, as the case may be.

The advance notice provisions may preclude a contest for the election of directors or the consideration of stockholder proposals if the proper procedures are not followed. Additionally, the advance notice provisions may deter a third party from conducting a solicitation to elect its own slate of directors or approve its own proposal, without regard to whether consideration of those nominees or proposals might be harmful or beneficial to us and our stockholders.

Amendment of the Charter and Bylaws

Under Delaware law, the stockholders of a corporation have the right to adopt, amend or repeal the bylaws and, with the approval of the board of directors, the certificate of incorporation of a corporation. In addition, under Delaware law, if the certificate of incorporation so provides, the bylaws may be adopted, amended or repealed by the board of directors.

Under Delaware law, the affirmative vote of the holders of a majority of the voting power of all shares of capital stock entitled to vote on the amendment will be required to amend our Charter. Our Charter also provides that our board of directors may amend our Bylaws.

Business Combinations

Section 203 of the DGCL restricts a wide range of transactions ("business combinations") between a corporation and an interested stockholder. An "interested stockholder" is, generally, any person who beneficially owns, directly or indirectly, 15% or more of the corporation's outstanding voting stock. Business combinations are broadly defined to include (i) mergers or consolidations with, (ii) sales or other dispositions of more than 10% of the corporation's assets to, (iii) certain transactions resulting in the issuance or transfer of any stock of the corporation or any subsidiary to, (iv) certain transactions resulting in an increase in the proportionate share of stock of the corporation or any subsidiary owned by, or (v) receipt of the benefit (other than proportionately as a stockholder) of any loans, advances or other financial benefits by, an interested stockholder. Section 203 provides that an interested stockholder may not engage in a business combination with the corporation for a period of three years from the time of becoming an interested stockholder unless (a) the Board of Directors approved either the business combination or the transaction which resulted in the person becoming an interested stockholder prior to the time that person became an interested stockholder; (b) upon consummation of the transaction which resulted in the person becoming an interested stockholder, that person owned at least 85% of the corporation's voting stock (excluding, for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, shares owned by persons who are directors and also officers and shares owned by certain employee stock plans); or (c) the business combination is approved by the Board of Directors and authorized by the affirmative vote of at least 66⅔% of the outstanding voting stock not owned by the interested stockholder. The restrictions on business combinations with interested stockholders contained in Section 203 of the DGCL do not apply to a corporation whose certificate of incorporation or bylaws contains a provision expressly electing not to be governed by the statute; however, neither our Charter nor our Bylaws contains a provision electing to "opt-out" of Section 203.

Western Union Payment Services Ireland Limited Office Italy
 via Virgilio Maroso, 50, Roma 00142, Italia
 VAT and Rome Companies Registration Office: 10671321007
 Tel: +39 06 87410111 | Fax: +39 06 87410891
 www.westernunion.com

Open-ended employment contract

Private and Confidential

Rome, December 9th, 2020

Dear Mr.
 Giovanni Angelini
 [REDACTED]

Dear Giovanni Angelini,

Western Union Payment Services Ireland Limited — Office Italy, with registered office in Unit 9, Richview Business Park, Clonskeagh, Irlanda and office in Italy in Via Virgilio Maroso 50, 00142, Roma, TAX Code and VAT Code 10671321007 (hereinafter referred to also as the "Company" and/or "Western Union" and jointly with you referred to also as the "Parties") is pleased to confirm your future employment (hereinafter referred to also as the "Employment Relationship") according to the terms and conditions set forth in this contract (hereinafter referred to also as the "Agreement").

1. DURATION, RANKING, JOB TITLE, DUTIES AND PLACE OF WORK

1.1. The Employment Relationship begins on January 1st, 2021 and it is deemed of an indefinite duration. You will receive service credit for time spent working for all Western Union affiliated companies effective from February 1St, 2002.

1.2. You will be ranked as Executive "Dirigente", according to the provisions of the National Collective Bargaining Agreement for the executives of the Trade Sector ("NCA"), with the job title of "*Head of Go-To-Market Retail*".

1.3. In particular, your job duties are those described in the Job Description attached hereto as Exhibit 1.

1.4. During your Employment Relationship, you shall report to the "*President, Consumer Money Transfer*", currently Mr. Khalid Fellahi.

1.5. Your place of work will be at the Company's offices in Via Virgilio Maroso 50, 00142, Roma, save for any right ex Article 2103 of the Italian Civil Code.

/s/ GA

 Employee Initials

/s/ GS

 Company Representative
 Initials

WesternUnion\WU

1.6. The Company may, in its discretion, subject to applicable law, second you to another company in the Company's related group of companies ("Group Companies" as below defined). You expressly agree and accept that your place of work may be changed to any other place, subject to applicable law. In addition, you expressly agree and accept that you may be required to travel worldwide on the Company's business and to work in other cities and/or countries in the proper performance of your duties or as the Company may reasonably direct. The Company will, insofar as is reasonably possible, undertake to obtain all necessary work permits, visas and permission to enable you to work in such places as you may be required to work.

1.7. You accept that you are being hired in accordance with the clauses and terms set forth in this Agreement, and officially state that you are not employed by any other company and that you are free of any commitment, including non-compete covenants, with any preceding employer. You agree that you are required to terminate your employment contract or any other employment obligation with any other preceding employer before the date on which this Agreement takes effect. You agree that you are responsible for any work or employment dispute arising from a breach of this clause.

1.8. You agree to perform any functions and duties related to your position and pursuant to the Company's instructions and to attend training courses when required to do so by the Company. You agree to comply with the Company's decision should it determine it necessary or appropriate, subject to the requirements of applicable law and NCA, to change your job title, reporting relationships, job duties and responsibilities, the legal entity which employs you and the law applicable to your Employment Relationship (despite your residence) on the basis of your performance or the Company's business requirements.

1.9. The Company shall have the right, subject to applicable law, to assign unilaterally its rights, interests and privileges in this Agreement to Group Companies. You consent to any future or subsequent transfer of your employment to Group Companies within the limits set forth by the law.

1.10. For purposes of this Agreement, Group Companies means the Company, its ultimate parent, The Western Union Company, and any Affiliate of the Company or The Western Union Company.

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

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

2. REMUNERATION AND EXPENSES REIMBURSEMENT

2.1. For giving your entire time and attention to the work assigned to you, you shall receive an annual gross salary of Euro 400.000,00 (four-hundred thousand/00 Euro) - not inclusive of bonuses (hereinafter referred to also as "Base Salary"), comprehensive of the *Superminimo Assorbibile* and any supplementary pay due under the NCA. This amount shall be paid in 14 equal monthly installments in arrears in accordance with the Company's normal payroll practices. It is also understood that this Base Salary, in consideration of the high professionalism and level of your position, remunerates all the activities carried out during the Employment Relationship, both under a qualitative and quantitative profile.

2.2. The Company will reimburse you only for travel expenses and other necessary and reasonable expenses incurred by you in the furtherance of the Company's business to the extent such reimbursement is authorized by the Company's expense policies in force from time to time. Such travel and other reasonable expenses shall be reimbursed against submission of proof of such expenses within the scope and pursuant to the provisions of the Company's policies in force from time to time.

2.3. In your function as "Head of Go-To-Market Retail", you will undertake regular business travels. For this, you will receive a Company car in accordance with The Western Union Company's Car Policy, as amended from time to time. Insofar as private use of the Company car is permitted, you will bear the taxes due on the financial advantage of such private use. In case of a change in work due to which a Company car is no longer required, and in case of a release from the obligation to work upon termination, the Company car shall be returned to the Company without undue delay. There shall be no right of retention, and you shall not be entitled to a compensation for the loss of the advantage of private use.

3. INCENTIVE BONUS (NON-SALARY)

3.1. The Company and its Group Companies currently maintain an annual Performance Incentive Plan (hereinafter referred to also as the "Plan"). You are eligible to participate in the Plan according to the terms and conditions set forth in this section titled "Incentive Bonus". This Plan provides you with an opportunity to earn an incentive bonus subject to the attainment of annual corporate, business unit/division (if applicable) and individual performance goals. Pursuant to the Plan, you may, but are not guaranteed to, receive additional payments in an amount to be determined by the Company in its sole discretion, in addition to your Base Salary, if all Plan criteria are satisfied and if specified levels of annual corporate, business unit/division (if applicable) and individual

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

performance are attained. You acknowledge the discretionary character of such payments, in particular that such payments are determined by the Company in its sole discretion and are also contingent upon attainment of specified levels of annual corporate, business unit/division (if applicable) and individual performance. You furthermore acknowledge that eligibility for any such payments is contingent upon you executing an acknowledgement and acceptance of the terms and conditions applicable to your participation in the Plan. You acknowledge that participation in the Plan during any one year confers no rights upon you or any obligations on the Company to continue the Plan, to make any payments of any kind, or entitle you to participate in the Plan in succeeding years. You renounce any claim that any repetition of any Plan payments gives you the right to claim the payment of such amount or to any payment whatsoever in any succeeding year. You will be provided detailed written information about the Plan, including the terms and conditions applicable to your participation therein.

3.2. Because the term of your employment with the Company begins on January 1", you will be eligible to participate in the Plan, provided that your target incentive bonus under the Plan, which for 2021 year will be up to the 80% of your annualized Base Salary. Your target incentive bonus, if any, may change from year to year in the Company's sole discretion.

3.3. As the amount of the incentive bonus under the Plan is contingent upon annual corporate, business unit/division (if applicable) and individual performance, the final bonus amounts, if any, are determined after (and cannot be determined before) the end of the respective calendar year and after relevant figures have become available. Any payments of the incentive bonus will be made in the first quarter of the year following the year of accrual.

3.4. You acknowledge the voluntary, non-binding character of the possible remuneration described in this section titled "Incentive Bonus", which can be cancelled at any time and hereby explicitly waive any right or entitlement of receiving this bonus in the future. You acknowledge and accept that the bonus described in this section is not included in the definition of "*stipendio*" (salary), "*retribuzione globale di fatto*" (global salary) or "*diritto acquisito*" (acquired rights) according to the provisions of the applicable laws and NCA.

4. LONG-TERM INCENTIVE (NON-SALARY)

4.1. The Company may, from time to time, recommend to the Compensation and Benefits Committee of the Board of Directors of The Western Union Company (hereinafter referred to also as the "Committee") or its delegate that you be considered for a grant of an option to purchase shares of the common stock of The Western Union Company and/or a grant of restricted stock units pursuant to the terms of The Western Union Company's Long-Term Incentive Plan (hereinafter referred to

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

also as the "LTIP"). These grants require the approval of the Committee (or its delegate) and the execution by you of the terms and conditions of each grant. All your rights and obligations with respect to any stock options or restricted stock units or other LTIP awards granted to you are subject to the terms and conditions of the LTIP as well as the terms and conditions of the applicable award agreements.

4.2. There is no guarantee or promise that any future stock option or restricted stock unit, or other LTIP awards, will be made or recommended. You understand the discretionary character of any grant under the LTIP and understand that any repetition of any such grants, even if the repeated grants are in the same or similar amount as in a previous year, do not give you any right or claim to any grant whatsoever in any succeeding year. You acknowledge that any grant made under the LTIP does not create any contractual right to receive future grants or any benefits in lieu of LTIP grants, and that your participation in the LTIP does not establish or imply an employment relationship between you and The Western Union Company. You further acknowledge that in accepting any such grant you may be subject to certain tax and exchange control regulations, and that it is your individual responsibility to comply with any regulations as a result of your acceptance of any grant under the LTIP.

4.3. The voluntary, non-binding character of the possible awards described in this section, which can be cancelled at any time, is understood by both parties. You acknowledge the voluntary character of such awards and hereby explicitly waive any entitlement of receiving any awards in the future.

4.4. You acknowledge that LTIP awards are not provided with the character of salary and are excluded from the definition of "*stipendio*" (salary), "*retribuzione globale difacto*" (global salary) or "*diritto acquisito*" (acquired rights) for all legal purposes, subject to applicable law and NCA. However, for tax purposes, any benefits you receive under the LTIP may be taxed as salary income to you; it is your responsibility to determine the appropriate taxation for any awards any pay any and all income taxes, social insurance contributions and any other taxes due by you in relation to any awards.

4.5. In accordance with the Company's Remuneration Policy, the Capital Requirements Directive IV (2013/36/EU) and the Capital Requirements Regulation (EU Regulation 575/2013), as each are in force from time to time, and the requirement that credit institutions ensure that their remuneration policies and practices are consistent with and promote sound and effective risk management, your annual entitlement to total variable compensation (including any entitlement under the LTIP) is capped at 200% of your Base Salary. The Company, in its absolute discretion, reserves the right to amend the cap on total variable compensation at any time without notice to you, in order to comply with any regulatory obligation.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

5. BENEFITS

5.1. Subject to the rules of the Company's relevant policies, schemes or plans, you will be eligible to participate in the Company's benefits (hereinafter referred to also as the "Benefits"), under the terms and conditions applicable to similarly situated employees, which may be amended by the Company from time to time. You understand the discretionary and not binding character of any such Benefits and you acknowledge that the Company will have the right to vary the nature of such Benefits, subject to the provisions of the applicable law.

5.2. Any current or future benefits exceeding the Benefits provided for in this Agreement are granted voluntarily and may be revoked and/or changed unilaterally by the Company at any time, subject to the provisions of the applicable law; the granting of such benefits, if any, even if it were to occur more than one time, does not give rise to any entitlement to such Benefits for future periods.

6. ANNUAL LEAVE, SICK AND HOLIDAYS

6.1. You will be entitled to the full paid vacation as established by applicable law and the NCA.

6.2. Your entitlement to statutory public holidays, sick leave and other leaves of absence shall be according to the Company's policies, subject to the requirement of applicable law and the NCA.

7. FULL TIME WORK

Due to your position as Executive "Dirigente" you shall not be subject to normal working hours regulation and no additional compensation shall be due in case of overtime. As a mere indication, your working hours will be from 9.00 a.m. to 1.00 p.m. and from 2.00 p.m. to 6.00 p.m.

8. OTHER ACTIVITIES OF EMPLOYEE

8.1. During the term of your Employment Relationship under this Agreement, you acknowledge that you shall devote your time to work for the Company and shall accept no other work, whether compensated or not, directly or indirectly (whether in the form of cash or a non-cash benefit), without receiving prior written permission, if that other work involves working during Company work hours, using Company facilities or equipment, and/or if such activity might interfere with the interests of the Company, impair your performance of your employment duties for the Company,

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

the reputation of the Company, or conflict with The Western Union Company's Code of Conduct (hereinafter referred to also as "Code of Conduct", hereto attached as Exhibit 4). Nor shall you perform services or engage in activities, in any capacity, whether compensated or not, directly or indirectly, with or for any person or entity in competition with the businesses of the Company, without receiving prior written permission.

8.2. Therefore, you may not own or operate an independent commercial business or trade for your own or another's benefit in the Company's and the Group's line of business, unless you have received the written permission of The Western Union Company's Corporate Compliance and Ethics Office. Notwithstanding this provision, you are entitled to hold not more than ten percent (10%) of the issued shares of a company, the shares of which are listed on a recognized stock exchange even if such company carries on a competitive business.

8.3. If you violate any obligations in this section "Other Activities of the Employee", in addition to any and all other of its rights, the Company may claim compensation for damages suffered by the violation or, alternatively, may require that any transactions made for your benefit be treated as made for the Company's benefit. With respect to transactions made for the benefit of others, the Company may demand that you surrender any compensation that you have received for such transactions or that you assign to the Company your claim(s) to any compensation for such transactions. Western Union's exercise or failure to exercise any of the rights set forth in this subsection will not affect Western Union's right to dismiss your Employment Relationship for violation of the non-compete obligation.

8.4. You agree to afford Western Union your full capacity of work.

9. USE OF SOFTWARE/TOOLS AND COMMUNICATIONS

9.1. If you have recourse to documents, correspondence, software, software package and materials, either handwritten or computerized, or more generally all means of communication, in particular Internet or Intranet, you agree to use such tools for professional purposes only and not to take copies or reproduce such tools for your personal use or for any other use. You shall take care of these tools and must inform Western Union in case of any deterioration, loss or theft, and will comply with Western Union's rules relating to the installation and use of such tools as applicable within Western Union.

9.2. You acknowledge that the Company's local and wide area network infrastructure and its telecommunications system and its components, including for example telephones, facsimile machines, photocopiers, printers, personal organizers, palmtops, Blackberries, computers and servers, as well as the applications running on and services provided by these systems including e -

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

mail and voicemail, Internet and Intranet, and file storage facilities (hereinafter referred to also as "IT systems") and all oral communications, telephone conversations, information and messages or any part of a message (whether in the form of data, texts, images, speech or any other form) transferred via and/or stored on the IT systems, including any recording and/or copies made of such communications, and any attachments to such communications (hereinafter referred to also as the "Communications") made via the IT systems are the property of the Company and that the equipment and all information are managed in the United States of America.

9.3. You are permitted to limited personal use of information resources if the use does not result in a loss of employee productivity, interfere with official duties or business, provided that this use does not involve additional expense to Western Union, refer to Western Union's Acceptable Use Policy (ISSP-AU-001) and Email Policy (ISSP-E-001) for specific requirements. In addition when using Western Union information resources employees are expected to comply with all Western Union Policies, Standards and Controls, as amended from time to time.

9.4. You acknowledge that Western Union deploys a range of data protection and information safeguards, this includes, but is not limited to, the use of technologies to limit Internet access, assessments and management of applications/software licenses, identification and removal of potential risks to the network, management of viruses and spam, and removal of non-authorized and /or potentially dangerous software on Western Union provided platforms. As an employee your cooperation is required to protect and safeguard our company's information, infrastructure and assets and all personal information (i.e. employee, supplier and/or consumer information).

10. INTELLECTUAL PROPERTY RIGHTS

10.1. You acknowledge that copyright and all other intellectual, moral, and proprietary rights in any documents and other materials produced by you during the course of this Agreement or your performance of duties (whether or not produced during working hours), including without limitation your inventions, creations, work products or whatever forms of objects that may be protected under the Copyright Law, Patent Law, Trademark Law, Trade Secret Law or other laws shall vest in and be owned by the Company or its assignee to the maximum extent permitted by applicable law.

10.2. You further agree that you will do all things necessary (at the Company's request and expense) to perfect such vesting and ownership of such rights by the Company both during and after the period of this Agreement.

10.3. You ensure that such documents and other materials produced by you will be original and will not infringe the rights of any third party.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

11. NON-DISCLOSURE OF TRADE SECRETS AND OTHER COMPANY CONFIDENTIAL INFORMATION

11.1. During the course of your Employment Relationship, there may be disclosed to you certain confidential information regarding the Company or third party and/or trade secrets of the Company, and its Group Companies (all of these, for purposes of this section titled "Non-disclosure of trade secrets and other company confidential information", are "the Company").

11.2. You acknowledge 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. You agree that your work for the Company will continue to bring you into close contact with many of the Company's Trade Secrets, Confidential Information and Third-Party Information (as defined below), the disclosure of which would cause the Company significant and irreparable harm.

11.3. You recognize that any unauthorized disclosure of Third-Party Information could breach non-disclosure obligations or violate applicable laws or Company policy. You further agree 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.

11.4. Therefore, you agree to observe the non-disclosure obligation as set out in this section titled "Non-Disclosure of Trade Secrets and Other Company Confidential Information."

11.5. Company "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, 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.

11.6. 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:

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

(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.

11.7. "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. non-public 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.

11.8. You agree that for so long as the pertinent information or documentation remains a Trade Secret, you will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Trade Secrets. You further agree that during your Employment Relationship and after its cessation, you 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 yourself.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

Western Union Payment Services Ireland Limited
Registered Address: Unit 9 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Western Union Payment Services Ireland Limited is regulated by the Central Bank of Ireland

You agree that for so long as the pertinent information or documentation is subject to protection under Company nondisclosure obligations, policy or applicable law, but in any event not less than • two (2) years after the cessation of your Employment Relationship, you will not use, disclose, or disseminate to any other person, organization, or entity or otherwise employ any Third-Party Information.

11.9. Upon cessation of your employment with the Company or at any time the Company requests, you agree to return all Third-Party Information as well as 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 your possession or over which you exercise control, and regardless of whether such materials were prepared by the Company, you, or a third party.

11.10. Should you be required by law, regulation or court order to disclose any information you are required not to disclose under this section "Non-Disclosure of Trade Secrets and Other Company Confidential Information", you should notify the Company prior to making such disclosure in order to allow the Company to seek a protective order or other appropriate remedy from the proper authority. You agree to cooperate with the Company in seeking such court order or other remedy, and further agree that if the Company is not successful in obtaining such court order, you shall furnish only that portion of the information that is legally required and shall exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the information disclosed.

11.11. Any breach or failure to observe these obligations may subject you to immediate dismissal without compensation or severance payment, subject to the provisions of the applicable law and of the NCA. You agree that the Company shall have the right to seek all remedies available to it under applicable law in the event you violate this section. Your obligations under this section "Non-Disclosure of Trade Secrets and Other Company Confidential Information" survive termination of your employment relationship with the Company.

12. PROCESSING AND USE OF EMPLOYEE INFORMATION AND EMPLOYEE MONITORING

12.1. For information about the types of personal data the Company or Group Companies obtains about you, why it is processed, the legal grounds relied on, where the data comes from, with whom the data is shared, how long it is kept, and your rights regarding the use of your personal data, please refer to the EEA Employee and Contractor Data Privacy Notice (attached as Exhibit 2) as maintained and updated from time to time on Western Union's intranet WU Life.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

12.2. For information about how the Company or Group Companies may monitor, access, examine and otherwise intercept IT Systems communications, by human or automated means and monitor the activities of employees from time to time, please refer to the EEA Employee and Contractor Monitoring Privacy Notice (attached as Exhibit 3) as maintained and updated from time to time on Western Union's intranet WU Life.

12.3. You agree to comply with the terms of the Western Union Global Privacy Policy and any other policies and guidance on data privacy in force from time to time and complete any training on data privacy as required from time to time

13. CODE OF CONDUCT AND POLICIES

You agree to read, follow and to perform your job in compliance with The Western Union Company Code of Conduct (attached as Exhibit 4) as amended from time-to-time, which the Company has adopted, and with all other applicable "Rules" — laws, workplace safety rules, anti-bribery rules, work rules, and Company and Group Companies policies, as amended and as currently in force. And you agree: to protect Company property; to maintain the highest standards of personal and professional ethics; to participate actively in Company training; and to develop and improve your professional skills. If the Company has reason to believe you violated the Code of Conduct or a Rule, you agree to cooperate in any investigation, pursuant to applicable law and the NCA. You further acknowledge that the Company may take disciplinary action in case of a violation of any of the provisions contained in the Code of Conduct and other applicable rules, laws, regulations and policies, and may adopt any appropriate disciplinary sanction accordingly, including immediate dismissal of your employment, pursuant to applicable law and the NCA.

14. TAX LIABILITIES

Except for those taxes and contributions mandated by law to be withheld or for any government filings to be made by the Company in connection with the salary and other allowances, compensation and benefits arising from your employment, all other taxes and contributions and filings shall be your responsibility and shall be made by you. The Company will not be responsible or liable for any of your tax or other liabilities in respect of your employment, such as personal income tax payable to any governments or authorities. You are solely responsible for filing any and all income tax returns and paying any amounts owed to the respective authorities in Italy or elsewhere, as may be required by law. The Company will have the right to withhold your remuneration (or any part thereof) as may be required or authorized by law and pay the same on your behalf in order to settle any of your tax liabilities and penalties.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

15. TERMINATION

15.1. The Employment Relationship may be terminated by you or by the Company in accordance with Italian law and the NCA. Italian law and the NCA shall govern also the notice period, if any, as well as payment of any mandatory entitlements due.

15.2. In case of termination by the Company, unless otherwise provided by the applicable law, the Company shall give you the required notice period or shall pay the indemnity in lieu of notice, in accordance with the applicable law and the NCA.

15.3. In case of resignation, you shall be subject to the notice period set forth by the law and the NCA.

15.4. You explicitly acknowledge that any violation on your part of the provisions of this Agreement shall constitute a serious breach of your employment obligations and shall entitle the Company to commence disciplinary proceedings and to adopt any appropriate disciplinary sanctions, including dismissal, pursuant to applicable law and the NCA.

15.5. Upon termination of employment, and without need of further notice or demand, you shall immediately transfer and deliver to the Company any property of the Company, and its Group Companies which may be in your possession, custody or under your control including, without limitation, all papers, documents, notes, memoranda, records and writings, in whatever form or stored in whatever media, which in any way relate to the business of the Company and its Group Companies and/or to the business of the clients of the Company and its Group Companies together with all extracts or copies thereof.

16. NON-SOLICITATION

16.1. NON-SOLICITATION OF CUSTOMERS

16.1.1. You acknowledge that while employed by the Company you will have contact with and will become aware of the Company's or of the Group Companies' 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 you will benefit of the Company's and the Group Companies' goodwill with its customers and in the marketplace generally. You further agree that loss of such customers will cause the Company and the Group Companies significant and irreparable harm.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

16.1.2. Accordingly, you agree that, during the Employment Relationship and for 12 months after the cessation of employment with the Company, you will not solicit, contact, call upon, accept orders from, or attempt to communicate with any customer or prospective customer of the Company or of Group Companies for the purpose of providing any products or services substantially similar to those you provided while employed with the Company. This restriction shall apply only to any customer or prospective customer of the Company or of Group Companies with whom you had contact or about whom you learned Trade Secrets or Confidential Information, during the last 24 months of your Employment Relationship. For the purpose of this paragraph, "contact" means interaction between you 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.

16.1.3. In the event you violate the foregoing non-solicitation covenant, you agree that the Company shall have the right to seek all remedies available to it under applicable law. The failure of the Company at any time to enforce this covenant shall not be treated as a waiver of this covenant, or in any way affect the validity of this covenant or the right of the Company thereafter to enforce each and every requirement of this covenant. No waiver of any violation of this covenant shall be held to constitute a waiver of any other or subsequent violation.

16.2. NON-SOLICITATION OF EMPLOYEES AND OTHERS

16.2.1. You acknowledge and agree that solely as a result of the Employment Relationship, you will come into contact with 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 subsection, collectively referred to as "Worker").

16.2.2. Accordingly, both during the Employment Relationship and for 12 months after the cessation of employment with the Company, you will not recruit, hire, or attempt to recruit or hire, directly or by assisting others, any other worker of the Company with whom you had contact or about whom you learned Trade Secrets or Confidential Information during your last 24 months of employment with the Company. For the purposes of this subsection, "contact" means any business-related interaction between you and the other Worker.

16.2.3. In the event you violate the foregoing non-solicitation covenant, you agree that the Company shall have the right to seek all remedies available to it under applicable law. The failure of the Company at any time to enforce this covenant shall not be treated as a waiver

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

of this covenant, or in any way affect the validity of this covenant or the right of the Company thereafter to enforce each and every requirement of this covenant. No waiver of any violation of this covenant shall be held to constitute a waiver of any other or subsequent violation.

17. NON-COMPETITION

17.1. Due to the extremely competitive market in which the Company is engaged and to the knowledge, particularly of a commercial, financial, scientific, industrial or marketing nature concerning the activities, operations and studies of the Company or at a Group Company (if applicable) (for this section titled "Non-Competition," the Company and any applicable Group Company shall be referred to as the Company), acquired by you in the performance of your duties, you agree that you shall be bound, with regard to the Company, to an obligation of non-competition in the following conditions:

(a) In the event of termination of your employment with the Company occurring for any reason whatsoever, you hereby undertake - whether alone or jointly with any other person, company or entity, and whether directly or indirectly, and whether as shareholder, partner, promoter, director, officer, agent, manager, employee or consultant of, in or to any other person, company or entity - not to carry on or be engaged, employed, concerned or interested in calving on or assisting in any activities, operations, researches, developments, projects whatever related to studying, manufacturing, marketing and selling (including wholesale and retail) Money Transfer services.

(b) You agree that this obligation of non-competition applies to the territory of Italy.

(c) This non-competition covenant is for the duration of 6 months (the "Restricted Period") as from the last day of your employment with the Company (including any notice period).

(d) In consideration of the foregoing, the Company shall pay you an indemnity (the "Consideration") corresponding to 30% of one month's Base Salary (only with reference to this non-competition clause, one month of Base Salary is calculated taking into account the average of the monthly salary received during the last six months of your employment by the Company, excluding any bonuses or allowances) for each month of the Restricted Period. Payment of the Consideration shall be made as follows: 30% upon termination of your employment relationship with the Company and the balance upon expiration of the Restricted Period.

(e) During the Restricted Period, you undertake to communicate the name and address of new

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

employer to the Company, within the 7 following days after the new employment contract's start date with the new employer. In case of breach of the obligation mentioned above, you shall pay the Company an unchangeable amount as penalty equal to Euro 100,00 (one hundred/00 Euro) for each day of delay, up to a maximum amount equal to the non-competition clause amount paid by the Company to you, without prejudice for the validity of such obligation and the right of the Company to claim for any further damages. The Company reserves the right to inform the new employer of the existence and contents of the present non-competition clause. You agree that you shall inform the latter of the present non-competition clause prior to entering into any commitment.

(f) Any violation of the non-competition covenant shall release the Company from payment of the Consideration and shall render you liable to reimburse the amounts you may have already received in this respect to the Company.

(g) You agree that your violation of the non-competition covenant will automatically render you liable to pay the Company a penalty at a lump-sum amount equal to 6 months of your Base Salary (calculated as mentioned in the above subsection d)), without prejudice to the Company's and to any Group Company's right to claim, under the applicable law, compensation for further damages, if any.

(h) in any case of transfer of your employment from the Company to another Group Company which entails the effective termination of your employment relationship with the Company and the beginning of a new employment relationship with a different Group Company pursuant to a new employment contract, the Parties agree that the effects and obligations arising from this Non-Competition shall automatically be ceased; therefore, such Non-Competition ceases to be binding for the Parties. As a consequence thereof, working for a Group company different from the Company shall not be an infringement of your non-compete obligation and the Company will be free from any economic obligation from the non-compete covenant provided under this contract.

18. EXECUTION AND LANGUAGE OF AGREEMENT

18.1.1. This Agreement is executed in two originals, with each party to retain one original.

18.1.2. If there is any translation of this Agreement to other languages, the Italian version shall govern.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

19. SEVERABILITY

19.1. In the event that any provision of this Agreement becomes or is declared by a court of competent jurisdiction to be invalid, illegal, unenforceable or void by any court of competent jurisdiction, this Agreement shall continue in full force and effect without said provision.

19.2. Without limiting the generality of the subsection above in this section titled "Severability," each provision of the non-disclosure and non-solicitation undertakings set out in sections "Non-Disclosure of trade secrets and other company confidential information", "Non-Solicitation" and "Non—Competition", notwithstanding the manner in which it has been grouped with or grammatically linked to the others, shall be construed as imposing a separate and an independent obligation, severable from the rest of the Agreement and severable from the rest of them.

19.3. Without limiting the foregoing the non-disclosure undertakings in terms under the section titled "Non-Disclosure of Trade Secrets and Other Company Confidential Information" shall be severable in respect of:

19.3.1 each of the persons in whose favor they are given;

19.3.2 every month of period for which the confidentiality undertakings are stipulated to be applicable;

19.3.3 every category of Trade Secrets, Confidential Information and Third-Party Information;

19.4. the non-solicitation undertakings in the section titled "Non-Solicitation" shall be severable in respect of :

19.4.1 each of the persons in whose favor they are given;

19.4.2 each of subsections 1 and 2 of the section titled "Non-Solicitation" and

19.4.3 each month of the non-solicitation period;

19.4.4 every activity in which you are prohibited from acting;

19.4.5 every capacity in which you are prohibited from acting;

19.4.6 each category of customer;

19.4.7 each category of employee;

Is/ GA

Employee Initials

Is/ GS

Company Representative
Initials

WesternUnion\WU

19.5. the non-compete undertakings in the section titled "Non- Competition" shall be severable in respect of:

19.5.1 each persons in whose favor they are given;

19.5.2 each month of the non-competition period;

19.5.3 every locality falling within the prescribed area;

19.5.4 every capacity and activity in which you are prohibited from acting.

20. SURVIVAL

In addition to section titled "Severability", the sections titled "Use of Software/Tools and Communications", "Intellectual Property Rights", "Non-Disclosure of Trade Secrets and Other Company Confidential Information", "Processing and Use of Employee Information and Employee Monitoring", "Code of Conduct and Policies", "Tax Liabilities", "Termination", "Non-Solicitation", "Non-Competition" and "Entire Agreement" of this Agreement shall survive termination of this Agreement and shall remain in MI force and effect notwithstanding such termination.

21. ENTIRE AGREEMENT

21.1 This Agreement contains and represents the entire Agreement and understanding between you and the Company relating to your employment with the Company. No collateral agreements have been made.

21.2 This Agreement supersedes any oral or written agreements between you and the Company existing prior to this Agreement, or any other previous agreements, arrangements and any other discussions that you may have had with the Company relating to your employment. All matters shall be governed by this Agreement.

21.3 This Agreement may be altered only by a written agreement signed by both parties.

22. GOVERNING LAW

22.1 For anything not covered by this Agreement, the provisions of the NCA will apply.

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\WU

22.2 The execution, interpretation and enforcement of this Agreement and the respective rights and obligations of the parties shall be governed and construed in accordance with the laws of Italy.

By signing this Agreement, you acknowledge to have read and understood Exhibit 2 (EEA Employee and Contractor Data Privacy Notice) and Exhibit 3 (EEA Employee and Contractor Monitoring Privacy Notice), in relations to which you expressly provide your consent (in compliance and to the extent required by law) to the terms and conditions set forth therein.

Company:

Western Union Payment Services Ireland Limited

/s/ Gabriel Anibal Sorbo

Gabriel Anibal Sorbo
Legale Rappresentante

Date: 09/12/2020

I certify that I read and understand the English language, and that I have read and understand the foregoing terms and conditions.

Agreed and Accepted By: /s/ Giovanni Angelini
Tax Identification Number : [REDACTED]
Date: 09 - Dec 2020

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

Western Union Payment Services Ireland Limited
Registered Address: Unit 9 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Western Union Payment Services Ireland Limited is regulated by the Central Bank of Ireland

Exhibit 1
JOB DESCRIPTION

"Head of Go-To-Market Retail"

ROLE OBJECTIVE:

- Drive and manage the WU Retail business globally.
- Responsible for the P&L Money Transfer management.
- Lead Retail marketing and pricing approach, discipline, and ROI for the business.
- Manage Pago Facil in LACA and the WU bank in Brazil.

ESSENTIAL DUTIES & RESPONSIBILITIES

Retail P&L Management Strategy

- Deliver annual financial goals for retail MT: : —\$48 revenue and —\$1.8B profit
- Interaction with Network leadership Team.
- Local Market & Pricing Strategy for over 40,000 active corridors
- Customer Acquisition
- CX — top locations
- Pricing / Promotions
- Omnichannel
- Merchandising
- Incentives
- FLA training
- Quality

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

Exhibit 2
EEA EMPLOYEE AND CONTRACTOR DATA PRIVACY NOTICE

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

Western Union Payment Services Ireland Limited
Registered Address: Unit 9 Richview Office Park, Clonskeagh, Dublin 14, Ireland
Western Union Payment Services Ireland Limited is regulated by the Central Bank of Ireland

Exhibit 3
EEA EMPLOYEE AND CONTRACTOR MONITORING PRIVACY NOTICE

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

Western Union Payment Services Ireland Limited
Registered Address: Unit 9 Richview Office Park, Cionskeagh, Dublin 14, Ireland
Western Union Payment Services Ireland Limited is regulated by the Central Bank of Ireland

Exhibit 4
CODE OF CONDUCT

/s/ GA

Employee Initials

/s/ GS

Company Representative
Initials

WesternUnion\\WU

Western Union Payment Services Ireland Limited
Registered Address: Unit 9 Richview Office Park, Cionskeagh, Dublin 14, Ireland
Western Union Payment Services Ireland Limited is regulated by the Central Bank of Ireland

[WESTERN UNION LOGO REDACTED]

RELEASE AND WAIVER AGREEMENT**BETWEEN:**

(1) Western Union Financial Services Inc., Dubai Liaison Office, a company incorporated under the laws of Dubai Development Authority ("**DDA**"), Dubai, with registered office at Dubai Internet City, Dubai, United Arab Emirates, registered under license number 19410 ("**Company**");

AND

(2) Jean Claude Farah, a French national and holder of passport number [REDACTED], residing in Dubai, UAE ("**Employee**").

(1) and (2) hereinafter together referred to as the **Parties**.

WHEREAS:

(A) The Employee has been employed by Western Union since 26 April 1999 ("**Start Date**").

(B) Pursuant to the notice of termination letter issued by the Company to the Employee dated 15 November 2023, the Employee's employment was due to end on 15 February 2024. The Parties have agreed to extend the notice period to 29 February 2024 (the "**Termination Date**").

(C) The Parties are entering into this Release and Waiver Agreement (the "**Agreement**") to record and implement the terms on which they have agreed to end the Employee's employment, and to settle any claims which the Employee may have in connection with his employment, the end of his employment or otherwise against the Company or any Group Company or their officers or employees whether or not those claims are, or could be, in the contemplation of the Parties at the time of signing this Agreement. The Parties intend this Agreement to be an effective waiver of any such claims.

(D) The terms relating to the termination of the Employee's employment with the Company and the settlement of any claims are set out below. For the avoidance of any doubt, this Settlement Agreement shall be deemed to be without prejudice and subject to contract until such time as it is signed and dated by both Parties at which point it shall be treated as an open document evidencing a binding agreement.

IT IS HEREBY AGREED AS FOLLOWS:**1. DEFINITIONS**

1.1. **"Contract of Employment"** means the contract of employment between the Parties dated 1 June 2008, as amended from time to time;

1.2. **"DDA"** means Dubai Development Authority;

1.3. **"Group Company"** means the Company together with any parent company, subsidiaries and affiliated entities of the Company that, as of any determination date, control, are controlled by or are under common control with the Company, and their respective successors and assigns;

1.4. **"UAE"** means United Arab Emirates; and

1.5. **"UAE Labour Law"** means Federal Labour Law Number 33 of 2021 (as may be amended from time to time).

2. NOTICE

2.1. The Employee is entitled to a contractual notice period of three months, which commenced on 15 November 2023. In consideration for entering into this Agreement, the Parties have agreed to extend the notice period beyond the contractual entitlement and that notice will end on the Termination Date. The Parties acknowledge that this is in satisfaction of all notice requirements.

2.2. From the period 15 November 2023 to 30 November 2023, the Employee warrants that he conducted a complete handover of his tasks and produced a list of all outstanding material matters which was provided to the Western Union Chief Executive Officer or his designee.

2.3. From 1 December 2023 up to and including the Termination Date, the Employee is not required to perform any services for the Company ("**Garden Leave**"). During the Garden Leave period the Employee shall:

(a) continue to receive his basic pay and contractual benefits and allowances in the usual way up to the Termination Date;

(b) take all of his untaken holiday entitlement which accrues up to and including the Termination Date;

(c) not, without the prior written permission of the Company, contact or deal with (or make any attempt to contact or deal with) any officer, employee, consultant, client, customer, supplier, agent, distributor, shareholder, adviser or other business contact of the Company other than for purely social reasons;

(d) remain an employee of the Company and, save as set out in this letter, will continue to be bound by all his obligations to the Company including (including but

not limited to those contained in the Contract of Employment);

(e) remain available to assist with the handover of his duties as may be required by the Company including but not limited to providing the Company and/or any person designated by the Company with information relating to the Company's business, contacts and historic, current or future projects and copies of any correspondence sent or received by him during his employment with the Company;

(f) not without the prior written permission of the Company access any information technology systems of the Company;

(g) not without the prior written permission of the Company whether alone or jointly with or on behalf of any other person, firm, company and whether as principal, partner, manager, employee, contractor, director, consultant, investor or otherwise, be engaged, employed, concerned or interested in any other business, activity or undertaking, whether in the UAE or elsewhere (including but not limited to any business, activity or undertaking which is in competition with the Company), other than any interest previously authorized in writing on behalf of Western Union; and

(h) except during any periods taken as holiday in the usual way, ensure that the Company knows where he will be and how he can be contacted during the working day.

2.4. The Employee shall be reimbursed for any outstanding authorized, legitimate business expenses incurred up to 30 November 2023 in accordance with Company policy and subject to presenting sufficient supporting receipts

2.5. The Employee agrees that the Company may deduct from his salary and from any other sums payable to him any sums owed by the Employee to the Company or any other Group Company and the Employee consents to such deductions.

2.6. The Employee acknowledges and agrees that he will continue to be bound to certain obligations contained in the Contract of Employment which are expressed to take effect on or continue after the Termination Date.

2.7. The Company agrees to continue to pay premiums to a private medical insurance scheme nominated by the Company on behalf of the Employee until 30 April 2024, subject to the rules of the scheme and Company policy in place from time to time.

2.8. The Company agrees that the Employee may retain his Company mobile phone and associated telephone number after the Termination Date, provided that all information is deleted from the phone and such deletion is overseen on behalf of the Company.

2.9. The Company shall pay the Employee in lieu of 8 untaken days of holiday which accrued up to 30 November 2023.

3. HANDOVER

3.1. The Employee warrants that he will cooperate with Devin McGranahan and other

leaders as directed in order to ensure a smooth, professional and complete handover of all business activities.

3.2. The Employee confirms that he shall communicate to Julia Jacobs, Head of People Strategy, all passwords and access codes required to access IT systems and Company property, and further confirms that he shall cease to use them after 1 December 2023 unless otherwise requested by Julia Jacobs.

3.3. The Employee shall have no access to the Company's computer network and systems from 1 December 2023, on the commencement of the period of Garden Leave.

4. END OF SERVICE GRATUITY

4.1. In accordance with the UAE Labour Law, the Company shall pay to the Employee an end of service gratuity payment ("**End of Service Gratuity**") in the amount of AED 3,568,543.70 calculated from the Start Date up to the Termination Date, to be paid within fourteen (14) days of the Termination Date, subject to deductions required by law.

4.2. In accordance with clause 11(a) of The Western Union Company Severance/Change in Control Policy (the "**Severance Policy**"), the Severance Benefits (as defined in the Severance Policy, including severance pay, a medical insurance payment, and a pro-rata 2024 corporate bonus payment), will be set off against the value of the End of Service Gratuity. The Parties acknowledge and agree that the maximum value of the Severance Benefits is less than the End of Service Gratuity and as a result the amount payable under the Severance Policy is nil.

5. CORPORATE BONUS

5.1. The Company shall recommend to the Compensation and Benefits Committee of The Western Union Company Board of Directors (the "**Compensation Committee**") that the Employee is awarded a 2023 Senior Executive Performance Incentive Plan (the "**Plan**") bonus of 129% of target (US\$709,500) subject to the terms of the Plan, the Plan Incentive Award Agreement, an assessment of corporate attainment, and deductions for tax and any other legally required deductions.

5.2. The Parties agree that the Employee will not receive a payment (pro rata or otherwise) under the 2024 Senior Executive Performance Incentive Plan.

6. OUTPLACEMENT SERVICES

The Company will provide the Employee with outplacement services provided by the Company's outplacement provider. The Company must approve the type, scope and duration of the outplacement services and the Company will pay the Company's outplacement provider directly for any such services.

7. EQUITY

7.1. The vesting of any stock awards granted to Employee pursuant to The Western Union Company 2015 Long-Term Incentive Plan (the "**LTIP**") shall be governed by the LTIP

and the applicable award agreements.

8. FULL AND FINAL SETTLEMENT

8.1. The Employee understands and agrees that the payments referred to in this Agreement are offered with no admission of liability on the part of the Company and in full and final settlement of all and any claims or rights of action whatsoever or howsoever arising (whether arising under the laws of the UAE, the United States of America or elsewhere) that the Employee has or may have against the Company and/or any Group Company, or its or their respective directors, officers or employees, whether now or in the future. By entering into this Agreement, the Parties hereby confirm that all matters between the Employee and the Company (together with any Group Company) have been fully and finally resolved.

8.2. The Employee acknowledges and agrees that he has no outstanding entitlement to any salary, benefits, allowances, options, shares, stock or other outstanding entitlement or right over shares or stock in any Group Company and there are no sums owed to the Employee by the Company or any other Group Company including any payments under any bonus, incentive, commission or similar scheme, except as set out in this Agreement.

9. SETTLEMENT CONDITIONS

9.1. The Employee agrees:

(a) the payments set out in this Agreement represent all and any payments which may be due to him pursuant to his Contract of Employment and in accordance with all applicable legislation including the UAE Labour Law;

(b) there are no outstanding monies by way of compensation or salary, expenses or other sums whatsoever due to the Employee from the Company either in respect of his employment by the Company or in respect of any matters associated therewith;

(c) he has no other claims or rights of action whatsoever against the Company or any Group Company, or its or their officers or employees arising out of his employment, its termination or otherwise and he (or anyone acting on his behalf) has not presented or brought and will not present or bring any complaint, proceedings, actions or claim in the UAE or worldwide including for, but not limited to:

(i) notice pay;

(ii) payment in lieu of accrued but untaken annual leave;

(iii) end of service gratuity;

(iv) bonus;

(v) overtime;

(vi) commissions

(vii) benefits under any Company share or stock option scheme;

- (viii) reimbursement of expenses;
- (ix) pension contributions;
- (x) compensation for arbitrary dismissal pursuant to the UAE Labour Law;
- (xi) unfair dismissal;
- (xii) compensation for any civil claim;
- (xiii) legal fees and expenses;
- (xiv) discrimination.

(d) he hereby irrevocably waives any rights he may have in respect of any claims or rights of action whatsoever and the Company and any Group Company shall be immediately deemed fully and irrevocably released in connection thereto;

(e) he will keep strictly confidential and will not disclose the terms and existence of this Agreement and any documents referred to herein to any person save to a professional advisor or required by law;

(f) he will comply with clause 11 of the Contract of Employment and continue to keep confidential any information of a confidential nature which has come into his possession during his employment in relation to the business and operation of the Company and/or any Group Company and/or its or their clients and workforce and will not disclose or cause to be disclosed to any third party or use or cause to be used or take any advantage or make use of any confidential information or trade secret of any kind or nature that was disclosed to him in the course of his employment with the Company;

(g) he has not kept or made copies of any information or documentation (electronic or otherwise) which belongs to the Company or any Group Company whether or not such information or documentation is labelled as confidential;

(h) he will comply with those provisions of his Contract of Employment which survive termination, including but not limited to the non-solicitation of customers, non-solicitation of employees and others, and non-competition covenants set out in clauses 16 and 17 of the Contract of Employment;

(i) he will not, directly or indirectly, verbally or in writing or in any other form publish or make any adverse or derogatory comments about the Company or any Group Company, its or their products and services, or its or their directors or employees, to the media or any third parties including customers, agents, clients and suppliers or do anything which shall, or may, bring the Company or any Group Company, or its or their directors or employees into disrepute;

(j) he will not after the Termination Date communicate with any employees, customers, agents, clients or suppliers (other than socially) or in any way hold himself out to still be an employee of the Company or any Group Company; and

(k) he will resign forthwith from his directorships, offices, trusteeships,

secretaryships of the Company and any Group Company and he agrees to cooperate with the Company and execute such documents and do such things (at the expense of the Company) as are necessary in order to give full effect to such resignations.

9.2. The Employee fully understands the terms of this Agreement and confirms that the Company has given him reasonable opportunity to raise any questions or concerns that he may have.

9.3. The Company will not authorize its officers or employees to make any disparaging or derogatory statement (whether or not the statement is true and in whatever form) concerning you at any time after the date of this Agreement, save as required by law or pursuant to any regulatory obligations or legal proceedings.

10. RETURN OF PROPERTY

10.1. The Employee confirms that he will deliver to Julia Jacobs in the Dubai office (or such other person notified by the Company), by 30 November 2023 or such earlier date as notified, all property belonging to the Company or any Group Company that was in his possession or under his control including but not limited to mobile phone, iPad, laptop and any other electronic communication devices, security card or keys to any premises, Company credit cards, access cards, Company files, personnel records, books, returns, Company information, memoranda, data, correspondence and all documentation prepared or obtained by the Employee in the course of his employment with the Company relating to its business and affairs; and the Employee undertakes not to retain copies of any of the foregoing documents.

10.2. The Employee shall also provide Julia Jacobs (or such other person notified by the Company) all passwords and access codes required to access the Company or Group Company property or IT systems.

11. EMPLOYEE INDEMNITIES

11.1. If the Employee is awarded any compensation or damages by a court or tribunal (in any jurisdiction in the world) for any claim in relation to his employment or its termination against the Company or any Group Company, he will repay to the Company immediately upon demand the total amount of the compensation or damages (including interest) awarded, together with the full amount of any legal fees incurred by the Company (or any Group Company) in defending such proceedings. The Employee agrees that this sum shall be recoverable as a debt. Any payment whatsoever due to the Employee from the Company (or any Group Company) which remains outstanding shall cease to be payable under this Agreement with effect from the date of commencement of any proceedings.

12. SERVICE CERTIFICATE

Upon request, the Company agrees that it shall provide the Employee with a service certificate in compliance with its obligation under UAE Labour Law.

13. TAX

13.1. The Company makes no warranty as to the taxable status of any of the payments referred to in this Agreement with respect to the Employee's home country (or such other jurisdiction worldwide) and accordingly the Employee undertakes that if the Company is called upon to account to any competent tax authority for any income tax, national insurance contributions, interest and/or penalties thereon arising in respect of any payments referred to in this Agreement ("**Tax Liability**") the Employee will immediately, upon written request of the Company, pay the Tax Liability to the competent tax authority or, where the Company has paid such Tax Liability, the Employee will immediately upon written request of the Company pay an amount equal to the Tax Liability to the Company.

14. ENTIRE AGREEMENT

14.1. Each Party on behalf of itself and, in the case of the Company, as agent for any Group Company acknowledges and agrees with the other Party (the Company acting on behalf of itself and as agent for each Group Company) that:

- (a) this Agreement constitutes the entire agreement between the parties and any Group Company and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter;
- (b) in entering into this Agreement, it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement.

15. SEVERABILITY

If any provision of the Agreement is held invalid or unenforceable, such invalidity or unenforceability shall not affect in any way the validity or enforceability of any other provisions of the Agreement. In the event that any provision is held invalid or unenforceable, the Parties shall attempt to agree on a valid and enforceable provision which shall be a reasonable substitute for such invalid or unenforceable provision in the light of the content of the Agreement and, on so agreeing, shall incorporate such substitute provision into the Agreement.

16. SUBJECT TO CONTRACT AND WITHOUT PREJUDICE

16.1. This Agreement shall be deemed to be without prejudice and subject to contract until such time as it is signed by both Parties and dated, when it shall be treated as a document evidencing a binding agreement.

17. COUNTERPARTS

17.1. This Agreement may be executed in any number of counterparts, each of which, when executed, shall constitute a duplicate original, but all the counterparts shall together

constitute the one agreement, which shall come into force once each Party has executed such a counterpart in identical form and exchanged it with the other Party.

18. APPLICABLE LAW

18.1. This Agreement shall be construed and governed by the regulations of DDA and laws of the UAE as applied in the Emirate of Dubai.

18.2. Any dispute arising out of or in connection with this Agreement shall be settled by the exclusive jurisdiction of the Dubai courts.

Signed Signed

Name of signatory Mark Hinsey 1/3/2024 Jean Claude Farah 1/3/2024

On behalf of **Western
Union Financial
Services Inc., Dubai
Liaison Office**

**THE WESTERN UNION COMPANY
DODD-FRANK CLAWBACK AND FORFEITURE POLICY**

Effective October 2, 2023

I. Introduction

The Board of Directors (the "Board") of The Western Union Company (the "Corporation") has adopted this Dodd-Frank Clawback and Forfeiture Policy (the "Policy"), which provides for the recoupment of Incentive Compensation from Officers in certain situations involving an Accounting Restatement. This Policy is designed and shall be interpreted to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and New York Stock Exchange ("NYSE") listing standards implementing Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") and, to the extent this Policy is in any manner deemed inconsistent with such rules, this Policy shall be treated as retroactively amended to be compliant with such rules.

II. Administration

This Policy shall be administered by the Compensation and Benefits Committee of the Board ("the "Committee"). The Committee is authorized to determine, interpret and take actions in connection with this Policy as it deems necessary or advisable (in all cases consistent with the Dodd-Frank Act) and determinations made by the Committee shall be final, conclusive and binding on all affected individuals.

III. Recovery of Certain Incentive-Based Compensation Due to An Accounting Restatement

If an Accounting Restatement has occurred, the Committee shall require the return, repayment or forfeiture of Incentive Compensation from each Officer, as promptly as reasonably possible. The amount of Incentive Compensation subject to return, repayment or forfeiture hereunder shall be the excess of the Incentive Compensation paid to an Officer during the Recovery Period based on the erroneous data and calculated without regard to any taxes paid or withheld over the Incentive Compensation that would have been paid to the Officer had it been based on the restated results. For Incentive Compensation based on stock price or total shareholder return, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of Incentive Compensation subject to return, repayment or forfeiture will be based on the Committee's reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive Compensation was received, and the Corporation shall document the determination of that estimate and provide it to the NYSE.

The Corporation will recover erroneously awarded compensation in compliance with this Policy except to the extent that the Committee determines that such recovery would be impracticable because: (A) the direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered (after having made a reasonable attempt to recover the erroneously awarded Incentive Compensation and providing corresponding documentation of such attempt to the NYSE); (B) recovery would violate home country law where that law was adopted prior to November 28, 2022, as determined by the opinion of counsel licensed in the applicable jurisdiction that is acceptable to and provided to the NYSE; or (C) recovery would likely cause an otherwise tax-qualified retirement plan,

under which benefits are broadly available to employees of the registrant, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

IV. Definitions

For purposes of this Policy, the following terms shall have the following definitions:

1. “Accounting Restatement” means any restatement of the Corporation’s financial statements due to material noncompliance of the Corporation with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

2. “Financial Reporting Measure” means financial reporting measures that are determined and presented in accordance with the accounting principles used in preparing the Corporation’s financial statements, and any measures that are derived wholly or in part from such measures, whether or not presented within the Corporation’s financial statements or included in a filing with the U.S. Securities and Exchange Commission, including stock price and total shareholder return.

3. “Incentive Compensation” means all incentive-based compensation received by a person (i) after beginning service as an Officer and (ii) who served as an Officer at any time during the performance period for that incentive-based compensation, that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Compensation that is granted, vests or is earned based solely upon the occurrence of non-financial events, such as base salary, restricted stock or options with time-based vesting, or a bonus awarded solely at the discretion of the Board or the Committee and not based on the attainment of any financial measure, is not considered Incentive Compensation for purposes of this Policy.

Incentive Compensation is deemed received in the Corporation’s fiscal year during which the Financial Reporting Measure specified in the incentive-based compensation award is attained or purportedly attained, even if the payment or grant of the incentive-based compensation occurs after the end of that period.

4. “Officer” means any current or former “executive officer,” within the meaning of Rule 10D-1 under the Exchange Act, of the Corporation or a subsidiary of the Corporation. This Policy shall be binding and enforceable against all Officers and their beneficiaries, executors, administrators, and other legal representatives.

5. “Recovery Period” means the three-completed fiscal years immediately preceding: the date on which the Corporation is required to prepare the Accounting Restatement, as determined in accordance with this definition, or any transition period that results from a change in the Corporation’s fiscal year (as set forth in Section 303A.14(c)(1)(i)(D) of the NYSE Listed Company Manual). The date on which the Corporation is required to prepare an Accounting Restatement is the earlier to occur of (i) the date the Board, a committee of the Board, or the officer or officers of the Corporation authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Corporation is required to

prepare an Accounting Restatement; or (ii) the date a court, regulator or other legally authorized body directs the Corporation to prepare an Accounting Restatement.

V. Additional Provisions

1. Recoupment under this Policy shall be required regardless of whether the Officer or any other person was at fault or responsible for accounting errors that contributed to the need for the Accounting Restatement or engaged in any misconduct.
2. The exercise by the Committee of any rights pursuant to this Policy shall be without prejudice to any other rights or remedies that the Corporation, the Board or the Committee may have with respect to any Officer subject to this Policy, including termination of employment or service, institution of civil proceedings or requiring forfeiture and/or repayment of compensation under circumstances not set forth in this Policy.
3. The Corporation may use any legal or equitable remedies that are available to the Corporation to recoup any erroneously awarded Incentive Compensation, including but not limited to by collecting from the Officer cash payments or shares of common stock from or by forfeiting any amounts that the Corporation owes to the Officer.
4. This Policy shall be effective as of October 2, 2023 and shall apply to Incentive Compensation that is received after such date, as determined in accordance with this Policy.
5. The Corporation shall not indemnify any Officer against the loss of any Incentive Compensation required to be returned, repaid or forfeited by an Officer pursuant to this Policy or pay or reimburse the premium for any insurance policy to cover any such losses incurred by such Officer.

**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AWARD AGREEMENT
TERMS AND CONDITIONS (U.S.)**

1. These Terms and Conditions form part of your Stock Option Agreement (the "Agreement") pursuant to which you have been granted a Nonqualified Stock Option ("Stock Option") under The Western Union Company 2015 Long-Term Incentive Plan (the "Plan"). The terms of the Plan are hereby incorporated in this Agreement by reference and made a part hereof. Any capitalized terms used in this Agreement that are not defined herein shall have the meaning set forth in the Plan.
2. The number of common shares of The Western Union Company (the "Company") subject to the Stock Option, the grant date of the Stock Option and the option exercise price are all specified in the attached Award Notice (which forms part of the Agreement).
3. Subject to the other provisions of this Agreement and the terms of the Plan, you will "vest" in, or have the right to exercise, this Stock Option as follows:
 - (a) On or after the first anniversary, you may exercise this Stock Option for up to one-fourth (25%) of the total number of shares covered hereby;
 - (b) On or after the second anniversary, you may exercise this Stock Option for up to one-half (50%) of the total number of shares covered hereby;
 - (c) On or after the third anniversary, you may exercise this Stock Option for up to three-fourths (75%) of the total number of shares covered hereby;
 - (d) On or after the fourth anniversary (the date of "Full Vesting" of this Award), you may exercise this Stock Option with respect to the total number of shares covered hereby;
 - (e) No part of this Stock Option may be exercised after the tenth anniversary of the grant date listed in the Award Notice; and
 - (f) If you are an eligible participant in The Western Union Company Severance/Change in Control Policy (Executive Committee Level) (the "Executive Severance Policy") at the time of a Change in Control and your employment with the Company, a Subsidiary or an Affiliate terminates for an eligible reason under such Executive Severance Policy during the 24-month period commencing on the effective date of the Change in Control, then this Stock Option shall immediately become fully vested and exercisable effective on the date of your termination and may thereafter be exercised by you (or your legal representative or similar person) until the end of your Severance Period (as defined in the Executive Severance Policy) or, if earlier, the expiration date of the term of this Stock Option, provided that if the New York Stock Exchange is closed as of the end of your Severance Period, then your unexpired Stock Option may be exercised until the close of the New York Stock Exchange on the next following day on which the New York Stock Exchange is open, after which time this Stock Option shall be forfeited and canceled by the Company for no consideration.

This Stock Option may not be exercised for a fraction of a share of Common Stock.

Notwithstanding the foregoing provisions in this paragraph 3, you will forfeit all rights to this Stock Option unless you accept 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 listed in the Award Notice.

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, you must execute and return to the Company or accept electronically (if permitted by the Company) 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 this Stock Option to be forfeited and cancelled by the Company without any payment to you.

4. This Stock Option may not be exercised, in whole or in part, unless the following conditions are met:

(a) Legal counsel for the Company must be satisfied at the time of exercise that the issuance of shares upon exercise will comply with applicable U.S. federal, state, and local laws.

(b) You pay the exercise price as follows: (i) by giving notice to the Company or its designee of the number of whole shares of Common Stock to be purchased and by making payment therefor in full (or arranging for such payment to the Company's satisfaction) either (A) in cash, (B) by delivery (either actual delivery or by attestation procedures established by the Company) of previously acquired Common Stock having an aggregate Fair Market Value at the time of exercise equal to the aggregate purchase price payable by reason of such exercise, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the date of exercise, equal to the amount necessary to satisfy such obligation, or (D) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company and to whom you have submitted an irrevocable notice of exercise (i.e., also known as "cashless exercise"), and (ii) by executing such documents as the Company may reasonably request.

(c) You must, at all times during the period beginning with the grant date of this Stock Option and ending on the date of such exercise, have been employed by the Company, a Subsidiary or an Affiliate or have been engaged in a period of Related Employment, with certain exceptions noted below. Service on the Board after receipt of a Stock Option shall not be considered a termination of employment.

5. Absent a period of Related Employment or service on the Board subsequent to the grant date, if you terminate employment or cease providing services to the Company, a Subsidiary or an Affiliate while holding this Stock Option, your right to exercise the Stock Option and the time during which you may exercise the Stock Option depends on the reason for your termination.

(a) Disability. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of Disability, this Stock Option shall become fully vested and exercisable and may thereafter be exercised by you (or your legal representative or similar person) until the date which is one year after the effective date of your termination of employment or service, or if earlier, the expiration date of the term of this Stock Option.

(b) Retirement. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of Retirement, this Stock Option, to the extent not already vested, shall vest on a prorated basis on the effective date of your termination of employment or service. Such prorated vesting shall be calculated by multiplying the total number of shares covered by this Stock Option as of the grant date by a fraction, the numerator of which is the number of

days between the grant date and the effective date of your termination of employment or service 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 the portion of this Stock Option which has previously vested (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 unvested portion of this Stock Option that does not become vested upon such termination by reason of Retirement shall be forfeited effective on your termination date and shall be canceled by the Company for no consideration. The vested portion of this Stock Option, including any portion that had previously become vested and the prorated portion that vests effective on your termination date in accordance with the above calculation may be exercised by you (or your legal representative or similar person) until the earlier of (i) the date which is two years after the effective date of your termination of employment or service or the last day of your Severance Period if you qualify for benefits under the Executive Severance Policy in connection with your termination, whichever is later, or (ii) the expiration date of the term of this Stock Option.

(c) Death. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of death, this Stock Option shall become fully vested and exercisable and may thereafter be exercised by your executor, administrator, legal representative, beneficiary or similar person until the date which is one year after the date of death, or if earlier, the expiration date of the term of this Stock Option.

(d) Involuntary Termination by the Company Without Cause. Except to the extent paragraph 3(f) applies, if your employment with or service to the Company, a Subsidiary or an Affiliate terminates involuntarily and without Cause and at such time you are entitled to receive benefits under the Executive Severance Policy, subject to your timely execution of an agreement and release (the "Release") in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, the unvested portion of this Stock Option shall vest on a prorated basis effective on your termination date, with the portion of the Stock Option subject to the execution and non-revocation of a Release vested as of such termination of employment but with the exercisability of such portion suspended until the effective date of the Release and, in the event the Release does not become effective, such portion of the Stock Option shall be canceled by the Company for no consideration. Notwithstanding anything to the contrary in the Executive Severance Policy, such prorated vesting shall be calculated by multiplying the total number of shares covered by this Stock Option as of the grant date by a fraction, the numerator of which is the number of days between the grant date and the effective date of your termination of employment or service 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 the portion of this Stock Option which has previously vested (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 unvested portion of this Stock Option that does not become vested under such calculation shall be forfeited effective on your termination date and shall be canceled by the Company for no consideration. The vested portion of this Stock Option, including any portion that had previously become vested and the prorated portion that vests effective on your termination date in accordance with the above calculation may be exercised by you (or your legal representative or similar person) until the end of your Severance Period or, if earlier, the expiration date of the term of this Stock Option. If your employment with or service to the Company, a Subsidiary or an Affiliate is terminated involuntarily and without Cause and you are not entitled to benefits under the Executive Severance Policy on the date of such termination, this Stock Option shall

cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the date which is three months after such involuntary termination, or if earlier, the expiration date of the term of this Stock Option. Notwithstanding the foregoing, if, at the time of your termination of employment, you have satisfied the applicable age or age and service requirement for "Retirement" under the Plan, the provisions of paragraph 5(b) above, rather than this paragraph 5(d), shall be applicable to this Stock Option if at such time the provisions of paragraph 5(b) are more advantageous to you.

(e) Termination for Cause. If your employment with or service to the Company, a Subsidiary or an Affiliate is terminated for Cause, this Stock Option shall cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the close of the New York Stock Exchange (if open) on the date of your termination of employment or service. If the New York Stock Exchange is closed at the time of your termination of employment, this Stock Option shall be forfeited at the time your employment is terminated and shall be canceled by the Company for no consideration.

(f) Other Termination. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates for any reason other than Disability, Retirement, death, involuntary termination without Cause, termination for Cause or termination for an eligible reason under such Executive Severance Policy during the 24-month period commencing on the effective date of the Change in Control, as contemplated by paragraph 3(f), this Stock Option shall cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the close of the New York Stock Exchange (if open) on the date which is the thirtieth (30th) day following your termination of employment or service, or if earlier, the expiration date of the term of this Stock Option.

(g) Death Following Termination of Employment or Service. If you die during the applicable post-termination exercise period, this Stock Option will be exercisable only to the extent that the Stock Option is exercisable on the date of your death and may thereafter be exercised by your executor, administrator, legal representative, beneficiary or similar person until the date which is one year after the date of your death, or if earlier, the expiration date of the term of this Stock Option.

If the New York Stock Exchange is closed on the last day to exercise your unexpired Stock Option as provided in paragraphs 5(a) through 5(d) and 5(f), as applicable, then your unexpired Stock Option may be exercised until the close of the New York Stock Exchange on the next following day on which the New York Stock Exchange is open, after which time the Stock Option shall be forfeited and canceled by the Company for no consideration.

6. Subject to any restrictions imposed by local law, so long as you continue to be a subject to Section 16 of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder or an Executive Vice President, you may transfer this Stock Option to a family member or family entity without consideration, in accordance with Section 5.4 of the Plan; provided, however, in the case of a transfer of this Stock Option to a limited liability company or a partnership which is a family entity, such transfer may be for consideration consisting solely of an entity interest in the limited liability company or partnership to which the transfer is made. Any transfer of this Stock Option shall be in a form acceptable to the Company, shall be signed by you and shall be effective only upon written acknowledgement by the Committee (or its authorized delegate) of its receipt and acceptance of such notice. If this Stock Option is transferred to a family member or family entity, the Stock Option may not thereafter be sold, assigned, transferred, pledged, hypothecated or otherwise

disposed of by such family member or family entity except by will or the laws of descent and distribution. The Committee has delegated its responsibilities under this paragraph 6 to the Company's General Counsel.

7. The Company shall have the right to require, as of the grant, vesting or exercise of this Stock Option and the sale of any shares of stock received upon exercise of this Stock Option, that you (or any person acting under paragraph 6 above):

(a) Pay to the Company or its designee, upon its demand, such amount as may be requested for the purpose of satisfying its obligation or the obligation of any of its Subsidiaries or Affiliates or other person to withhold U.S. federal, state, or local income, employment or other taxes incurred by reason of the shares. You may satisfy your obligation to pay such amounts by authorizing the Company to withhold from your wages or other cash compensation, from proceeds from the sale of shares or from the shares purchased by you pursuant to the exercise having a fair market value on the date of exercise equal to the withholding amount. If the amount requested for the purpose of satisfying the withholding obligation is not paid, the Company may refuse to allow you to exercise the Stock Option.

(b) Provide the Company with any forms, documents or other information reasonably required by the Company in connection with the grant.

(c) Regardless of any action the Company or your employer (the "Employer") takes with respect to any or all income tax (including federal, state and local taxes), payroll tax, or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Option, including the grant of the Stock Option, the exercise of the Stock Option, the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Stock Option to reduce or eliminate your liability for the Tax-Related Items.

(d) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or Employer to satisfy all Tax-Related Items. In this regard, you will satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (A) a cash payment to the Company in the amount of the Tax-Related Items; (B) by delivery (either actual delivery or by attestation procedures established by the Company) to the Company of shares of Common Stock having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy the Tax-Related Items, (C) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, equal to the amount necessary to satisfy the Tax-Related Items, or (D) a cash payment by a broker-dealer acceptable to the Company and to whom you have submitted an irrevocable notice of exercise (i.e., also known as "cashless exercise") equal to the amount necessary to satisfy the Tax-Related Items.

(e) Finally, you shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in

the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described herein.

8. 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 yours under this Agreement without your written consent.

9. Any action taken or decision made by the Company, the Board, or the Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding on you and all persons claiming under or through you. By accepting this grant or other benefit under the Plan, you and each person claiming under or through you 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 its delegates.

10. In accepting the grant, you acknowledge that: (i) the Plan is discretionary in nature and it may be modified, suspended or terminated by the Company or the Committee at any time; (ii) the grant of the Stock Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Stock Options, or benefits in lieu of options, even if Stock Options have been granted repeatedly in the past; (iii) all decisions with respect to any such future grants will be at the sole discretion of the Committee; (iv) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your employment relationship at any time with or without cause; (v) your participation in the Plan is voluntary; (vi) the Stock Option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vii) the future value of the underlying shares is unknown and cannot be predicted with certainty; (viii) if the underlying shares do not increase in value, the Stock Option will have no value; and (ix) no claim or entitlement to compensation or damages arises from termination of the Stock Option or diminution in value of the Stock Option or shares purchased through exercise of the Stock Option and you irrevocably release the Company and your Employer from any such claim that may arise.

11. If any provision of this Agreement (including the Appendix) shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining provisions of this Agreement.

12. If you are subject to Section 16 of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, you acknowledge receipt of a copy of The Western Union Company Dodd-Frank Clawback and Forfeiture Policy (the "Dodd-Frank Clawback Policy") and The Western Union Company Misconduct Clawback and Forfeiture Policy (the "Misconduct Clawback Policy"). Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of the Dodd-Frank Clawback Policy and the Misconduct Clawback Policy, and any modification to such policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.

13. The validity, construction, interpretation, administration and effect of the Plan and 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

Stock Option 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.

14. The Company may, in its sole discretion, decide to deliver any documents related to the Stock Option granted under and participation in the Plan or future options that may be granted under the Plan by electronic means or to request your consent to participate in the Plan by electronic means. You hereby consent 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.

15. The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any shares of Common Stock 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. You agree to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

On Behalf of The Western Union Company

By: _____

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

By: _____

Date: _____

**THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN
NONQUALIFIED STOCK OPTION AWARD AGREEMENT
TERMS AND CONDITIONS (NON-U.S.)**

1. These Terms and Conditions, including any country-specific terms or conditions for your country of residence as set forth in the attached Appendix, form part of your Stock Option Agreement (the "Agreement") pursuant to which you have been granted a Nonqualified Stock Option ("Stock Option") under The Western Union Company 2015 Long-Term Incentive Plan (the "Plan"). The terms of the Plan are hereby incorporated in this Agreement by reference and made a part hereof. Any capitalized terms used in this Agreement that are not defined herein shall have the meaning set forth in the Plan.

2. The number of common shares of The Western Union Company (the "Company") subject to the Stock Option, the grant date of the Stock Option and the option exercise price are all specified in the attached Award Notice (which forms part of the Agreement).

3. Subject to the other provisions of this Agreement and the terms of the Plan, you will "vest" in, or have the right to exercise, this Stock Option as follows:

(a) On or after the first anniversary, you may exercise this Stock Option for up to one-fourth (25%) of the total number of shares covered hereby;

(b) On or after the second anniversary, you may exercise this Stock Option for up to one-half (50%) of the total number of shares covered hereby;

(c) On or after the third anniversary, you may exercise this Stock Option for up to three-fourths (75%) of the total number of shares covered hereby;

(d) On or after the fourth anniversary (the date of "Full Vesting" of this Award), you may exercise this Stock Option with respect to the total number of shares covered hereby;

(e) No part of this Stock Option may be exercised after the tenth anniversary of the grant date listed in the Award Notice; and

(f) If you are an eligible participant in The Western Union Company Severance/Change in Control Policy (Executive Committee Level) (the "Executive Severance Policy") at the time of a Change in Control and your employment with the Company, a Subsidiary or an Affiliate terminates for an eligible reason under such Executive Severance Policy during the 24-month period commencing on the effective date of the Change in Control, then this Stock Option shall immediately become fully vested and exercisable effective on the date of your termination and may thereafter be exercised by you (or your legal representative or similar person) until the end of your Severance Period (as defined in the Executive Severance Policy) or, if earlier, the expiration date of the term of this Stock Option, provided that if the New York Stock Exchange is closed as of the end of your Severance Period, then your unexpired Stock Option may be exercised until the close of the New York Stock Exchange on the next following day on which the New York Stock Exchange is open, after which time this Stock Option shall be forfeited and canceled by the Company for no consideration.

This Stock Option may not be exercised for a fraction of a share of Common Stock.

Notwithstanding the foregoing provisions in this paragraph 3, you will forfeit all rights to this Stock Option unless you accept 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 listed in the Award Notice.

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, you must execute and return to the Company or accept electronically (if permitted by the Company) 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 this Stock Option to be forfeited and cancelled by the Company without any payment to you.

4. This Stock Option may not be exercised, in whole or in part, unless the following conditions are met:

(a) Legal counsel for the Company must be satisfied at the time of exercise that the issuance of shares upon exercise will comply with applicable U.S. federal, state, local and foreign laws.

(b) You pay the exercise price as follows: (i) by giving notice to the Company or its designee of the number of whole shares of Common Stock to be purchased and by making payment therefor in full (or arranging for such payment to the Company's satisfaction) either (A) in cash, or (B) except as may be prohibited by applicable law, in cash by a broker-dealer acceptable to the Company and to whom you have submitted an irrevocable notice of exercise (i.e., also known as "cashless exercise"), or (C) by a combination of (A) and (B), and (ii) by executing such documents as the Company may reasonably request.

(c) You must, at all times during the period beginning with the grant date of this Stock Option and ending on the date of such exercise, have been employed by the Company, a Subsidiary or an Affiliate or have been engaged in a period of Related Employment, with certain exceptions noted below. Service on the Board after receipt of a Stock Option shall not be considered a termination of employment.

5. Absent a period of Related Employment or service on the Board subsequent to the grant date, if you terminate employment or cease providing services to the Company, a Subsidiary or an Affiliate while holding this Stock Option, your right to exercise the Stock Option and the time during which you may exercise the Stock Option depends on the reason for your termination.

(a) Disability. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of Disability, this Stock Option shall become fully vested and exercisable and may thereafter be exercised by you (or your legal representative or similar person) until the date which is one year after the effective date of your termination of employment or service, or if earlier, the expiration date of the term of this Stock Option.

(b) Retirement. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of Retirement, this Stock Option, to the extent not already vested, shall vest on a prorated basis on the effective date of your termination of employment or service. Such prorated vesting shall be calculated by multiplying the total number of shares covered by this Stock Option as of the grant date by a fraction, the numerator of which is the number of days between the grant date and the effective date of your termination of employment or service 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 the portion of this Stock Option which has previously vested (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 unvested portion of this Stock Option that does not become vested upon such termination by reason of Retirement shall be forfeited effective on your termination date and shall be canceled by the Company for no consideration. The vested

portion of this Stock Option, including any portion that had previously become vested and the prorated portion that vests effective on your termination date in accordance with the above calculation may be exercised by you (or your legal representative or similar person) until the earlier of (i) the date which is two years after the effective date of your termination of employment or service or the last day of your Severance Period if you qualify for benefits under the Executive Severance Policy in connection with your termination, whichever is later, or (ii) the expiration date of the term of this Stock Option. In administering the Plan, the Committee reserves the right to treat your termination of employment due to Retirement the same as "Other Termination" (as defined in this Agreement) in the event that application of the immediately preceding sentence would be deemed to be impermissible age discrimination under local law, as determined in the sole discretion of the Committee.

(c) Death. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates by reason of death, this Stock Option shall become fully vested and exercisable and may thereafter be exercised by your executor, administrator, legal representative, beneficiary or similar person until the date which is one year after the date of death, or if earlier, the expiration date of the term of this Stock Option.

(d) Involuntary Termination by the Company Without Cause. Except to the extent paragraph 3(f) applies, if your employment with or service to the Company, a Subsidiary or an Affiliate terminates involuntarily and without Cause and at such time you are entitled to receive benefits under the Executive Severance Policy, subject to your timely execution of an agreement and release (the "Release") in a form acceptable to the Company which will include restrictive covenants and a comprehensive release of all claims, the unvested portion of this Stock Option shall vest on a prorated basis effective on your termination date, with the portion of the Stock Option subject to the execution and non-revocation of a Release vested as of such termination of employment but with the exercisability of such portion suspended until the effective date of the Release and, in the event the Release does not become effective, such portion of the Stock Option shall be canceled by the Company for no consideration. Notwithstanding anything to the contrary in the Executive Severance Policy, such prorated vesting shall be calculated by multiplying the total number of shares covered by this Stock Option as of the grant date by a fraction, the numerator of which is the number of days between the grant date and the effective date of your termination of employment or service 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 the portion of this Stock Option which has previously vested (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 unvested portion of this Stock Option that does not become vested under such calculation shall be forfeited effective on your termination date and shall be canceled by the Company for no consideration. The vested portion of this Stock Option, including any portion that had previously become vested and the prorated portion that vests effective on your termination date in accordance with the above calculation may be exercised by you (or your legal representative or similar person) until the end of your Severance Period or, if earlier, the expiration date of the term of this Stock Option. If your employment with or service to the Company, a Subsidiary or an Affiliate is terminated involuntarily and without Cause and you are not entitled to benefits under the Executive Severance Policy on the date of such termination, this Stock Option shall cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the date which is three months after such involuntary termination, or if earlier, the expiration date of the term of this Stock Option. Notwithstanding the foregoing, if, at the time of your termination of employment, you have satisfied the applicable age or age and service requirement for "Retirement" under the Plan, the provisions of paragraph 5(b) above, rather than this paragraph 5(d), shall be applicable to this Stock Option if at such time the provisions of paragraph 5(b) are more advantageous to you.

(e) Termination for Cause. If your employment with or service to the Company, a Subsidiary or an Affiliate is terminated for Cause, this Stock Option shall cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the close of the New York Stock Exchange (if open) on the date of your termination of employment or service. If the New York Stock Exchange is closed at the time of your termination of employment, this Stock Option shall be forfeited at the time your employment is terminated and shall be canceled by the Company for no consideration.

(f) Other Termination. If your employment with or service to the Company, a Subsidiary or an Affiliate terminates for any reason other than Disability, Retirement, death, involuntary termination without Cause, termination for Cause or termination for an eligible reason under such Executive Severance Policy during the 24-month period commencing on the effective date of the Change in Control, as contemplated by paragraph 3(f), this Stock Option shall cease to vest, and to the extent already vested, may thereafter be exercised by you (or your legal representative or similar person) until the close of the New York Stock Exchange (if open) on the date which is the thirtieth (30th) day following your termination of employment or service, or if earlier, the expiration date of the term of this Stock Option.

(g) Death Following Termination of Employment or Service. If you die during the applicable post-termination exercise period, this Stock Option will be exercisable only to the extent that the Stock Option is exercisable on the date of your death and may thereafter be exercised by your executor, administrator, legal representative, beneficiary or similar person until the date which is one year after the date of your death, or if earlier, the expiration date of the term of this Stock Option.

If the New York Stock Exchange is closed on the last day to exercise your unexpired Stock Option as provided in paragraphs 5(a) through 5(d) and 5(f), as applicable, then your unexpired Stock Option may be exercised until the close of the New York Stock Exchange on the next following day on which the New York Stock Exchange is open, after which time the Stock Option shall be forfeited and canceled by the Company for no consideration.

6. Subject to any restrictions imposed by local law, so long as you continue to be a subject to Section 16 of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder or an Executive Vice President, you may transfer this Stock Option to a family member or family entity without consideration, in accordance with Section 5.4 of the Plan; provided, however, in the case of a transfer of this Stock Option to a limited liability company or a partnership which is a family entity, such transfer may be for consideration consisting solely of an entity interest in the limited liability company or partnership to which the transfer is made. Any transfer of this Stock Option shall be in a form acceptable to the Company, shall be signed by you and shall be effective only upon written acknowledgement by the Committee (or its authorized delegate) of its receipt and acceptance of such notice. If this Stock Option is transferred to a family member or family entity, the Stock Option may not thereafter be sold, assigned, transferred, pledged, hypothecated or otherwise disposed of by such family member or family entity except by will or the laws of descent and distribution. The Committee has delegated its responsibilities under this paragraph 6 to the Company's General Counsel.

7. The Company shall have the right to require, as of the grant, vesting or exercise of this Stock Option and the sale of any shares of stock received upon exercise of this Stock Option, that you (or any person acting under paragraph 6 above):

(a) Pay to the Company or its designee, upon its demand, such amount as may be requested for the purpose of satisfying its obligation or the obligation of any of its Subsidiaries or Affiliates or other person to withhold U.S. federal, state, local or foreign income, employment or other taxes

incurred by reason of the shares. You may satisfy your obligation to pay such amounts by authorizing the Company to withhold from your wages or other cash compensation, from proceeds from the sale of shares or from the shares purchased by you pursuant to the exercise having a fair market value on the date of exercise equal to the withholding amount. If the amount requested for the purpose of satisfying the withholding obligation is not paid, the Company may refuse to allow you to exercise the Stock Option.

(b) Provide the Company with any forms, documents or other information reasonably required by the Company in connection with the grant.

(c) Regardless of any action the Company or your employer (the "Employer") takes with respect to any or all income tax (including foreign, federal, state and local taxes), social insurance, payroll tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable to you ("Tax-Related Items"), you acknowledge that the ultimate liability for all Tax-Related Items legally due by you is and remains your responsibility and may exceed the amount actually withheld by the Company and/or the Employer. You further acknowledge that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Option, including the grant of the Stock Option, the exercise of the Stock Option, the receipt of an equivalent cash payment, the subsequent sale of any shares of Common Stock acquired at exercise and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Stock Option to reduce or eliminate your liability for the Tax-Related Items.

(d) Prior to any relevant taxable or tax withholding event ("Tax Date"), as applicable, you will pay or make adequate arrangements satisfactory to the Company and/or Employer to satisfy all Tax-Related Items. In this regard, you will satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following: (A) a cash payment to the Company in the amount of the Tax-Related Items; (B) authorizing the Company to withhold whole shares of Common Stock which would otherwise be delivered having an aggregate Fair Market Value, determined as of the Tax Date, or withhold an amount of cash from my wages or other cash compensation which would otherwise be payable to me by the Company or the Employer or from any equivalent cash payment received upon exercise of the Stock Options, equal to the amount necessary to satisfy the Tax-Related Items, (C) withhold from proceeds of the sale of shares of Common Stock acquired upon issuance of the Stock Options either through a voluntary sale or through a mandatory sale arranged by the Company (on my behalf pursuant to this authorization), or (D) a cash payment to the Company by a broker-dealer acceptable to the Company and to whom you have submitted an irrevocable notice of exercise (i.e., also known as "cashless exercise") equal to the amount necessary to satisfy the Tax-Related Items.

(e) Finally, you shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold as a result of your participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue shares of Common Stock to you if you fail to comply with your obligations in connection with the Tax-Related Items as described herein.

8. 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 yours under this Agreement without your written consent.

9. Any action taken or decision made by the Company, the Board, or the Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final,

conclusive and binding on you and all persons claiming under or through you. By accepting this grant or other benefit under the Plan, you and each person claiming under or through you 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 its delegates.

10. In accepting the grant, you acknowledge that: (i) the Plan is discretionary in nature and it may be modified, suspended or terminated by the Company or the Committee at any time; (ii) the grant of the Stock Option is voluntary and occasional and does not create any contractual or other right to receive future grants of Stock Options, or benefits in lieu of options, even if Stock Options have been granted repeatedly in the past; (iii) all decisions with respect to any such future grants will be at the sole discretion of the Committee; (iv) your participation in the Plan shall not create a right to further employment with your Employer and shall not interfere with the ability of your Employer to terminate your employment relationship at any time with or without cause; (v) your participation in the Plan is voluntary; (vi) the value of the Stock Option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (vii) in the event of involuntary termination of your employment, your right to receive Stock Options under the Plan, if any, will terminate effective as of the date that you are no longer actively employed regardless of any reasonable notice period mandated under local law (including but not limited to statutory law, regulatory law and/or common law) and the right to receive grants of Stock Options will not continue during any required notice period; (viii) the Stock Options have not been granted to you in consideration of your employment with your Employer, but is purely a gratuity extended by the Company at its sole discretion, and the Stock Option can in no event be understood or interpreted to mean that the Company is your employer or that you have an employment relationship with the Company; (ix) the Stock Option is not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments; (vii) the future value of the underlying shares is unknown and cannot be predicted with certainty; (viii) if the underlying shares do not increase in value, the Stock Option will have no value; and (ix) no claim or entitlement to compensation or damages arises from termination of the Stock Option or diminution in value of the Stock Option or shares purchased through exercise of the Stock Option and you irrevocably release the Company and your Employer from any such claim that may arise.

11. For Employees located outside of the European Economic Area:

You hereby explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of your 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 your participation in the Plan.

You understand that the Employer and/or the Company may hold certain personal information about you, including, but not limited to, your 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 Stock Options or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor, for the purpose of implementing, administering and managing the Plan ("Data").

You understand 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. You understand 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 Employee's country.

You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You authorize 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 your participation in the Plan. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You understand that you 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 your local human resources representative. You understand, however, that refusing or withdrawing consent may affect your ability to participate in the Plan. For more information on the consequences of refusal to consent or withdrawal of consent, you understand that you may contact your local human resources representative.

For Employees located within the European Economic Area:

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

This personal data includes, where permitted by applicable law, your 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 Stock Options or other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in your favor ("Data").

You understand that providing Employer and/or the Company with Data is necessary to effectuate your participation in the Plan and that your refusal to do so may affect your ability to participate in the Plan.

The Data are processed for the purpose of implementing, administering and managing your 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 employee 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 We@WesternUnion.

You understand 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. You understand 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 your 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"). You understand that you may request a list with the names and addresses of any potential recipients of the Data by contacting your local human resources representative. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan.

You understand that, subject to applicable law, you 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, you may also request the restriction of the processing of Data or object to that processing on grounds relating to your particular situation. Subject to applicable law, you also have the right to receive, in a structured, commonly used and machine-readable format, the Data that you have provided to the Company, as well as the right to have this Data transmitted to another data controller, where it is technically feasible. You understand you may also lodge a complaint to the Supervisory Authority in particular, the Supervisory Authority of the location of your habitual residence, place of work or place of the alleged infringement of applicable data protection law. You understand that you may exercise these rights at any time and without cost, by contacting in writing your local human resources representative.

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

12. If any provision of this Agreement (including the Appendix) shall be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity and enforceability of the remaining provisions of this Agreement.

13. If you are subject to Section 16 of the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, you acknowledge receipt of a copy of The Western Union Company Dodd-Frank Clawback and Forfeiture Policy (the "Dodd-Frank Clawback Policy") and The Western Union Company Misconduct Clawback and Forfeiture Policy (the "Misconduct Clawback Policy"). Notwithstanding anything in the Agreement to the contrary, this Award, and any related payments, are subject to the provisions of the Dodd-Frank Clawback Policy and the Misconduct Clawback Policy, and any modification to such policies or any other clawback policy of the Company adopted to comply with applicable laws, rules, regulations or governmental orders or judgments.

14. The validity, construction, interpretation, administration and effect of the Plan and 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 Stock Option 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. If you have received this or any other document related to the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

15. The Company may, in its sole discretion, decide to deliver any documents related to the Stock Option granted under and participation in the Plan or future options that may be granted under the Plan by electronic means or to request your consent to participate in the Plan by electronic means. You hereby consent 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. Notwithstanding any provisions in this Award Agreement, the Award shall be subject to any special terms and conditions set forth in the Appendix for your country. The Appendix constitutes part of this Award Agreement.

17. The Company reserves the right to impose other requirements on your participation in the Plan, on the Award and on any shares of Common Stock 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. You agree to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, you acknowledge that the laws of the country in which you are working at the time of grant, exercise or the sale of shares of Common Stock received pursuant to this Award (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject you to additional procedural or regulatory requirements that you is and will be solely responsible for and must fulfill.

On Behalf of The Western Union Company

By: _____

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

By: _____

Date: _____

APPENDIX

THE WESTERN UNION COMPANY 2015 LONG-TERM INCENTIVE PLAN NONQUALIFIED STOCK OPTION AGREEMENT

ADDITIONAL TERMS AND PROVISIONS FOR NON-US EMPLOYEES

Terms and Conditions

This Appendix includes special terms and conditions applicable to you if you reside 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 you should be aware with respect to your participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of []. Such laws are often complex and change frequently. As a result, the Company strongly recommends that you do not rely on the information noted herein as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time that you exercise the Stock Option or sell shares of Common Stock acquired under the Plan.

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

COUNTRIES

LIST OF THE WESTERN UNION COMPANY SUBSIDIARIES
(as of December 31, 2023)

Name of Subsidiary	Jurisdiction of Incorporation
American Rapid Corporation	Delaware, USA
Banco Western Union do Brasil S.A.	Brazil
Custom House ULC	British Columbia, Canada
First Financial Management Corporation	Georgia, USA
Global Collection Services, S.A.	Argentina
Grupo Dinámico Empresarial, S.A. de C.V.	Mexico
MT Caribbean Holdings SRL	Barbados
MT Financial Holdings Srl	Barbados
MT International LLC	Delaware, USA
MT International Operations Srl	Barbados
MT Investments 1 Srl	Barbados
Operaciones Internacionales OV, S.A. de C.V.	Mexico
PT Western Union Indonesia	Indonesia
Red Global S.A.	Argentina
Servicio Electrónico de Pago S.A.	Argentina
Servicio Integral de Envios, S.A. de C.V.	Mexico
Servicios de Apoyo GDE, S.A. de C.V.	Mexico
Te Enviei Intermediação de Negócios Ltda	Brazil
Transfer Express de Panama S.A.	Panama
Union del Oeste de Costa Rica SRL	Costa Rica
Vigo Remittance Canada Company	Nova Scotia, Canada
Western Union Benelux MT Ltd.	Ireland
Western Union (Bermuda) Holding Finance Ltd.	Bermuda
Western Union Chile SpA	Chile
Western Union Consulting Services (Beijing), Co., Ltd.	China
Western Union Corretora de Cambio S.A.	Brazil
Western Union do Brasil Participacoes Limitada	Brazil
Western Union do Brasil Serviços e Participações Ltda.	Brazil
Western Union Financial Holdings L.L.C.	New York, USA
Western Union Financial Services Argentina S.R.L.	Argentina
Western Union Financial Services (Australia) PTY Ltd.	Australia
Western Union Financial Services (Canada), Inc./Services Financiers Western Union (Canada) Inc.	Ontario, Canada
Western Union Financial Services Eastern Europe LLC	Delaware, USA
Western Union Financial Services GmbH	Austria
Western Union Financial Services (Hong Kong) Limited	Hong Kong
Western Union Financial Services International (France) SARL	France
Western Union Financial Services (Korea) Inc.	Korea
Western Union Financial Services (Luxembourg) S.á.r.l.	Luxembourg
Western Union Financial Services, Inc.	Colorado, USA
Western Union GB Limited	United Kingdom
Western Union Global Network Pte. Ltd	Singapore
Western Union (Hellas) International Holdings Single Member S.A.	Greece
Western Union Holdings, Inc.	Georgia, USA
Western Union International Bank GmbH	Austria

Western Union International Limited	Ireland
Western Union International Services, LLC	Delaware, USA
Western Union Ireland Holdings Limited	Ireland
Western Union Japan K.K.	Japan
Western Union, LLC	Colorado, USA
Western Union Luxembourg Holdings 3 S.á.r.l.	Luxembourg
Western Union Morocco SARL	Morocco
Western Union MT East, Ltd.	Russian Federation
Western Union Network Belgium	Belgium
Western Union Network (Canada) Company	Nova Scotia, Canada
Western Union Network (France) SAS	France
Western Union Network (Ireland) Limited	Ireland
Western Union Northern Europe GmbH	Germany
Western Union Online Limited	Ireland
Western Union Overseas Limited	Ireland
Western Union Payment Services (India) Private Limited	India
Western Union Payment Services Ireland Limited	Ireland
Western Union Payment Services GB Limited	United Kingdom
Western Union Payment Services Network (Canada) ULC	British Columbia, Canada
Western Union Payment Services Network EU/EEA Limited	Ireland
Western Union Payments (Malaysia) SDN. BHD.	Malaysia
Western Union Peru S.A	Peru
Western Union Processing Lithuania, UAB	Lithuania
Western Union Processing Limited	Ireland
Western Union Processing Services, Inc.	Philippines
Western Union Regional Panama S.A.	Panama
Western Union Retail Services Belgium	Belgium
Western Union Retail Services GB Limited	United Kingdom
Western Union Retail Services Italy S.r.l.	Italy
Western Union Retail Services Norway AS	Norway
Western Union Retail Services Spain S.A.	Spain
Western Union Retail Services Sweden AB	Sweden
Western Union Services India Private Limited	India
Western Union Services (Philippines) Inc.	Philippines
Western Union Services Singapore Private Limited	Singapore
Western Union Services S.L.	Spain
Western Union Services (Spain) S.L.	Spain
Western Union Singapore Limited	Bermuda
Western Union South Africa (PTY) Limited	South Africa
Western Union Support Services (Nigeria) Limited	Nigeria
Western Union Support Services Côte d'Ivoire	Ivory Coast
Western Union (Switzerland), LLC	Delaware, USA
Western Union Turkey Odeme Hizmetleri Anonim Sirketi	Turkey
WU BP Peru S.R.L.	Peru
WU Technology Engineering Services Private Limited	India
WuPay México, S. de R.L. de C.V.	Mexico
Western Union Business Solutions (UK) Limited	United Kingdom
Western Union Business Solutions (SA) Ltd.	United Kingdom

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-267618) 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 reports dated February 22, 2024, with respect to the consolidated financial statements and schedule of The Western Union Company and the effectiveness of internal control over financial reporting of The Western Union Company included in this Annual Report (Form 10-K) of The Western Union Company for the year ended December 31, 2023.

/s/ Ernst & Young LLP

Denver, Colorado
February 22, 2024

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Devin B. McGranahan, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 22, 2024

/s/ Devin B. McGranahan

Devin B. McGranahan
President and Chief Executive Officer

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Matt Cagwin, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 22, 2024

/s/ Matt Cagwin

Matt Cagwin
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 Annual Report of The Western Union Company on Form 10-K for the period ended December 31, 2023 (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.

Devin B. McGranahan and Matt Cagwin 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: February 22, 2024

/s/ Devin B. McGranahan

Devin B. McGranahan
President and Chief Executive Officer

Date: February 22, 2024

/s/ Matt Cagwin

Matt Cagwin
Chief Financial Officer
