

Modern Slavery Act Transparency Statement for 2017

Introduction

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Paysafe Group Holdings Limited and relevant group companies (“Paysafe” or “Paysafe Group”) during the year ended 31 December 2017 to prevent modern slavery and human trafficking in its business and supply chains.

Paysafe is committed to ensuring that our business has no involvement in modern slavery or human trafficking. Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Paysafe will not support or deal with any business knowingly involved in modern slavery or human trafficking.

Our business and structure

Paysafe is a leading global provider of end-to-end payment solutions. Our core purpose is to enable businesses and consumers to connect and transact seamlessly through our industry-leading capabilities in payment processing, digital wallets and online and offline cash solutions. Delivered through an integrated platform, our solutions are geared towards mobile-initiated transactions, real-time analytics and the convergence between bricks-and-mortar and online payments.

Paysafe has over 2,600 employees, who are primarily based in office locations across Europe and North America. With over 20 years of online payment experience and a combined transactional volume of US\$56 billion in 2017, Paysafe connects businesses and consumers across 200 payment types in over 40 currencies around the world.

Our supply chains

Our supply chains include suppliers of:

- IT hardware and software, including software licences and open source software;
- data storage services;
- professional services from our advisers including our lawyers, accountants, auditors and public relations advisers;
- office equipment; and
- office cleaning and other office facilities services.

The vast majority of our suppliers are based in Europe and North America. They are required to take steps to prevent modern slavery and human trafficking in their own businesses and supply chains, whether under the Modern Slavery Act 2015 or equivalent legislation in other jurisdictions.

We do not employ significant numbers of temporary or agency staff. We only use specified, reputable recruitment agencies. We maintain a list of approved agencies which is reviewed bi-annually.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or in our supply chains.

We have a Global Conduct Policy in place signed off at director level, which applies to all employees across Paysafe Group, to reflect and enforce our commitment to conduct all our business in an honest and ethical manner. This includes our anti-slavery and human trafficking policy, to implement and enforce systems and controls to ensure slavery and human trafficking is not taking place anywhere in our business or in our supply chains.

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. We have a dedicated Procurement Services team which works closely with our Legal, Compliance and Internal Audit teams.

We have a global Procurement Procedure in place to ensure a controlled, transparent, auditable and compliant procurement service, and which is approved by our Head of Procurement and our Chief Financial Officer. Our employees are required to complete appropriate due diligence analysis to ensure that prospective suppliers are qualified to conduct business with Paysafe.

Our Procurement Services team take supplier management and performance seriously. Decisions on potential suppliers are taken based not only on price and delivery times, but other factors including the supplier's ability to deliver while maintaining compliance with applicable laws and, where the supplier has previously been engaged by us, past compliance with Paysafe's standards. The Procurement Services team includes a supply contracts manager who monitors contractual performance by our suppliers and implements Continued Improvement Programmes (CIPs) with our suppliers.

Wherever possible we seek to procure goods and services from an existing supplier already known to Paysafe Group, which allows us to better understand our suppliers' operations and policies and to build strategic, long-term relationships with those suppliers.

To ensure all those in our supply chain and contractors comply with our values, we have a rigorous supply chain compliance programme in place. This currently consists of the following measures:

- Purchases from suppliers are made using a standard set of purchase order terms and conditions, which include:
 - a representation and warranty from the supplier that neither it nor any employee has been convicted of any slavery or human trafficking offence, nor been the subject of any investigation into any alleged slavery or human trafficking offence;
 - an obligation on the supplier to comply with all applicable laws, and specifically the Modern Slavery Act 2015;
 - audit rights for Paysafe (or an independent third party representative) to verify the supplier's compliance with these terms; and
 - the right for Paysafe to immediately terminate the supply agreement if the supplier breaches its compliance obligations.

- In addition, when conducting due diligence on potential suppliers for major projects, we require them to complete a detailed due diligence questionnaire. This covers topics such as supplier profile, size and history, and requires suppliers to provide references from previous business partners. The supplier is also required to respond on a number of legal and regulatory topics, which includes a requirement for the supplier to confirm upfront as part of their proposal that they are familiar with and shall comply with the Modern Slavery Act 2015;
- Any supply agreements made on the supplier's terms are duly reviewed by our Procurement and Legal teams to ensure that the supplier is obliged to comply with all applicable laws.

Risk assessment

During 2017 we have continued to assess our business and supply chains to identify any particular sectors or geographies where a greater risk of modern slavery or human trafficking may occur and have sought to identify what measures are in place to mitigate those risks. For example:

- our contracts with suppliers for the provision of cleaning services to our UK offices require the suppliers to comply with all applicable legislation and to meet all regulatory and industry standards in providing the services, and to ensure that sufficient resources are allocated to properly provide the services; and
- when we procure Paysafe-branded promotional merchandise, this is sourced from a supplier which is a member of the Ethical Trading Initiative and Sedex (the Supplier Ethical Data Exchange).

During the year ended 31 December 2017 we carried out audits of certain key suppliers, focussing on those based in higher risk sectors. Please see the section below entitled 'Our effectiveness in combating slavery and human trafficking' for the results of these audits.

Training and compliance

All Paysafe employees are required to read, understand and commit to follow our Global Conduct Policy. Members of senior management receive specific face-to-face training on our Global Conduct Policy in order to promote the policy throughout our organisation.

All Paysafe employees involved in the procurement of global goods and services are required to comply with our Procurement Procedure.

Whistleblowing

Our global Compliance Policy includes detailed whistleblowing procedures to enable and encourage employees to express concerns regarding any misconduct or wrongdoing related to our business. This may be done either by raising a concern internally, or anonymously through our external whistleblowing channel. All reports will be investigated and appropriate remedial actions taken. All employees are required to periodically complete an online training module which highlights these procedures.

Our effectiveness in combating slavery and human trafficking

In our Modern Slavery Act Transparency Statement for the year ended 31 December 2016, we stated that in order to assess the effectiveness of the measures taken by Paysafe in combating modern slavery and human trafficking we intended to report on the following key performance indicators (“KPIs”) and the table below sets out the results of our monitoring of these KPIs and the actions taken to address any issues raised.

KPI	Results and Actions Taken
<p>The proportion of Paysafe Group employees who have completed relevant training or have otherwise confirmed in writing their agreement to the relevant policies and procedures described in the Modern Slavery Act Transparency Statement.</p>	<p>New joiners are required to complete the relevant training and confirm their agreement to the relevant policies and procedures within 14 days of joining Paysafe. During 2017, 99% of new joiners had successfully done so and any cases of non-compliance were escalated to management.</p> <p>Existing employees are required to complete refresher training annually. 99% of staff successfully completed this training during the relevant window in late 2017-early 2018. Any cases of non-compliance were escalated to management.</p>
<p>The percentage of whistleblowing reports made which related to slavery or human trafficking incidents.</p>	<p>No whistleblowing reports relating to slavery or human trafficking incidents were received.</p>
<p>The remedial actions taken in response to any investigations into reports of modern slavery or human trafficking.</p>	<p>No such reports were received.</p>
<p>The number of audits of higher-risk suppliers carried out by our Procurement Services team and any remedial actions taken.</p>	<p>During 2017 we audited four suppliers of labour-based services, focusing on (i) suppliers of office cleaning and maintenance services and (ii) suppliers of branded clothing and other promotional merchandise.</p> <p>One audited supplier was unable to sufficiently demonstrate their understanding of their supply chain and the issues involved in modern slavery and human trafficking, and lacked the necessary accreditation for their sector. We have terminated our relationship with that supplier and these services are now being provided by a replacement supplier which is duly accredited and which successfully completed our audit during 2017.</p>

We intend to continue to assess these each year and to consider whether alternative or additional KPIs would be most appropriate in order to measure the effectiveness of our actions.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Paysafe Group's slavery and human trafficking statement for the financial year ended 31 December 2017.

This statement has been approved by the board of directors of Paysafe Group Holdings Limited and relevant group companies within the scope of section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

Signed by

A handwritten signature in blue ink, appearing to read 'Joel Leonoff', is written over a faint, light blue circular watermark or stamp.

Joel Leonoff
President and Chief Executive Officer
Paysafe Group

May 2018