

Western Union CO  
Form PRE 14A  
March 22, 2013

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

SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant  Filed by a Party other than the Registrant   
Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
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THE WESTERN UNION COMPANY

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(1) Amount Previously Paid:

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THE WESTERN UNION COMPANY

12500 East Belford Avenue  
Englewood, Colorado 80112  
April 17, 2013

Dear Stockholder:

The Board of Directors of The Western Union Company (“Western Union”) has a history of strong corporate governance and is committed to fulfilling its fiduciary obligations to Western Union’s stockholders. The Board continually monitors developments regarding corporate governance and executive compensation, with an eye toward ensuring that Western Union’s practices foster long-term stockholder value creation. We welcome stockholder input on these issues. As described below, we have taken significant steps to enhance Western Union’s corporate governance in the areas of stockholder engagement, board effectiveness, and executive compensation.

**STOCKHOLDER ENGAGEMENT**

**Proxy Access** - We have amended Western Union’s By-Laws to allow for stockholder “proxy access.” The By-Laws now permit qualifying stockholders or groups of qualifying stockholders that have each beneficially owned at least 3% of Western Union’s common stock for three years to nominate up to an aggregate of 20% of the members of the Board and have information and supporting statements regarding those nominees included in Western Union’s proxy statement.

**Allowing Stockholders to Call Special Meetings** - We are recommending that stockholders vote to approve amendments to Western Union’s Amended and Restated Certificate of Incorporation to allow Western Union stockholders to call a special meeting of stockholders. As more fully described in the enclosed proxy statement, the proposed modifications are structured so that a qualifying stockholder or group of stockholders that has held at least a 20% “net long position” in Western Union’s common stock for at least one year may call a special meeting.

**Annual Election of the Board of Directors** - At Western Union’s 2012 Annual Meeting of Stockholders, stockholders approved the Board’s proposal to declassify the Board. As a result, beginning with the 2013 Annual Meeting, directors standing for election at an annual meeting will be elected to a one-year, rather than three-year, term of office.

**BOARD EFFECTIVENESS AND CAPABILITIES**

**Expanded Board Capabilities** - We added two new independent directors to the Board in 2012, Richard A. Goodman and Solomon D. Trujillo, each of whom we believe has further expanded the skills and diversity of the Board. As a former executive and Chief Financial Officer of PepsiCo, Mr. Goodman brings to the Board financial expertise and global experience and perspective with regard to consumer products, marketing, brand management and complex capital structures. Mr. Trujillo brings to the Board experience as a chief executive officer of global companies in the telecommunications, media and cable industries. Also notable about Mr. Trujillo is that, in recognition of a lifetime of advocacy and commitment to workplace diversity, he received the Ronald H. Brown Corporate Bridge Builder Award from President Clinton and has been ranked by Hispanic Business magazine as one of the 100 Most Influential Hispanics in the United States.

The other members of the Board also represent diverse experience, backgrounds, cultural viewpoints and skill sets, including with respect to global business leadership, emerging markets, financial services, regulated industries, consumer goods and services, marketing, gender and ethnicity. Further information regarding the skills and background of the members of the Board can be found on pages 5-8 of the enclosed proxy statement, and a matrix illustrating the skills and qualifications of the members of the Board can be found on page 9.

**EXECUTIVE COMPENSATION**

The Company’s executive compensation practices include the following, each of which we believe reinforces our executive compensation philosophy and objectives and ultimately serves stockholder interests:

Pay-For-Performance - Our 2012 executive compensation program was designed so that performance-based pay elements comprised at least 88% of the targeted annual compensation for the Chief Executive Officer. To further align the interests of our executives with the Company's stockholders, the 2012 performance-based restricted stock unit awards include payout modifiers limiting the percentage of the awards that may vest based on the Company's total shareholder return performance relative to the S&P 500 Index and the Company's stock price performance.

Emphasis on Future Pay Opportunity Versus Current Pay - In 2012, all of the long-term incentive awards delivered to our executives were in the form of equity-based compensation.

Executive Severance Policy - Upon a change-in-control, executive severance benefits are generally payable only upon a "double trigger," and tax gross-up payments are prohibited for individuals promoted or hired as executives after April 2009.

"Clawback" Policy - The Company may recover incentive compensation in the event of fraud or misconduct by the executive.

Stock Ownership Requirements - We require all of our directors and executives to meet stock ownership requirements.

Prohibition on Pledging and Hedging of the Company's Securities - We prohibit our executives and directors from pledging the Company's securities or engaging in hedging or short-term speculative trading of the Company's securities.

\* \* \* \* \*

Despite the loss in market value of the Company's stock in 2012 and recent regulatory, competitive and economic challenges, the Board and management remain committed to Western Union's long-term success and to taking steps to create long-term stockholder value. We firmly believe that our historically strong cash flow, significant annual dividend, worldwide brand, global retail network, and historical and continuing focus on the customer remain key components of Western Union's business from which to leverage future growth, including through innovations in Western Union Business Solutions and Western Union Digital and online services.

Investor feedback on corporate governance is extremely helpful in enabling us to achieve long-term success, and you should feel free to contact us using the contact information given in the enclosed proxy statement. Thank you for your support and confidence.

The Board of Directors of The Western Union Company

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THE WESTERN UNION COMPANY

12500 East Belford Avenue  
Englewood, Colorado 80112  
April 17, 2013

Dear Stockholder:

You are cordially invited to attend the 2013 Annual Meeting of Stockholders of The Western Union Company (the “Company”), to be held at 8:00 a.m., local time, on Thursday, May 30, 2013, at 505 Fifth Avenue, 7th Floor, New York, NY 10017. A registration desk will open at 7:30 a.m.

The attached notice and Proxy Statement contain details of the business to be conducted at the annual meeting. In addition, the Company’s 2012 Annual Report, which is being made available to you along with the Proxy Statement, contains information about the Company and its performance. Directors and officers of the Company will be present at the annual meeting.

Your vote is important! Whether or not you plan to attend the annual meeting, please read the Proxy Statement and then vote, at your earliest convenience, by telephone or Internet, or request a proxy card to complete, sign, and date and return by mail. Using the telephone or Internet voting systems, or mailing your completed proxy card, will not prevent you from voting in person at the meeting if you are a stockholder of record and wish to do so.

On behalf of the Board of Directors, I would like to express our appreciation for your continued interest in the Company.

Regards,

Hikmet Ersek  
President, Chief Executive Officer and Director

Preliminary Copy

THE WESTERN UNION COMPANY

12500 East Belford Avenue  
Englewood, Colorado 80112  
(866) 405-5012

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

TO BE HELD May 30, 2013

NOTICE IS HEREBY GIVEN that the 2013 Annual Meeting of Stockholders of The Western Union Company, a Delaware corporation (the "Company"), will be held at 8:00 a.m., local time, on Thursday, May 30, 2013, at 505 Fifth Avenue, 7th Floor, New York, New York 10017, for the following purposes:

1. Elect Dinyar S. Devitre, Betsy D. Holden, Wulf von Schimmelmänn, and Solomon D. Trujillo to serve as members of the Company's Board of Directors until the Company's 2014 Annual Meeting of Stockholders.
2. Hold an advisory vote to approve executive compensation.
3. Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013.
4. Approve amendments to the Company's Amended and Restated Certificate of Incorporation to provide stockholders the right to call special meetings of stockholders.
5. Vote on the stockholder proposal described in the accompanying Proxy Statement, if properly presented at the 2013 Annual Meeting of Stockholders.
6. Transact any other business as may properly come before the meeting or any adjournment or postponement of the meeting.

The Board of Directors recommends the following votes:

**FOR** the election of all the nominees for the Board of Directors.

**FOR** the approval of a resolution to approve, on an advisory basis, the compensation of the Company's named executive officers, as described in the Compensation Discussion and Analysis section, the tabular disclosure regarding such compensation, and the accompanying narrative disclosure, set forth in this Proxy Statement.

**FOR** the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for 2013.

**FOR** the amendments to the Company's Amended and Restated Certificate of Incorporation to provide stockholders the right to call special meetings of stockholders.

**AGAINST** the stockholder proposal described in the accompanying Proxy Statement, if properly presented at the 2013 Annual Meeting of Stockholders.

Our stockholders of record on April 1, 2013 are entitled to notice of and to vote at the meeting and at any adjournment or postponement that may take place. A list of stockholders entitled to vote at the meeting will be available for the examination of any stockholder at the annual meeting and for ten days prior to the annual meeting at our principal executive offices located at 12500 East Belford Avenue, Englewood, Colorado 80112.

You are cordially invited to attend the annual meeting. To gain admission, you will need to show that you are a stockholder of the Company. All stockholders will be required to show valid, government-issued, picture identification or an employee badge issued by the Company. If your shares are registered in your name, your name will be compared to the list of registered stockholders to verify your share ownership. If your shares are in the name of your broker or bank, you will need to bring evidence of your share ownership, such as your most recent brokerage account statement or a legal proxy from your broker. If you do not have valid picture identification and proof that you own Company shares, you will not be admitted to the annual meeting of stockholders. All packages and bags are subject to inspection. Please note that the registration desk will open at 7:30 a.m. Please arrive in advance

Preliminary Copy

of the start of the meeting to allow time for identity verification.

Your vote is extremely important. We appreciate your taking the time to vote promptly. After reading the Proxy Statement, please vote, at your earliest convenience by telephone or Internet, or request a proxy card to complete, sign, and return by mail. If you decide to attend the annual meeting and would prefer to vote by ballot, your proxy will be revoked automatically and only your vote at the annual meeting will be counted. **YOUR SHARES CANNOT BE VOTED UNLESS YOU VOTE BY: (i) TELEPHONE; (ii) INTERNET; (iii) REQUESTING A PAPER PROXY CARD TO COMPLETE, SIGN, AND RETURN BY MAIL; OR (iv) ATTENDING THE ANNUAL MEETING AND VOTING IN PERSON.** Please note that all votes cast via telephone or the Internet must be cast prior to 12:00 p.m., Central Daylight Time on Wednesday, May 29, 2013.

By Order of the Board of Directors

John R. Dye  
Executive Vice President, General Counsel and Secretary  
April 17, 2013

**YOUR VOTE IS IMPORTANT  
PLEASE PROMPTLY VOTE BY TELEPHONE OR INTERNET, OR REQUEST A PROXY CARD TO COMPLETE, SIGN AND RETURN BY MAIL SO THAT YOUR SHARES MAY BE VOTED IN ACCORDANCE WITH YOUR WISHES AND SO THAT THE PRESENCE OF A QUORUM MAY BE ASSURED. YOUR PROMPT ACTION WILL AID THE COMPANY IN REDUCING THE EXPENSE OF PROXY SOLICITATION.**

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Proxy Statement and Proxy Process

THE WESTERN UNION COMPANY

12500 East Belford Avenue  
Englewood, Colorado 80112  
(866) 405-5012

PROXY STATEMENT

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The Board of Directors (“Board of Directors” or “Board”) of The Western Union Company (“Western Union” or the “Company”) is soliciting your proxy to vote at the annual meeting of stockholders to be held on May 30, 2013 at 8:00 a.m., local time, and any adjournment or postponement of that meeting. The meeting will be held at 505 Fifth Avenue, 7th Floor, New York, New York 10017.

In accordance with rules and regulations of the Securities and Exchange Commission (the “SEC”), instead of mailing a printed copy of our proxy materials to each stockholder of record or beneficial owner, we furnish proxy materials, which include this Proxy Statement and the accompanying Proxy Card, Notice of Meeting, and Annual Report to Stockholders, to our stockholders over the Internet unless otherwise instructed by the stockholder. If you received a Notice of Internet Availability of Proxy Materials by mail and would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice of Internet Availability of Proxy Materials.

The Notice of Internet Availability of Proxy Materials was first mailed on or before April 17, 2013 to all stockholders of record as of April 1, 2013 (the “Record Date”). The only voting securities of the Company are shares of the Company’s Common Stock, \$0.01 par value per share (the “Common Stock”), of which there were [ ] shares outstanding as of the Record Date.

The Company’s Annual Report to Stockholders, which contains consolidated financial statements for the year ended December 31, 2012, accompanies this Proxy Statement. You also may obtain a copy of the Company’s Annual Report on Form 10-K for the year ended December 31, 2012 that was filed with the SEC, without charge, by writing to Investor Relations, The Western Union Company, 12500 East Belford Avenue, Mailstop M23IR, Englewood, Colorado 80112. If you would like to receive a copy of any exhibits listed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012, please call (866) 405-5012 or submit a request in writing to Investor Relations at the above address, and the Company will provide you with the exhibits upon the payment of a nominal fee (which fee will be limited to the expenses we incur in providing you with the requested exhibits). The Company’s Annual Report on Form 10-K and these exhibits are also available in the “Investor Relations” section of [www.westernunion.com](http://www.westernunion.com).

THE PROXY PROCESS AND STOCKHOLDER VOTING

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Why Did I Receive These Materials?

Our Board of Directors has made these materials available to you on the Internet or, upon your request, has delivered printed versions of these materials to you by mail, in connection with the Board’s solicitation of proxies for use at our 2013 Annual Meeting of Stockholders, which will take place on May 30, 2013, or any adjournment or postponement thereof. Our stockholders are invited to attend the annual meeting and are requested to vote on the proposals described in this Proxy Statement.

What Does It Mean If I Receive More Than One Notice of Internet Availability of Proxy Materials or Proxy Card?

This means you hold shares of the Company in more than one way. For example, you may own some shares directly as a “Registered Holder” and other shares through a broker or you may own shares through more than one broker. In these situations you may receive multiple Notices of Internet Availability of Proxy Materials or, if you request proxy materials to be delivered to you by mail, Proxy Cards. It is necessary for you to vote, sign, and return all of the Proxy Cards or follow the instructions for any alternative voting procedure on each of the Notices of Internet Availability of Proxy Materials you receive in order to vote all of the shares you own. If you request proxy materials to be delivered to you by mail, each Proxy Card you receive will come with its own prepaid return envelope; if you vote by mail, make sure you return each Proxy Card in the return envelope which accompanied that Proxy Card.



## Proxy Statement and Proxy Process

### Why Did My Household Receive Only One Copy of the Notice of Internet Availability of Proxy Materials or Proxy Materials?

In addition to furnishing proxy materials electronically, we take advantage of the SEC's "householding" rules to reduce the delivery cost of materials. Under such rules, only one Notice of Internet Availability of Proxy Materials or, if you have requested paper copies, only one set of proxy materials are delivered to multiple stockholders sharing an address unless we have received contrary instructions from one or more of the stockholders. If you are a stockholder sharing an address and wish to receive a separate Notice of Internet Availability of Proxy Materials or copy of the proxy materials, you may so request by contacting the Broadridge Householding Department by phone at 1-800-542-1061 or by mail to Broadridge Householding Department, 51 Mercedes Way, Edgewood, New York 11717. A separate copy will be promptly provided following receipt of your request, and you will receive separate materials in the future. If you currently share an address with another stockholder but are nonetheless receiving separate copies of the materials, you may request delivery of a single copy in the future by contacting the Broadridge Householding Department at the number or address shown above.

### Does My Vote Matter?

YES! We are required to obtain stockholder approval for the election of directors and other important matters. Each share of Common Stock is entitled to one vote and every share voted has the same weight. In order for the Company to obtain the necessary stockholder approval of proposals, a "quorum" of stockholders (a majority of the issued and outstanding shares entitled to vote) must be represented at the meeting in person or by proxy. If a quorum is not obtained, the Company must adjourn or postpone the meeting and solicit additional proxies; this is an expensive and time-consuming process that is not in the best interest of the Company or its stockholders. Since few stockholders can spend the time or money to attend stockholder meetings in person, voting by proxy is important to obtain a quorum and complete the stockholder vote.

### How Do I Vote?

**By Telephone or Internet**—You may vote your shares via telephone as instructed on the Proxy Card, or the Internet as instructed on the Proxy Card or the Notice of Internet Availability of Proxy Materials. The telephone and Internet procedures are designed to authenticate your identity, to allow you to vote your shares, and confirm that your instructions have been properly recorded.

The telephone and Internet voting facilities will close at 12:00 p.m., Central Daylight Time, on May 29, 2013.

**By Mail**—If you request paper Proxy Cards by telephone or Internet, you may elect to vote by mail. If you elect to do so, you should complete, sign, and date each Proxy Card you receive, indicating your voting preference on each proposal, and return each Proxy Card in the prepaid envelope which accompanied that Proxy Card. If you return a signed and dated Proxy Card but you do not indicate your voting preferences, your shares will be voted in accordance with the recommendations of the Board of Directors. By returning your signed and dated Proxy Card or providing instructions by the alternative voting procedure in time to be received for the 2013 Annual Meeting of Stockholders, you authorize Hikmet Ersek and John R. Dye to act as your Proxies to vote your shares of Common Stock as specified.

**At the Meeting**—Shares held in your name as the stockholder of record may be voted by you in person at the annual meeting. Shares held beneficially on your behalf by a broker or agent may be voted by you in person at the annual meeting only if you obtain a legal proxy from the broker or agent that holds your shares giving you the right to vote the shares, and you bring such proxy to the annual meeting.

**Shares held in The Western Union Company Incentive Savings Plan**—For shares held in The Western Union Company Incentive Savings Plan, that plan's trustee will vote such shares as directed. If no direction is given on how to vote such shares to the trustee by mail on or before May 24, 2013 or by Internet or phone by 11:59 p.m. (Central time) on May 27, 2013, the trustee will vote your shares held in that plan in the same proportion as the shares for which it receives instructions from all other participants in the plan.

### How Many Votes Are Required to Approve a Proposal?

The Company's By-Laws (the "By-Laws") require directors to be elected by the majority of votes cast with respect to such director in uncontested elections (the number of shares voted "for" a director must exceed the number of votes cast "against" that director). In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or

by proxy at any such meeting and entitled to vote on the election of directors.

THE WESTERN UNION COMPANY-Proxy Statement 2

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## Proxy Statement and Proxy Process

The proposal regarding stockholder special meeting rights (Proposal 4) requires the affirmative vote of the holders of a majority of the outstanding common stock of the Company entitled to vote thereon. The advisory vote to approve executive compensation (Proposal 2), the ratification of Ernst & Young LLP's appointment as independent registered public accounting firm (Proposal 3), and the stockholder proposal (Proposal 5) set forth in this Proxy Statement require the affirmative vote of a majority of the shares of Common Stock present in person or represented by proxy at the annual meeting and entitled to vote thereon.

### What Is The Effect Of Not Voting?

It depends on how ownership of your shares is registered and the proposal to be voted upon. If you own shares as a Registered Holder, rather than through a broker, your unvoted shares will not be represented at the meeting and will not count toward the quorum requirement. A failure to vote on Proposal 4 will have the same effect as a vote against the Proposal. Except as described below, and assuming a quorum is obtained, with respect to each of the other proposals your unvoted shares will not affect whether a proposal is approved or rejected.

If you own shares through a broker and do not vote, your broker may represent your shares at the meeting for purposes of obtaining a quorum. As described in the answer to the following Question, in the absence of your voting instruction, your broker may or may not vote your shares.

### If I Don't Vote, Will My Broker Vote For Me?

If you own your shares through a broker and you don't vote, your broker may vote your shares in its discretion on some "routine matters." With respect to other proposals, however, your broker may not be able to vote your shares for you. With respect to these proposals, the aggregate number of unvoted shares is reported as the "broker non-vote." "Broker non-vote" shares are counted toward the quorum requirement. "Broker non-vote" shares will have the same effect as a vote against Proposal 4. With respect to each of the other proposals, a "broker non-vote" share will not affect the determination of whether the matter is approved. The Company believes that the proposal to ratify Ernst & Young LLP's appointment as independent registered public accounting firm (Proposal 3) set forth in this Proxy Statement is a routine matter on which brokers will be permitted to vote any unvoted shares.

Other than Proposal 3, the Company believes that all other proposals set forth in this Proxy Statement are not considered routine matters and brokers will not be able to vote on behalf of their clients if no voting instructions have been furnished. Please vote your shares on all proposals.

### How Are Abstentions Treated?

Whether you own your shares as a Registered Holder or through a broker, abstentions are counted toward the quorum requirement and are counted as votes "against" a proposal, other than the proposal for the election of directors.

### If I Own My Shares Through A Broker, How Is My Vote Recorded?

Brokers typically own shares of Common Stock for many stockholders. In this situation the Registered Holder on the Company's stock register is the broker or its nominee. This often is referred to as holding shares in "Street Name." The "Beneficial Owners" do not appear in the Company's stockholder register. If you hold your shares in Street Name, and elect to vote via telephone or the Internet, your vote will be submitted to your broker. If you request paper Proxy Cards and elect to vote by mail, the accompanying return envelope is addressed to return your executed Proxy Card to your broker. Shortly before the meeting, each broker totals the votes submitted by telephone, Internet, or mail by the Beneficial Owners for whom it holds shares, and submits a Proxy Card reflecting the aggregate votes of such Beneficial Owners.

### Is My Vote Confidential?

In accordance with the Company's Corporate Governance Guidelines, the vote of any stockholder will not be revealed to anyone other than a non-employee tabulator of votes or an independent election inspector, except (i) as necessary to meet applicable legal and stock exchange listing requirements, (ii) to assert claims for or defend claims against the Company, (iii) to allow the Inspectors of Election to certify the results of the stockholder vote, (iv) in the event a proxy, consent, or other solicitation in opposition to the voting recommendation of the Board of Directors takes place, (v) if a stockholder has requested that his or her vote be disclosed, or (vi) to respond to stockholders who have written comments on Proxy Cards.



## Proxy Statement and Proxy Process

### Can I Revoke My Proxy And Change My Vote?

Yes. You have the right to revoke your proxy at any time prior to the time your shares are voted. If you are a Registered Holder, your proxy can be revoked in several ways: (i) by timely delivery of a written revocation delivered to the Corporate Secretary, (ii) by timely submission of another valid proxy bearing a later date (including through any alternative voting procedure described on the Notice of Internet Availability of Proxy Materials or Proxy Card), or (iii) by attending the meeting and giving the Inspectors of Election notice that you intend to vote your shares in person. If your shares are held by a broker, you must contact your broker in order to revoke your proxy.

### Will Any Other Business Be Transacted At The Meeting? If So, How Will My Proxy Be Voted?

Management does not know of any business to be transacted at the annual meeting of stockholders other than those matters described in this Proxy Statement. The period specified in the Company's By-Laws for submitting additional proposals to be considered at the meeting has passed and there are no such proposals to be considered. However, should any other matters properly come before the meeting, and any adjournments and postponements thereof, shares with respect to which voting authority has been granted to the Proxies will be voted by the Proxies in accordance with their judgment.

### Who Counts The Votes?

Votes will be counted and certified by the Inspectors of Election, who are employees of Wells Fargo Bank, N.A., the Company's Transfer Agent and Registrar. If you are a Registered Holder, your telephone or Internet vote is submitted, or your executed Proxy Card is returned, directly to Wells Fargo for tabulation. As noted above, if you hold your shares through a broker, your broker returns a single Proxy Card to Wells Fargo on behalf of its clients.

### How Much Does The Proxy Solicitation Cost?

The Company has engaged the firm of MacKenzie Partners, Inc., 105 Madison Avenue, New York, New York 10016, to assist in distributing and soliciting proxies for a fee of \$10,000, plus expenses. However, the proxy solicitor fee is only a small fraction of the total cost of the proxy process. The largest expense in the proxy process is printing and mailing the proxy materials. The Company will also reimburse brokers, fiduciaries, and custodians for their costs in forwarding proxy materials to Beneficial Owners of our Common Stock. Proxies also may be solicited on behalf of the Company by directors, officers, or employees of the Company in person or by mail, telephone, or facsimile transmission. No additional compensation will be paid to such directors, officers, or employees for soliciting proxies. The Company will bear the entire cost of solicitation of proxies, including the preparation, assembly, printing, and mailing of the Notice of Internet Availability of Proxy Materials, and this Proxy Statement and the accompanying Proxy Card, Notice of Meeting, and Annual Report to Stockholders.

### IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS

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The Company's Proxy Statement and Annual Report to Stockholders are available at [www.ematerials.com/wu](http://www.ematerials.com/wu) for Registered Holders and at [www.proxyvote.com](http://www.proxyvote.com) for Beneficial Owners. To access such materials, you will need the control/identification numbers provided to you in your Notice of Internet Availability of Proxy Materials or your Proxy Card.



## Board of Directors Information

## BOARD OF DIRECTORS INFORMATION

In accordance with applicable Delaware law, the business of the Company is managed under the direction of its Board of Directors. Pursuant to the Company's Amended and Restated Certificate of Incorporation, the Board of Directors is to consist of not less than one nor more than 15 directors. At the Company's 2012 Annual Meeting of Stockholders, the Company's stockholders approved an amendment to the Company's Amended and Restated Certificate of Incorporation to declassify the Board of Directors such that each director will be elected to a one-year term beginning with the directors elected at the 2013 Annual Meeting of Stockholders. During 2012, the Board of Directors met nine times (not including committee meetings). Each of the directors attended at least 75% of the aggregate number of meetings of the Board and Board committees on which they served during 2012.

## Board of Directors Members

Name and Age	Principal Occupation, Business Experience and Directorships	Experience, Qualifications, Attributes and Skills Supporting Directorship Position on the Company's Board*	Director Since
Dinyar S. Devitre Age 65	Special Advisor to General Atlantic LLC since June 2008. Mr. Devitre served as Senior Vice President and Chief Financial Officer of Altria Group, Inc. from March 2002 until March 2008. From 2001 to 2002, Mr. Devitre served as a private business consultant and from 1998 to 2001, he was Executive Vice President at Citibank in Europe. He started with the Altria Group companies in 1970 and served in a variety of positions, including President Philip Morris, Asia, Chairman and Chief Executive Officer Philip Morris, Japan, and Senior Vice President, Corporate Planning, Philip Morris Companies, Inc. from 1995 to 1998. Mr. Devitre was a director of Kraft Foods Inc. from September 2002 to May 2007, and is a director of SABMiller plc and Altria Group, Inc. Mr. Devitre's term expires in 2013.	Mr. Devitre brings to the Board experience as the chief financial officer of a large U.S.-based multinational company, as an executive and director of large consumer goods corporations subject to regulation in multiple jurisdictions and as an executive of a financial services company. Mr. Devitre has experience with complex capital structures and related issues. Mr. Devitre also provides the Board with diversity in viewpoint and international business experience as a native of India who has lived and worked in many countries.	2006
Hikmet Ersek Age 52	President and Chief Executive Officer of the Company since September 2010. Prior to taking this position, Mr. Ersek had served as our Chief Operating Officer since January 2010. From December 2008 to December 2009, Mr. Ersek served as the Company's Executive Vice President and Managing Director, Europe, Middle East, Africa and Asia Pacific Region. From September 2006 to December 2008, Mr. Ersek served as the Company's Executive Vice President and Managing Director, Europe/Middle	Mr. Ersek is the only Director who is also an executive of the Company. Mr. Ersek provides his insight as the Company's leader, and from his prior roles as the Company's Chief Operating Officer and leader in the Company's Europe, Middle East, Africa and Asia Pacific region, a significant area for the Company. Mr. Ersek provides many years of international consumer payment sales, marketing, distribution, and operations insight from his experience with the Company, GE Capital, and	2010

East/Africa/South Asia. Prior to September 2006, Mr. Ersek held various positions of increasing responsibility with Western Union. Before joining Western Union in September 1999, Mr. Ersek was with GE Capital and Europay/MasterCard specializing in European payment systems and consumer finance. Mr. Ersek's term expires in 2014.

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Board of Directors Information

Name and Age	Principal Occupation, Business Experience and Directorships	Experience, Qualifications, Attributes and Skills Supporting Directorship Position on the Company's Board*	Director Since
Richard A. Goodman Age 64	Executive Vice President, Global Operations of PepsiCo Inc. ("PepsiCo") from March 2010 to December 2011. Prior to that, Mr. Goodman was PepsiCo's Chief Financial Officer from October 2006. From 2003 until October 2006, Mr. Goodman was Senior Vice President and Chief Financial Officer of PepsiCo International. Mr. Goodman served as Senior Vice President and Chief Financial Officer of PepsiCo Beverages International from 2001 to 2003, and as Vice President and General Auditor of PepsiCo from 2000 to 2001. Before joining PepsiCo in 1992, Mr. Goodman was with W.R. Grace & Co. in a variety of senior financial positions. Mr. Goodman is a director of Johnson Controls Inc. and Toys "R" Us, Inc. Mr. Goodman's term expires in 2015.	Mr. Goodman brings to the Board experience as the chief financial officer and executive of a large, U.S.-based global company that manufactures, markets, and distributes a broad range of consumer goods. Mr. Goodman has experience with complex capital structures, and brings to the Board and management perspective with regard to consumer products, marketing, and brand management. Mr. Goodman also brings to the Board his experience as a board member of both a global diversified industrial company and a global retailer.	2012
Jack M. Greenberg Age 70	Non-Executive Chairman of the Board of Directors. Mr. Greenberg was Chairman (from May 1999) and Chief Executive Officer (from August 1998) of McDonald's Corporation until December 2002. Mr. Greenberg joined McDonald's Corporation as Executive Vice President and Chief Finance Officer and as a member of the Board of Directors in 1982. He served as a director of First Data from 2003 to 2006 and as a director of Abbott Laboratories from 2001 to 2007. Mr. Greenberg is a director of The Allstate Corporation, Hasbro, Inc., Innerworkings, Inc., where he serves as Chairman of the Board, and Manpower Inc. Mr. Greenberg's term expires in 2014.	Mr. Greenberg's experience as the Chairman and Chief Executive Officer of McDonald's Corporation is supportive of his role as Non-Executive Chairman of the Board. He has experience working with large, global distribution networks, similar to the Company's agent network, and operations, consumer marketing, pricing, and trend analysis. Mr. Greenberg brings to the Board experience as the chief financial officer of a large U.S.-based multinational company. He is also a certified public accountant and an attorney. Mr. Greenberg is the only Director who was a director of the Company's former parent company, which provides historical context for the Company's operations.	2006
Betsy D. Holden Age 57	Senior Advisor to McKinsey & Company since April 2007. Ms. Holden served as President, Global Marketing and Category Development of Kraft Foods Inc., a food business unit of Altria Group, Inc., from January 2004 through June 2005, Co-Chief Executive Officer of	Ms. Holden brings to the Board experience as a chief executive officer of a large U.S.-based multinational company and provides the Board with insights into consumer marketing and brand management from her years of experience with Kraft Foods. She is familiar with the	2006

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Kraft Foods Inc. from March 2001 until December 2003, and President and Chief Executive Officer of Kraft Foods North America from May 2000 until December 2003. Ms. Holden began her career at General Foods in 1982. She currently serves as a director of the Catamaran Corporation and Diageo plc. Ms. Holden's term expires in 2013.

challenges of operating in a highly regulated industry. Her current role as Senior Advisor to McKinsey & Company is focused on strategy, marketing, innovation, and board effectiveness initiatives across a variety of industries.

Board of Directors Information

Name and Age	Principal Occupation, Business Experience and Directorships	Experience, Qualifications, Attributes and Skills Supporting Directorship Position on the Company's Board*	Director Since
Linda Fayne Levinson Age 71	An advisor to professionally funded, privately held ventures. Ms. Fayne Levinson was Non-Executive Chair of the Board of Connexus, Inc., formerly VendareNetblue, a privately held online marketing company until May 2010 when it was merged with Epic Advertising. From 1997 until May 2004, Ms. Fayne Levinson was a partner at GRP Partners, a venture capital firm, investing in early stage technology companies in the financial services, internet media and online retail sectors. Earlier in her career, Ms. Fayne Levinson was an executive at American Express and a partner at McKinsey & Company. She is a director of NCR Corporation, Jacobs Engineering Group Inc., Ingram Micro, Inc., and Hertz Global Holdings Inc. Ms. Fayne Levinson's term expires in 2014.	Ms. Fayne Levinson provides a combination of consumer payments business experience with that of emerging technology and online retail services companies. She also provides general management experience from her time at American Express, strategic experience as a former McKinsey partner, and investment experience from her time as a venture capital investor. Each of these areas is central to the Company's business. Ms. Fayne Levinson also has substantial experience with respect to executive compensation matters and corporate governance.	2006
Roberto G. Mendoza Age 67	Senior Managing Director of Atlas Advisors LLC, an independent global investment banking firm, since March 2010. Previously, Mr. Mendoza co-founded Deming Mendoza & Co., LLC, a corporate finance advisory firm, and served as one of its partners from February 2009 to March 2010. Mr. Mendoza served as Non-Executive Chairman of Trinsum Group from February 2007 to November 2008. In January 2007, Trinsum Group was formed as a result of a merger of Marakon Associates and Integrated Finance Limited, a financial advisory company which Mr. Mendoza co-founded and of which he served as Chairman of the Board and Managing Director from 2002 to February 2007. He also served as Managing Director of Goldman Sachs Services from September 2000 to February 2001. From 1967 to 2000, Mr. Mendoza held positions at J.P. Morgan & Co. Inc., serving from 1990 to 2000 as director and Vice Chairman of the Board.	Mr. Mendoza has substantial experience in investment banking and financial services. Mr. Mendoza also provides the Board with diversity in viewpoint and international business experience as he has lived and worked, and served on a variety of public company boards, both in the U.S. and abroad.	2006

Mr. Mendoza served as Chairman of Egg plc from May 2000 to February 2006, and as a director of Prudential plc from May 2000 to May 2007, and of PARIS RE Holdings Limited from January 2007 to September 2009. He currently serves as a director of PartnerRe Ltd. and Manpower Inc. Mr. Mendoza's term expires in 2015.

Michael A.  
Miles, Jr.  
Age 51

Advisory Director of Berkshire Partners, a private equity firm, since March 2013. Previously, Mr. Miles was President of Staples, Inc. from January 2006 and Chief Operating Officer from September 2003. Prior to that, Mr. Miles was Chief Operating Officer, Pizza Hut for Yum! Brands, Inc. from January 2000 to August 2003. From 1996 to 1999, he served Pizza Hut as Senior Vice President of Concept Development & Franchise. Mr. Miles' term expires in 2015.

Mr. Miles has experience as an executive of an international consumer goods retailer, and with large acquisitions outside of the U.S. and franchise distribution networks, which are similar to the Company's agent network. Mr. Miles also brings U.S. and global operational expertise to the Board discussions.

Board of Directors Information

Name and Age	Principal Occupation, Business Experience and Directorships	Experience, Qualifications, Attributes and Skills Supporting Directorship Position on the Company's Board*	Director Since
Wulf von Schimmelmann Age 66	Chief Executive Officer of Deutsche Postbank AG, a Germany-based financial services provider, from 1999 to June 2007. Before that, Mr. von Schimmelmann was a member of the Board of Managing Directors at BHF-Bank in Frankfurt am Main, where he was responsible for investment banking, payment transactions, and corporate customers. Mr. von Schimmelmann is Chair of the Supervisory Board of Deutsche Post AG, a member of the Supervisory Board of Maxingvest AG and Allianz Deutschland AG, and a director of Accenture Ltd. and Thomson Reuters International. Mr. von Schimmelmann served as Chair of the Supervisory Board of BAWAG P.S.K. from 2007 to 2009, and as a member of the Supervisory Board of Deutsche Telekom AG from 2006 to 2009. Mr. von Schimmelmann's term expires in 2013.	Mr. von Schimmelmann brings to the Board experience as a chief executive officer of a large German multinational company. He has experience running a consumer-focused financial services business which was also an agent of the Company. This provides a perspective to the Board of one of the Company's largest external constituent groups. Mr. von Schimmelmann has also operated in highly regulated financial services industries in a European jurisdiction. He also provides the viewpoint of a European who has also worked in the U.S.	2009
Solomon D. Trujillo Age 61	Founded Trujillo Group Investments, LLC, and has served as chairman since July 2003. Mr. Trujillo also served as the Chief Executive Officer and as director of Telstra Corporation Limited, Australia's largest media-communications enterprise, from July 2005 to June 2009. From February 2003 to March 2004, Mr. Trujillo was Orange SA's Chief Executive Officer. Before that, Mr. Trujillo was Chairman, President and Chief Executive Officer of Graviton, Inc. from January 2001 until January 2003. Mr. Trujillo is a director of Target Corporation, WPP plc, and ProAmerica Bank. Mr. Trujillo's term expires in 2013.	Mr. Trujillo is an international business executive with experience as a chief executive officer of global companies in the telecommunications, media, and cable industries headquartered in the United States, the European Union, and the Asia-Pacific region. He has global operations experience and provides the Board with substantial international experience and expertise in the retail, technology, media, and communications industries.	2012

The Board selects nominees for Director on the basis of experience, integrity, skills, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment, and willingness to devote adequate time to Board duties, all in the context of an assessment of the perceived needs of the Board at a given point in time. In addition to the individual attributes of each of the directors described in the preceding table, the Company highly values the collective business experience and qualifications of the directors. We believe that the experiences, viewpoints, and perspectives of our directors result in a Board with the commitment and energy to advance the interests of our stockholders.

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## Board of Directors Information

## Director Qualifications Matrix

The following matrix is provided to illustrate the skills and qualifications of our Board.

Director	Leadership		Regulated Industry	Financial		International		Diversity		
	CEO Experience	CFO Experience		Financial Literacy	Eligible for Audit Committee Qualified Expert	Emerging Markets	Global Operational Experience	Gender	Ethnicity	Geography
Dinyar S. Devitre	X	X	X	X	X		X	M	X	X
Hikmet Ersek	X		X	X		X	X	M		X
Richard A. Goodman		X		X	X		X	M		
Jack M. Greenberg	X	X	X	X	X	X	X	M		
Betsy D. Holden	X		X	X			X	F		
Linda Fayne Levinson	X		X	X				F		
Roberto G. Mendoza			X	X			X	M	X	X
Michael A. Miles, Jr.				X			X	M		
Wulf von Schimmelmann	X		X	X			X	M		X
Solomon D. Trujillo	X		X	X		X	X	M	X	X

Proposal 1

Proposal 1

ELECTION OF DIRECTORS

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The Board of Directors is currently divided into three classes. At the Company's 2012 Annual Meeting of Stockholders, the Company's stockholders approved a proposal to amend the Company's Amended and Restated Certificate of Incorporation to declassify the Board of Directors such that each director standing for election or re-election will be elected to a one-year term beginning with the directors elected at the 2013 Annual Meeting of Stockholders. The terms of office of Mr. Devitre, Ms. Holden, and Mr. von Schimmelmann expire at the 2013 Annual Meeting of Stockholders. Upon the recommendation of the Corporate Governance and Public Policy Committee, the Board of Directors appointed Mr. Trujillo as a director in July 2012, subject to election by the stockholders at the 2013 Annual Meeting of Stockholders. Mr. Trujillo was originally recommended to the Corporate Governance and Public Policy Committee by a search firm. Mr. Devitre, Ms. Holden, and Mr. von Schimmelmann have been nominated for re-election, and Mr. Trujillo has been nominated for election, through the 2014 Annual Meeting of Stockholders, or until a successor is elected and qualified. (See the "Board of Directors Information" section of this Proxy Statement for information concerning all directors.) In the case of a vacancy occurring during the year in any class, the Board of Directors may elect another director as a replacement, may leave the vacancy unfilled or may reduce the number of directors.

If re-elected or elected, as applicable, the terms of Mr. Devitre, Ms. Holden, Mr. von Schimmelmann, and Mr. Trujillo will expire at the 2014 Annual Meeting of Stockholders. The terms of Mr. Ersek, Mr. Greenberg, and Ms. Fayne Levinson also expire at the 2014 Annual Meeting of Stockholders. Along with the terms of directors elected at the 2014 Annual Meeting of Stockholders, the terms of Mr. Goodman, Mr. Mendoza, and Mr. Miles expire at the 2015 Annual Meeting of Stockholders. At the 2015 Annual Meeting of Stockholders, and at subsequent annual meetings of stockholders, all directors will be elected on an annual basis to one-year terms.

The Company's By-Laws require directors to be elected by the majority of votes cast with respect to such director in uncontested elections (the number of shares voted "for" a director must exceed the number of votes cast "against" that director). In a contested election (a situation in which the number of nominees exceeds the number of directors to be elected), the standard for election of directors will be a plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors.

Under the Company's By-Laws, if an incumbent director is not elected, the director will promptly tender his or her resignation to the Board of Directors. The Corporate Governance and Public Policy Committee will make a recommendation to the Board of Directors as to whether to accept or reject the resignation of such incumbent director, or whether other action should be taken. The Board of Directors will act on the resignation, taking into account the committee's recommendation, and publicly disclose (by a press release, a filing with the Securities Exchange Commission or other broadly disseminated means of communication) its decision regarding the tendered resignation and the rationale behind the decision within 90 days following certification of the election results. If such incumbent director's resignation is not accepted by the Board of Directors, such director will continue to serve until the next annual meeting and until his or her successor is duly elected or his or her earlier resignation or removal.

Your shares will be voted as you instruct via the telephone or Internet voting procedure described on the Proxy Card or the Notice of Internet Availability of Proxy Materials, or as you specify on your Proxy Card(s) if you elect to vote by mail. If unforeseen circumstances (such as death or disability) require the Board of Directors to substitute another person for any of the director nominees, your shares will be voted for that other person.

**THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE TO RE-ELECT MR. DEVITRE, MS. HOLDEN, AND MR. VON SCHIMMELMANN, AND TO ELECT MR. TRUJILLO, AS DIRECTORS TO SERVE UNTIL THE 2014 ANNUAL MEETING OF STOCKHOLDERS OR UNTIL THEIR RESPECTIVE SUCCESSORS ARE ELECTED AND QUALIFIED.**



Corporate Governance

CORPORATE GOVERNANCE

Summary of Corporate Governance Practices

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The Board of Directors believes that strong corporate governance is key to long-term stockholder value creation. Over the years, our Board of Directors has responded to evolving governance standards by enhancing our practices to best serve the interests of the Company's stockholders, including:

• Annual election of directors (approved by stockholders in 2012; phased in beginning in 2013).

• Proxy access. Our By-Laws permit qualifying stockholders or groups of qualifying stockholders that have each beneficially owned at least 3% of the Company's common stock for three years to nominate up to an aggregate of 20% of the members of the Board and have information and supporting statements regarding those nominees included in the Company's proxy statement.

• Majority vote standard in uncontested elections. Each director must be elected by a majority of votes cast, rather than by a plurality.

• No stockholder rights plan ("poison pill").

• If proposal 4 is approved, stockholders will have the ability to call a special meeting of stockholders.

• No supermajority voting provisions in the Company's organizational documents.

• Independent Board. Our Board is comprised of all independent directors, except our Chief Executive Officer.

• Independent non-executive chairman. The Chairman of the Board of Directors, Jack Greenberg, is a non-executive independent director.

• Independent Board committees. Each of the Audit Committee, Compensation and Benefits Committee, and Corporate Governance and Public Policy Committee is made up of independent directors. Each standing committee operates under a written charter that has been approved by the Board.

• Confidential stockholder voting. The Company's Corporate Governance Guidelines provide that the vote of any stockholder will not be revealed to anyone other than a non-employee tabulator of votes or an independent election inspector, except as set forth therein.

• Committee authority to retain independent advisors. Each of the Audit Committee, Compensation and Benefits Committee, and Corporate Governance and Public Policy Committee has the authority to retain independent advisors.

• Robust code of conduct. The Company is committed to operating its business with honesty and integrity and maintaining the highest level of ethical conduct. These absolute values are embodied in our Code of Conduct and require that every customer, employee, agent and member of the public be treated accordingly. The Company Code of Conduct applies to all employees, but the Company's senior financial officers are also subject to an additional code of ethics, reflecting the Company's commitment to maintaining the highest standards of ethical conduct.

• Stock ownership guidelines for senior executives and directors. Significant stock ownership requirements for our senior executives and directors strongly link the interests of management and the Board with those of stockholders.

• Prohibition on pledging and hedging of company stock by senior executives and directors. As noted below in "Compensation Discussion and Analysis-Executive Summary-Executive Compensation and Corporate Governance Framework," the Company's insider trading policy prohibits the Company's executive officers and directors from pledging the Company's securities or engaging in hedging or short-term speculative trading of the Company's securities, including, without limitation, short sales or put or call options involving the Company's securities.

• Stockholder engagement. The Company regularly engages with its stockholders to better understand their perspectives.

You can learn more about our corporate governance by visiting the "Investor Relations, Corporate Governance" portion of the Company's website, [www.westernunion.com](http://www.westernunion.com), or by writing to the attention of: Investor Relations, The Western Union Company, 12500 East Belford Avenue, Mailstop M23IR, Englewood, Colorado 80112.



Corporate Governance

Independence of Directors

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The Board of Directors has adopted Corporate Governance Guidelines, which contain the standards that the Board of Directors will use to determine whether a director is independent. A director is not independent under these categorical standards if:

- The director is, or has been within the last three years, an employee of Western Union, or an immediate family member of the director is, or has been within the last three years, an executive officer of Western Union.

- The director has received, or has an immediate family member who has received, during any twelve-month period within the last three years, more than \$120,000 in direct compensation from Western Union, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).

- (i) The director is a current partner or employee of a firm that is Western Union's internal or external auditor; (ii) the director has an immediate family member who is a current partner of such a firm; (iii) the director has an immediate family member who is a current employee of such a firm and personally works on Western Union's audit; or (iv) the director or an immediate family member was within the last three years a partner or employee of such firm and personally worked on Western Union's audit within that time.

- The director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of Western Union's present executive officers at the same time serves or served on that company's compensation committee.

- The director is a current employee, or an immediate family member is a current