

AGREEMENT

Individual Deposit Accounts

Virgin Islands Region

BANCO POPULAR DE PUERTO RICO
INDIVIDUAL DEPOSIT ACCOUNTS AGREEMENT
VIRGIN ISLANDS REGION

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Count on us



READ THIS AGREEMENT AND THE APPLICABLE ADDENDUMS (together, the “Agreement”) CAREFULLY since it contains the terms and conditions that will govern your banking relationship with Banco Popular de Puerto Rico (the “Bank”). This Agreement and its Addendums may be amended or supplemented from time to time.

I. GENERAL PROVISIONS

A. Business Days, Business Hours and Effective Date of Transactions

Bank business days are Monday through Friday, excluding federal holidays. Although the Bank offers services to the public some Saturdays, Sundays, and federal holidays, these dates are not considered business days. The Bank’s business day schedule and hours are posted at each branch, and may be subject to change from time to time, at the Bank’s discretion. The Internet Banking and TeleBanco Popular (Popular TeleBank) services will be available 24 hours a day all year long subject to the availability of communication with these services and the terms and conditions applicable to each.

The Bank will process deposit transactions according to the Disclosure Related to the Availability of Funds Deposited in Individual Accounts (Regulation CC) of this Agreement. Other transactions carried out at branches may be processed as of the same date, the next business date or as posted at each branch.

B. Forms

To facilitate the prompt processing of your transactions, You should use the Bank’s forms, including the personalized deposit slips, for all transactions. All information provided must be legible.

C. Deposits

1. The Bank reserves the right to digitalize checks and other original items received in deposit and to process them electronically. You recognize that this digitalization process entails the destruction of original checks or items and, on occasion, the creation of a substitute check. For purposes of this Agreement, the term “substitute check” refers to a paper reproduction of an electronic image of the original check that complies with the requirements set forth in a federal act known as the Check Clearing for the 21st Century Act (“Check 21”). See Disclosure Related to the Availability of Funds Deposited in Individual Accounts of this Agreement. These checks have the same legal properties as the original checks issued by You.
2. You may make deposits in person, by mail or by any other method provided by the Bank, such as Automated Teller Machines and deposit boxes. The Bank does not assume responsibility for your deposits until the receipt of such deposit is acknowledged. You may not deposit cash in the branch deposit boxes or the Automated Teller Machines and if You do it shall be at your own risk. The Bank’s determination with respect to the amount of cash deposited shall be final.
3. The Bank recommends the use of personalized deposit slips to facilitate the prompt crediting of deposits to the Account. In the case of deposit slips that have been filled out by hand with the name and account number to be credited, the Bank shall rely on the account number indicated on the deposit slip and shall not be obliged to verify that the account number belongs to the person named on the deposit slip.
4. The Bank will credit deposits that comply with the terms and conditions of this Agreement. The Bank may refuse to credit a deposit when the information is incomplete, illegible, inconsistent with the information given when You opened your Account, or if the deposit fails to abide by any of the provisions or the applicable law.
5. At the time a deposit is made to the Account, the Bank will only verify the cash. Checks and other items deposited will be verified not later than the following

business day after the deposit was received. Any discrepancy or omission will be notified to You by mail. The Bank’s determination to this effect shall be deemed correct. The Bank may at any time refuse to accept on deposit any check or instrument with a prior endorsement to that by the account holder or its authorized representative, including bank checks or managerial checks.

If the Bank determines that the cash deposited was counterfeit currency or that the checks or the other items deposited were improperly or fraudulently issued or negotiated or, if the Bank receives a claim to those effects, the Bank may debit any of your Accounts for the corresponding amount. The Bank will notify You of the adjustment to your Account by mail.

6. The Bank may ignore information or legend on checks and other deposited items, other than the signature, the drawee bank and drawer’s identification, amount, endorsements, and other encoded information, according to the standard banking practice.
 7. Upon receipt of checks and other items for deposit or collection, the Bank acts as a collection agent on your behalf, registering items subject to final settlement. In this case the Bank’s responsibility is limited to exercising ordinary care. Upon final settlement the item is considered collected. If final payment is not received, or if any item deposited in cash must be reversed for any reason, the Bank is expressly authorized to debit, at any moment and without prior notification, any of your accounts for the amount of the item, the penalty fee imposed by the Bank on returned items, interest paid on the deposited items, and any other related charges.
 8. The Bank reserves the right to accept or limit any deposit, and to require the withdrawal of a deposit when it deems convenient. When the Bank requires the withdrawal of a deposit or any part of it, such deposit will not accrue interest from the date of the request.
 9. The Bank may require that You provide certain warranties and indemnities as a condition precedent to accepting for deposit a substitute check created by a non-banking entity.
- ### **D. Payment Orders**
1. The Bank may refuse to pay any check, substitute check or item against the Account (payment order) if:
 - a. The item is:
 - (1) Incorrectly or incompletely issued or endorsed;
 - (2) Issued in a form that has not been approved by the Bank;
 - (3) Unauthorized for deposit in the Account;
 - (4) Unauthorized for payment;
 - (5) Exceeding the frequency or the amount of withdrawals allowed for the type of Account;
 - (6) Drawn for a smaller amount than the minimum permitted for that type of Account;
 - b. The Account is subject to a dispute; or
 - c. The Account is subject to an attachment or lien, that has been pledged to secure an obligation, if availability of funds cannot be verified, or if the Account is subject to set-off against amount due to the Bank.
 2. The Bank is under no obligation to pay an item drawn against insufficient funds if You are not in compliance with any provision of this Agreement. If there are available enough funds to cover part, but not all of the items drawn against the Account, the Bank may, at its sole option, determine which items to honor.

3. The Bank shall not be responsible for indirect or consequential damages, including alleged damages to your reputation, business, or related activities.
4. The Bank is under no obligation to pay a check which is presented for payment more than six (6) months after its issue date; however, it may charge your Account for any item after six (6) months without incurring in any responsibility.
5. In compliance with the Bank's legal reserve requirements, the Bank reserves the right to require a seven (7) days prior written notice from You if You wish to withdraw funds deposited in the investment or savings section of a combined account with a transaction account.

E. Overdrafts

1. The Bank shall determine if an Account has available funds to honor an item at any time from the time of receipt of such item until the cut-off time established by the Bank to return the item. Only one determination of availability of funds will be made by the Bank. If upon such determination it appears that funds in the Account are insufficient to pay the item, the Bank is under no obligation to pay the item and may return it. The Bank is not required to send a notice prior to returning items for insufficient funds.
2. The Bank may, at its option, pay any payment order or item against the Account even if it creates an overdraft; provided, however, that the payment of one or several overdrafts shall not bind the Bank to pay subsequent overdrafts.
3. An insufficient balance in the Account, that is not covered by a Line of Credit is subject to a charge as set forth in the prevailing disclosure of applicable charges. Items drawn against unavailable funds in the Account may also be subject to a charge. You agree to deposit sufficient funds to cover any overdraft, plus interest for the amount in overdraft (at the maximum rate permitted by law, or regulation, or as established in the prevailing Addendum to the Deposit Accounts Agreement) from the date of the overdraft until the date in which the complete payment is made, and any other applicable charge.

You also agree to reimburse the Bank for any expense incurred in the collection of the overdraft including, but not limited to, legal fees and litigation expenses authorized by law.

4. The Bank may pay items drawn against the Account, even though the payment of particular items may cause insufficiency of funds to honor other items that may otherwise have been honored.
5. The Bank may set-off overdrafts in a joint and several (and/or) or joint (and) Account against funds deposited in any of your accounts, whether joint and several or joint.
6. The types of transactions that may generate overdraft fees are the following: checks, withdrawals made at branches. Non recurrent withdrawals made at ATM machines (ATH) or other type of electronic transactions may cause overdraft charges if You authorize these services.

F. Stop Payments

1. The Bank shall accept Stop Payment Orders on checks and preauthorized debits (i.e. insurance policies and other payments) from any Account Holder. Stop Payment Orders shall be placed in the printed forms provided by the Bank for this purpose, or by telephone through TeleBanco Popular (Popular TeleBank). A stop payment order may be subject to applicable charges as established by the Bank from time to time.
2. The Bank will confirm your telephone stop payment orders in writing on the following business day.
3. All Stop Payment Orders shall become effective on the business day following the day it was placed, in order for the Bank to have a reasonable opportunity to

act upon the order. If the Stop Payment Order is placed on a non business day, it shall be deemed to have been placed on the business day following the actual date of placement of the order. In that event, the Stop Payment Order shall be effective on the second business day.

4. A Stop Payment Order will be invalid and inoperative if the item is paid or a debit is performed prior to the effective date of the order. Acceptance by the Bank of a Stop Payment Order does not constitute a representation that the item has not been paid.
5. The Bank shall not be liable for Stop Payment Orders placed after the checks have been paid, or for errors or omissions in the information provided by You about the item, which may prevent the Bank from enforcing the Stop Payment Order.
6. Upon placing a Stop Payment Order, You guarantee that You have not received any benefit, credit, merchandise or service in consideration for the check or pre-authorized debit which payment You seek to stop.
7. You agree that, in the event a claim is made to the Bank for payment of a check or pre-authorized debit while a Stop Payment Order was in effect, You will present to the Bank proof of any loss claimed, together with a sworn statement before a notary public confirming the guarantee required in the preceding paragraph 6.
8. You agree that the Stop Payment Order will be valid for six (6) months (180 days), from the date of the request, unless prior to the expiration of the original six-months term You cancel the order or requests it be renewed for an additional six (6) months (180 days).
9. You agree to indemnify the Bank for any damage, expense, or cost incurred by the Bank as a consequence of any claim from the endorser, or any other person, for having honored the request for a Stop Payment Order.
10. For stop payment orders on preauthorized debits, such as insurance policies and other payments, You shall request the cancellation of the debit first to the issuer and submit to the Bank copy of the letter requesting the cancellation. Only then will the Bank be able to proceed with stop payment order. You must request the stop payment order fifteen (15) days prior to the effective date of the pre-authorized debit. The Stop Payment Order will only apply to the payment processing system utilized by the company at the time You request the stop payment.
11. A Stop Payment Order with regards to a postdated check shall be effective from the next business day following the date when the stop payment order is placed until the day before the effective date of the check, unless the order is cancelled before its expiration. If the stop payment is requested on a non-business day, it will be deemed requested on the next business day after the date of the request. In this case, the stop payment order will be effective on the second business day.

G. Loss of Non-issued Checks (Blank Checks)

You agree to immediately notify the Bank in writing in the event of the loss or theft of any unissued checks. You shall have the option of closing the Account, in which case, a new account will be opened with the corresponding balance, or request a stop payment order of the checks, which shall be subject to the terms applicable to stop payment orders in this Agreement.

H. Post-Dated Checks

1. You assume full responsibility for the issuance of postdated checks.
2. The Bank may charge against the Account any postdated check presented for collection before the date of the check, unless You give prior written notice

to the Bank of the drawing of a postdated check. This notice must describe the check with reasonable certainty. The Bank shall treat this notice as a stop payment order valid until the date of the check. Therefore, such notice shall be ruled by the same terms and conditions established for the Stop Payment Orders, except as provided for the enforcement period.

3. The Bank shall not be responsible for damages or losses claimed by You or third parties, for payment of a postdated check.

I. Check Orders

You shall place check orders with those suppliers that meet the quality and processing requirements established by the Bank.

J. Change of Address

1. You shall notify the Bank, in writing, in person by visiting any branch, through TeleBanco Popular (Popular TeleBank) or through any other means provided by the Bank from time to time, of any change of address at which your periodic statements are received. The change will be effective on the next business day after receipt of notice or as determined by the Bank from time to time.
2. You agree that the Bank shall not be liable for delays in the receipt of the Account Statement or any other notice or correspondence, when a change of address has not been notified.

K. Authorized Signatures

1. The classification of your Account and the form of ownership for your Account are designated on the signatures document You sign when You open the Account. You shall designate on the Signatures Document or by a special resolution, as applicable, at the moment of the account opening, the persons authorized to sign in the Account, and shall give instructions regarding the number of signatures required to draw items and other payment orders against the Account. You may also designate another person to engage in transactions concerning the Account by granting him or her a limited power of attorney on form acceptable by the Bank. In the absence of specific instructions in this regard, the Bank may pay any item bearing at least one of the Authorized Signatures.
2. You may authorize the use of signatures reproduced by a special machine (Facsimile Signatures) as the Account's authorized signatures on the Signatures Document or by special resolution, as the case may be.
3. You shall provide the Bank with a sample of any Facsimile Signature. You shall be responsible for maintaining the facsimile signature machine under strict control and will verify account statements and cancelled checks or their electronic reproduction, as specified in this Agreement, to identify the unauthorized use of the Facsimile Signature. You agree that the Bank may honor payment orders bearing the authorized Facsimile Signature, even when made by an unauthorized person or by means of a counterfeit facsimile signature machine.
4. You agree to release and indemnify the Bank from any and all liability resulting from the use of Facsimile Signatures, including lawyer's fees and any litigation expense.
5. You agree to register your signature whenever it has deviated appreciably from that appearing in the Signatures Document. You agree to release the Bank from any and all liability for dishonoring an item for reason of the signature's dissimilarity with the specimen registered in the Signatures Document.
6. You recognize that the process of creating electronic images of checks or other original items required for the electronic exchange, may entail the disappearance of the security features the checks might have contained. The

Bank will not be held responsible for the losses that may result when paying a substitute check that the Bank would not have paid had it received the original item with its corresponding security features.

L. Pledge of Funds

You may pledge to the Bank any funds deposited in the Account, as collateral security for any obligation granted by the Bank, if such guarantee were required and accepted by the Bank.

M. Transfer to Third Parties

Funds deposited in the Account shall not be pledged or assigned to third persons or institutions as guarantee for loans and other obligations except as accepted in writing by the Bank.

N. Ownership of Accounts

1. Joint and Several Accounts (And/Or)

- a. If your account is a Joint and Several account (and/or), each account holder ("the Account Holder or the Account Holders") shall have the right to make deposits and withdrawals, place a stop payment order, and make special arrangements related to the Account, including the closing of the Account. Each Account Holder guarantees the signature of the other Account Holders, and authorizes them to endorse payment orders for deposit, if the payment order are payable to the order of any of the Account Holders.
- b. Account Holders are deemed to be joint and several owners of the funds deposited in the Account, and are deemed to be joint and several creditors of the Bank with respect to all such funds. The Bank may release the total amount of deposited funds to any of the Account Holders.
- c. Each Account Holder authorizes the Bank to set-off any obligation of any of the Account Holders against any and all funds in the Account, even if only one Depositor is obligated thereof. This right shall exist irrespectively of which Account Holder makes deposits to the Account.
- d. You agree that any court order prohibiting withdrawals of funds from the Account, issued against any one or all of Account Holders, shall be subordinated to the Bank's right of set-off and/or as secured creditor.
- e. You agree that a notification sent by the Bank to one Account Holder shall be deemed to have been sent to all Account Holders of the Account.

2. Joint Accounts (And)

- a. The Bank may open a Joint Account (and) under certain circumstances and at its sole discretion. If your account is a Joint Account (and), all Account Holders authorize two or more of them to sign for the Account, and the joint signatures of these two or more Account Holders shall be required to effect transactions.
- b. The Bank shall require the presence or signature of all Account Holders, as established in the Account opening documents and Signatures Document or special resolution in the applicable cases, to effect any transaction or give instructions to the Bank regarding the handling of the Account; provided however, that any one of the Account Holders may place Stop Payment Orders on checks or electronic debits drawn against the Account.
- c. The Account Holders are deemed to be joint owners of the funds in the Account, and are deemed to be joint creditors of the Bank with respect to such funds. The Bank will be liable to all Account Holders jointly.

- d. In the event of an overdraft in the Account, You agree that Account Holders are jointly and severally liable to the Bank for the total amount in overdraft.
- e. Account Holders shall not have access to the Account by means of an ATH debit card.

3. In-Trust-For Accounts (I/T/F)

You may designate on the Signatures Document the Account as an “In Trust For” Account by designating one or more persons as beneficiaries of the Account upon Your death. The I/T/F designation means that You have full ownership of the Account until death. Upon your death (or upon the death of the last surviving depositor if there is more than one depositor establishing the Account), subject to applicable territorial law as to creditor’s rights and the rights of any surviving spouse, all funds in the Account will be paid to the person so named as beneficiary. You may alter, amend or revoke the I/T/F designation in the Account or change the beneficiary at any time until your death. As owner of the Account, You reserve the right to withdraw all or part of the funds in the I/T/F Account at any time. The beneficiary acquires the right to withdraw funds from an I/T/F Account only if (i) all depositors die, and (ii) the beneficiary is still alive.

4. Trust, Agency and other Fiduciary Accounts

Any individual acting as a Trustee, Agent, Guardian, Personal Representative, Custodian or in some other fiduciary capacity pursuant to a Living Trust, Trust Agreement, or other written agreement or Court Order (the “Agent”) must be designated to the Bank as such on the Signatures Document. The Bank will otherwise be assumed that You own the Account in an individual capacity. The Account shall be established as determined in the terms of such Agency Agreement, Trust Agreement, Court Order or other document and the Bank shall have the right to review any such document at any time. The Bank is authorized to follow the directions of your Agent regarding the Account until it receives written notice that the agency has been terminated and it has had a reasonable time to act upon the notice. The Bank is not liable for the misapplication of funds from the Account by Depositor’s Agent and shall be held harmless in reliance on the acts of Depositor’s Agent.

5. Accounts Established Under Virgin Islands Uniform Transfers to Minors Act

This paragraph is applicable only to USVI customers. The custodian of an Account established under the Virgin Islands Uniform Transfers to Minors Act shall be deemed the depositor in the Account. As required by law, You shall notify the Bank in writing immediately upon the death of the minor or at the time the minor attains the age of maturity. After notifying the Bank of either of these events, your authority over the Account continues only to the extent allowed by law. Before it receives such notice, the Bank may honor any checks or drafts written on the Account without incurring any liability to the minor or to any third party, and You will be liable to the Bank for any loss or expense it incurs because of failure to give prompt notice.

O. Death of a Depositor

1. In the event an Account Holder dies, the surviving Account Holder shall immediately notify the Bank. Except as otherwise provided for herein, the distribution of the account balance shall be subject to the provisions of the US and British Virgin Islands laws and regulations.
2. In the event of the decease of an Authorized Signatory, You shall submit to the Bank the necessary information to substitute the signature of the deceased Authorized Signatory.

3. In the event You establish an account with rights of survivorship, all funds in the account shall be owned by each depositor as joint tenants with rights of survivorship. Upon the death of any of the depositors, the survivor shall have full right to deal with the Account, and the Bank may honor checks, orders, or withdrawal request(s) from the survivor(s) after the death of any owner(s) and, upon the presentation of a certified copy of the Death Certificate of any owner(s) by the survivor(s), may treat the account as the sole property of the survivor(s).

P. Account Statement

1. For those accounts that include an Account Statement in paper, the Bank will send it as required by this Agreement. The Account Statement shall reflect all transactions in the Account during the period covered in the Statement.
2. With the periodic Account Statement, You may receive the original cancelled checks, substitute checks or an electronic reproduction of the cancelled checks and any items processed during the account cycle. The Bank reserves the right to retain and destroy the original cancelled checks, substitute checks and other items processed.
3. The Bank shall retain a copy of the front and back of items processed in microfilm or electronic media. Copy of the checks, substitute checks, and items shall be retained at least for the term required by Law following the date of the Account Statement. You may request a certified copy of any check, substitute check, or item processed through any of the Bank branches in US and British Virgin Islands, by calling TeleBanco Popular (Popular TeleBank), or Internet Banking. The Bank will send a facsimile or image of the items within a reasonable time. You agree to pay the applicable fees for reproduction and delivery of the items.
4. You shall notify the Bank immediately, in writing, if you have not received the Account Statement within the fifteen (15) days following the closing of the corresponding cycle, unless otherwise stated by law or regulation applicable to the Bank.
5. You shall promptly examine the Account Statement and the documents included therewith to identify any unauthorized charge, including charges for altered checks, check issued with fraudulent signature, or without signature. The Account Statement shall be deemed correct, unless You promptly notify the Bank, in writing, of any error. The Bank shall not be responsible for an Account charge if: (a) You did not exercise due diligence when verifying the Account Statement and did not inform the Bank about unauthorized signatures or alterations within the thirty (30) days following the date of the Account Statement; or (b) the payment orders were so expertly forged that a rational person would not have detected the forgery or alteration. Moreover, should You receive substitute checks with your Account Statement, You shall examine them and inform the Bank about any claims You may have with regards to such substitute checks within the term and pursuant to the procedures set forth in the Section Disclosure Related to the Availability of Funds Deposited in Individual Accounts (Regulation CC) of this Agreement.
6. You shall notify the Bank immediately if the Account Statement contains any unauthorized electronic transactions. Please refer to Section Disclosure for Electronic Fund Transfers (Regulation E) for a detailed explanation of your obligations under said regulation.
7. You shall carefully examine the Account Statement to detect whether any deposit or electronic credit has been omitted or added. You shall immediately notify the Bank of any such situation in order that the Bank may be able to investigate the claim and take any necessary action.
8. The Bank reserves the right to request, and You agree to provide, any document or sworn statement that might be necessary to process a claim under this section.

Q. Charges

1. You shall pay to the Bank the monthly service charge due in accordance with the type of account selected on the Addendum to this Agreement.
2. You agree that the service charges stipulated in the Addendum do not include additional services that You may request and are not established in this Agreement, as for example: check printing, copies, delivery of documents, and information, among others.
3. You authorize the Bank to debit monthly the Account for the corresponding monthly service charge and any other charges for additional services requested.
4. The Bank may change the service charges, from time to time, upon written notice to You, thirty (30) days prior to the effective date of the change. Also, You should notify the Bank immediately if your monthly account statement shows service charges that You understand do not apply. If You do NOT notify the Bank within 60 days following the date of the first statement where the charge in question appeared, and the Bank can prove that the service charge applies, You will not have the right to any refund for the service fee charged after this period.
5. Any change or additional requirement made by You in relation to this Agreement, may entail a revision of the service charges stipulated in the Addendum.
6. The Bank shall not be liable for dishonoring checks or withdrawals due to insufficient funds in the Account as a result of posting correct service charges.

R. Legal Processes Against Accounts/Garnishments

1. You agree that the Bank will comply with any order or writ of attachment issued by a court or governmental authority (including but not limited to the Treasury Department and the Federal Internal Revenue Service), and will freeze and/or deliver funds available in the Account at the time the order or writ of attachment is presented to the Bank, in accordance with its terms.
2. The Bank shall be under no obligation to contest, challenge, or question the terms of an order, notice of levy or writ of attachment, or to raise any defense that You may have against the person or entity promoting the order or writ. The Bank shall strictly comply with the terms of any such order or writ, until it has been served with an order or a resolution issued by the same court or authority indicating that the same be released. Presentment to the Bank of evidence of payment of the debt or release of the obligation that prompted the order or notice of levy shall not be sufficient for the Bank to release the funds.
3. If the order or writ of attachment were issued against any one of the Account Holders in a joint and several account (and/or), the Bank will proceed to freeze and/or deliver the funds as per the order or writ without the need to determine ownership of the funds or the legality of the order or writ.
4. If the Account is subject to any legal proceeding, the Bank may refuse to honor any item drawn against it until resolution of such proceeding. The Bank shall not be liable to You for amounts paid pursuant to an order, attachment, or notice of levy, even if such payment precludes the payment of items that are properly payable from the Account.
5. If the Bank incurs in any expense, including but not limited to, legal fees and other disbursement related with any legal action, that are not reimbursed, the Bank may charge the Account for the same without prior notice to You.
6. The Bank may impose a processing fee in the event it is served with an order to garnish funds in the account.
7. The Bank may, at its option, refuse to honor checks or payment orders against the Account for a reasonable period after receiving notification of an actual or potential claim against the Account.

8. Any attachment, pledge, or lien against the Account is subordinated to the Bank's right of set-off and security interest.

S. Inactive Accounts and Unclaimed Funds

1. If You do not make transactions in your Account for a period of six (6) months for transaction accounts or twelve (12) months for savings accounts, the Bank may make charges against the Account for not using the Account until You reactivate your account or until the Account is transferred to the entity that has the right to receive the unclaimed funds.
2. This paragraph is applicable only to USVI customers. All accounts, including checking accounts, that for a period of five (5) consecutive years or more do not reflect transactions will be closed, and the funds will be transferred to the Lieutenant Governor of the US Virgin Islands, to be disposed of according to existing law and the rules and regulations pertaining to unclaimed property. The Bank shall have no further responsibility to You regarding such funds.
3. The following applies to BVI customers only: All accounts that for a period of seven (7) consecutive years or more do not reflect transactions will be closed, and the funds will be transferred to the BVI Government to be disposed according to existing law and regulations pertaining to dormant accounts and unclaimed funds. The Bank shall have no further responsibility to You regarding such funds. This does not apply to Government Accounts.

T. Electronic Banking Services

1. The Bank offers electronic services related to the Account through Internet Banking and TelePago Popular. These services are performed pursuant to the Electronic Banking Services Agreement and this Agreement. In the event of a discrepancy with respect to the electronic services between the terms of the Electronic Banking Services Agreement and this Agreement, the terms of the Electronic Banking Services Agreement shall prevail. For details regarding the Electronic Banking Service Agreement, refer to www.popular.com, Terms & Condition of Use, Electronic Banking Services Terms of Use and Privacy Statement.
2. You acknowledge that the Bank may occasionally monitor and/or record calls to TeleBanco Popular (Popular Telebank) to ensure quality of service and adequate supervision of TeleBanco Popular (Popular Telebank) employees. Every caller to TeleBanco Popular (Popular Telebank) is advised of this possibility and has the opportunity to terminate the conversation. You fully recognize the reasonableness of this practice and expressly consents hereby to the Bank monitoring and/or recording your calls to TeleBanco Popular (Popular Telebank) for the indicated purpose.

U. Set-off

The Bank is expressly authorized to debit your Account for any amounts owed by You to the Bank, in any capacity, without prior notice, subject to the provisions of applicable law.

V. Other Services

The Bank offers various services with your account, including TeleBanco Popular (Popular TeleBank), Internet Banking, and MOBILE Banking. To access these services You must maintain an Account with the Bank. These services as well as any other services that the Bank may offer from time to time will be subject to their own terms and conditions and, as applicable, to the general provisions of this Agreement.

W. Compliance

You agree to use the services described in this Agreement only for lawful purposes and in accordance with applicable law, including Anti-Money Laundering laws and regulations. You acknowledge and agree that in order to comply with the

Bank's internal policies and/or applicable law (including the executive orders and regulations of the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC), the Bank may be required to block funds, hold funds in suspense and/or turn over to appropriate authorities.

X. Additional Terms and Conditions

1. At the time of opening an account with the Bank, we will be verifying your personal history of account handling at other depository Institutions through a Consumer Reporting Agency. We may also provide information about the handling of your account with us to a Consumer Reporting Agency.
2. The Bank reserves the right to determine the eligibility for any such product or service as permitted by law.
3. You agree to maintain sufficient funds in your account to cover all the charges that the Bank may make under any clause of this Agreement.
4. You shall be in breach of this Agreement if You fail to pay any amount due to the Bank on time, if you file for bankruptcy, or if You exceed your credit limit, if applicable, without the approval of the Bank. In the event of a breach of this Agreement the Bank may claim the payment of any amount due.

If the Bank has to refer your obligations for collection, You may incur in additional charges, including but not limited to, legal and attorneys fees court costs and any other amount authorized by law.

5. The Bank shall not be liable for the non-compliance with any provision of this Agreement if said non-compliance is totally or partially caused by circumstances beyond the control and responsibility of the Bank including, but not limited to: communication failures, interruptions of electric power service, mechanical failures of the equipment used for providing the service, explosions, accidents, fire, floods, or any other fortuitous cause or act of God. In the event of occurrence of any such events, the Bank's responsibility will be limited to restoring the services as soon as possible, as permitted by the circumstances.
6. This Agreement constitutes the final agreement between the Parties. Any written or verbal agreement made prior to the execution of this Agreement is expressly rescinded and superseded. By the execution of the Addendum which constitutes part of this Agreement, You acknowledge and agree that your contractual relationship with Banco Popular de Puerto Rico is subject to the provisions contained in the Agreement.
7. You may not transfer or assign this Agreement, or your participation in any bank service, to any other person or entity. You will neither transfer or assign to any person or entity the authority to relay instructions to the Bank regarding to the Bank's services except as expressly authorized by the Bank.
8. The Bank's rights under this Agreement shall be cumulative not of mutually exclusive, and the Bank's election to exercise one right shall in no way affect or limit any other right or remedy to which the Bank is entitled.
9. The Bank reserves the right to amend the terms and conditions established herein at any moment. Unless another term is established in this document, or by law or regulation, said amendments could be effective as soon as they are posted in a visible location within a Bank branch.
10. The provisions of this Agreement shall remain in full force until one of the Parties notifies the other of its intention to cancel the service. Any of the Parties may cancel this Agreement upon written notice to the other. The Bank reserves the right to cancel or modify any service or account at any time. Cancellation notice will be sent by regular mail. The Bank shall not be liable for the payment of payment orders, after the cancellation notice is mailed. You are liable for charges and any other outstanding obligation incurred in relation with this Agreement as of the date of termination. For notices, doubts or questions

regarding this Agreement or the Addendum, contact TeleBanco Popular (Popular TeleBank).

11. Waiver of right to trial by jury - You hereby knowingly, voluntarily and intentionally waive the right You may have to a trial by jury with respect to any litigation based on, arising out of, under or in connection with this Agreement or any course of conduct, course of dealing, statements (whether verbal or written) or actions by any party. This provision is a material inducement for the Bank's performance under this Agreement. Further, You hereby certify that no representative or agent of the Bank, nor the Bank's counsel, has represented, expressly or otherwise, that the Bank would not, in the event of such litigation, seek to enforce this waiver of right to jury trial provision. No representative or agent of the Bank, or the Bank's counsel has the authority to waive, condition, or modify this provision.
12. This Agreement shall be interpreted under the laws of the Commonwealth of Puerto Rico and any applicable federal laws and regulations. If any clause contained in this Agreement is declared null, invalid, illegal, or in conflict with any statute, rule, applicable law, or regulations by a court with jurisdiction, such clause will be deemed to be modified or changed to comply therewith or, if this is not possible, will be excluded from this Agreement and the remaining clauses shall remain in full force and effect.
13. The Bank can change the Account for another account at any moment if the Bank determines that your use of the Account is not the use for which the Account was opened or if that use has changed.
14. By requesting to open an account with the Bank, you expressly authorize the Bank and provide us with your consent to obtain credit information at the time of account opening and periodically thereafter. Credit information may be obtained from other financial institutions or any other external source as permitted by law, including commercially available databases and credit reporting agencies, to verify your credit information and identity, and to periodically update your information such as residential address, occupation, and place of work.
15. You may only use the account for personal, family or household purposes, not for commercial purposes.

II. SPECIAL PROVISIONS FOR ACCOUNTS WITH RESERVE LINE OF CREDIT AND/OR GUARANTEED RESERVE WITH SAVINGS

A. RESERVE LINE OF CREDIT

1. You may apply for a Line of Credit (the "Reserve Line of Credit") in accounts where it is offered up to the maximum amount established by the Bank from time to time. The maximum number of holders (signatories) allowed in a Deposit Account to request this product is 2. You may draw against your Reserve Line of Credit by using checks, through withdrawals or purchases using your ATH card, Popular Pay-by-Phone, Easy Pay (Pago Fácil), EFT Payment transactions or any other mechanisms that the Bank authorizes in the future, up to the maximum amount established by the Bank from time to time.
2. If after a Reserve Line of Credit is approved and disbursed You are interested in adding a co-owner/co-debtor, both must go through the due process of credit approval, opening a new Deposit Account that offers this product.
3. You authorize the Bank to request and obtain the necessary credit reports for the approval or renewal of the Reserve Line of Credit. Also, You authorize the Bank to disclose to third parties, upon request, any data pertaining to our credit experience with You, subject to the applicable laws and regulations governing this matter.

4. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.
 5. Processing of checks or payments orders will be debited in the following order:
 - a. the balance in the Transactions Section in your Account,
 - b. the available balance in the Reserve Line of Credit, and
 - c. the Guaranteed Reserve with Savings up to the available balance, if any.
 6. You may draw directly against the Reserve Line of Credit through payment orders issued through the use of special checks. If You issue such payment orders but do not have either an authorized Reserve or available balance in the Reserve Line of Credit, said payment order shall be charged against any funds available in the Transactions Section.
 7. The Reserve Line of Credit will be subject to an Interest Charge, from the date it was granted to the date of the complete payment. The Interest Charge is disclosed in the Special Provisions for Reserve Line of Credit (VIB-685). The monthly Interest Charge that the Bank will collect is computed based on: the Annual Percentage Rate divided by the number of days in a year (365). That Daily Periodic Rate is then multiplied by the Balance subject to Interest Rate, and the product is multiplied by the number of days in the billing period. This Balance is determined by adding all outstanding balances during each day within the billing period and dividing the total by the number of days included in said period.
 8. The Interest Charge will accrue and shall be collected from the date the Bank processes the advance until the date of its complete payment.
 9. The Interest Charge and the corresponding Annual Percentage Rate may be changed periodically. Any change in the Interest Charge and in the corresponding Annual Percentage Rate shall be applicable to the outstanding balances prior to the effective date of such changes as well as to new charges. The Bank shall notify You, in writing, the change and its effective date.
 10. You can make payments to the Reserve Line of Credit at any moment. The Bank will also make consecutive monthly debits to the Account for the amount described below if a balance is owed in the Reserve Line of Credit at the end of each billing cycle:
 - a. 1/60 of the balance owed or a minimum payment of \$20, plus the Interest Charge, in the following accounts: Popular Plus, e-account, Ideal Account and Popular Checking.

When the principal balance plus the Interest Charge is less than applicable minimum payment, the amount will be payable in full. If at the end of the billing period there is no balance available to make the minimum monthly payment, You will incur a delay, so your credit history could be affected, and your Reserve Line of Credit will be canceled.
 11. Payments made by You in the Reserve Line of Credit will be credited in the following order:
 - a. To the Interest Charge applicable to the credit granted against the funds on the Guaranteed Reserve with Savings, if applicable, and then to the other Interest Charge.
 - b. To the principal outstanding balance on the Guaranteed Reserve with Savings, if applicable, and then to the Reserve Line of Credit Payments.

The outstanding balance in your Reserve Line of Credit that could not be covered due to insufficient funds in your checking section of your Deposit Account will accrue until your account reflects a credit or deposit that covers the outstanding balance. The credit or deposit will be applied first to the interest owed and then, to the outstanding principal.
 12. You may pay the principal, in whole or in part, at any time. In such case, You shall be liable for the payment of the Interest Charge owed until the date of payment.
 13. The Bank may modify or cancel your Reserve Line of Credit at any time, and You will remain obligated to pay the outstanding debt at that moment, including all Interest Charges. In the event of cancellation, the Transactions Section will remain active without the right to make advances under this section. In the event of a modification to your Reserve Line of Credit, the Bank will allow advances from it up to the limit established by the Bank as notified.
 14. If the Account has more than one Account Holder, be it an Individual Account or a Joint Account, all of the Account Holders will be considered joint debtors of the Bank and each Holder authorizes the Bank to offset any amount due in the Reserve Line of Credit and/or the Guaranteed Reserve with Savings against the funds in the Account or in any other account the holder may have.
- B. GUARANTEED RESERVE WITH SAVINGS**
1. If your account has a checking and savings section (such as the Ideal and Popular Plus) you have access to a reserve guaranteed by the funds in the savings section of your Account (the "Guaranteed Reserve with Savings"). The Guaranteed Reserve with Savings may be activated by using: checks, through withdrawals or purchases using your ATH card, Popular Pay-by-Phone, Easy Pay (Pago Fácil), EFT Payment transactions or any other mechanisms that the Bank authorizes in the future, up to the available balance in your savings section, if any.
 2. The Guaranteed Reserve with Savings will be activated under the following terms:
 - a. The credit will be granted if no balance is available in the following order:
 - (1) in the Transactions Section
 - (2) in the Reserve Line of Credit Section, if any
 - b. The amount pledged in the savings section will be for the quantity needed to cover the transactions of your account. Any amount pledged will continue bearing the interest rate established by the Bank.
 - c. You will not be allowed to withdraw or use the amount pledged in the savings section until You pay the Guaranteed Reserve with Savings.
 3. The Guaranteed Reserve with Savings will be subject to an Interest Charge, from the date it is used to the date of the complete payment. The Interest Charge is disclosed in the Addendum to the Deposit Accounts Agreement (VIB-218). The monthly Interest Charge that the Bank will collect is computed based on the following:
 - a. Average daily balance- the sum of the outstanding balances during each day of the cycle divided by the number of days in that cycle.
 - b. Interest to be paid- the average daily balance multiplied by the Interest Rate of the savings section, divided by the number of days in a year (365). This result is multiplied by the number of days with balance owed in the Guaranteed Reserve with Savings.
 4. The Interest Charge will accrue and shall be collected from the date the Bank processes the advance until the date of its complete payment.
 5. The Interest Charge and the corresponding Annual Percentage Rate may be changed periodically. Any change in the Interest Charge and in the corresponding Annual Percentage Rate shall be applicable to the outstanding balances prior to the effective date of such changes as well as to new charges. The Bank shall notify You, in writing, the change and its effective date.

6. You can make payments to the Guaranteed Reserve with Savings at any moment at branches or using the services related to the account (Popular Pay-by-Phone, Easy Payment, Internet Banking and Mobile Banking). The Bank will also make consecutive monthly debits to the Account for the amount described below if a balance is owed at the end of each billing cycle:

- a. 1/60 of the balance owed or a minimum payment of \$20, plus the Interest Charge, in the following accounts: Popular Plus & Ideal Account.

When the principal balance plus the Interest Charge is less than applicable minimum payment, the amount will be payable in full.

7. Payments made by You to the Guaranteed Reserve with Savings will be credited in the following order:
 - a. To the Interest Charge applicable to the credit granted against the funds on the Guaranteed Reserve with Savings, if applicable, and then to the other Interest Charge.
 - b. To the principal outstanding balance on the Guaranteed Reserve with Savings and then to the Reserve Line of Credit, if applicable.

The outstanding balance in your Guaranteed Reserve with Savings that could not be covered due to insufficient funds in your checking section of your deposit account will accrue until your account reflects a credit or deposit that covers the outstanding balance. The credit or deposit will be applied first to the interest owed and then, to the outstanding principal.

8. You may pay the principal, in whole or in part, at any time. In such case, You shall be liable for the payment of the Interest Charge owed until the date of payment.
9. If the Account has more than one Account Holder, be it a Joint and Several Account ("And") or a Joint Account ("And/Or"), all of the Account Holders will be considered joint debtors of the Bank and each Holder authorizes the Bank to offset any amount due in the Guaranteed Reserve with Savings against the funds in the Account or in any other account any of the holders may have.

III. USE OF THE ACCESS CARD AT AUTOMATED TELLER MACHINES, POINTS OF SALES, ELECTRONIC SERVICES AND OTHER CHANNELS

A. Access to Automated Teller Machines (ATH)

You will have access to the Account through the use of your ATH Card and your Personal Identification Number (PIN). The Card will provide access to Banco Popular's Automated Teller Machines (ATH) and to other ATH-Network affiliated electronic teller machines within and outside of Puerto Rico, US and British Virgin Islands, and to the local and international networks to which the Bank affiliates from time to time.

B. Use of the ATH Card

1. You may make withdrawals from and deposits to the Account, transfer funds between different sections of the Account and make purchases in points of sale by using the Card and the Personal Identification Number selected. Such transactions shall be regulated by the terms and conditions of this Agreement.
2. Deposits made at the Bank's automatic teller machine (ATH) will not be available for withdrawal or transfer until the amount is verified by the Bank.
3. The Bank reserves the right to permit cash withdrawal transactions from an automatic teller machine (ATH) or purchases through points of sale, when they are not in direct communication with the Bank's central computer.
4. The Bank will process the transactions made on an ATH machine, after the closing time indicated on the particular machine, as of the next business day.

5. If You have an approved Reserve, any overdraft of the transaction section of your Account will be charged against the Reserve, subject to the applicable terms and conditions in this Agreement. It is expressly agreed that You should not make transactions in excess of the total available balance in your Account as established in the Reserve Line of Credit Section in this Agreement.

6. You will be liable for debits to the Account corresponding to funds withdrawals or merchandise purchased using the Card and the Personal Identification Number (PIN) and for overdrafts resulting from a transaction, or for withdrawing amounts in excess of the available fund balance in the Account due to such debits subject to applicable laws.

7. If the Account is joint and several (and/or), each Account Holder will have access to an ATH Card.

The Bank is authorized to recognize the Cards and the Personal Identification Number, of each of the Account Holders, as valid. Any debit to the account corresponding to withdrawn funds or merchandise acquired by any of the Account Holders using the card and the Personal Identification number will be valid. Each Account Holder will be responsible for withdrawal(s) using any Cards, and release the Bank from any responsibility arising from losses that each may suffer as a result of the use of such Cards and Personal Identification Numbers.

8. You agree to keep your Personal Identification Number confidential to prevent electronic transactions by unauthorized persons. For said reason, You agree not to carry the Personal Identification Number together with the Card.
9. You acknowledge that the Card remains property of the Bank at all times and agree to return it immediately upon request from the Bank.
10. The Bank may cancel the Card at any time, without giving You prior notice. In addition, the card will be automatically canceled if there is no activity over a period of 18 consecutive months.
11. The Bank is not responsible for the acceptance or lack of acceptance of the ATH card anywhere.
12. The use of the ATH Card for certain transactions including, but not limited to, transactions in Automated Teller Machines that do not belong to the Bank or point of sales and transactions through electronic channels or mobile phones, can include service fees charged by third party providers that may be added to the total amount of the transaction. Refer to the terms of use of the particular transaction to learn about the applicable fees.

IV. ATH INTERNATIONAL CARDS

- A. In some Accounts the Bank may also offer You the ATH International Classic and Gold Card (ATH International Card or Cards). The ATH International Card may be used as follows:

1. As a Debit Card for the purchase of goods and services in all those establishments or points of sale where Visa and/or ATH Cards are accepted as a mean of payment.
2. As a Debit Card to obtain cash advances at banks, and other financial institutions, where the Visa and/or the ATH Cards are accepted.
3. As an access device subject to Section Use of the Access Card at Automated Teller Machine (ATH) and Points of Sale of this Agreement. It is an essential condition for the issue and use of the Card to have an active transaction account with the Bank.

- B. The ATH International Card may be used to obtain goods and services from all merchants affiliated with Visa Card. However, IT IS NOT A CREDIT CARD. The amounts corresponding to purchase transactions for goods and services or cash

withdrawals, WILL BE DEBITED FROM YOUR TRANSACTION ACCOUNT WITH THE BANK.

- C. In the event that a merchant or financial institution, to whom an ATH International Card is presented, obtains authorization from the Bank to accept one or more payment orders, a provisional hold will be placed on your Transaction Section, Reserve or Savings Section of your Account, for payment of said orders. You expressly release the Bank of any responsibility for holds or debits to the Account that are made with relation to one or more payment orders authorized by the Bank but thereafter not issued by You.
- D. In the event that the Bank receives a payment order corresponding to a purchase of goods or services transaction, or a withdrawal, and funds were not available in the Account, the Bank will not be obliged to increase the available balance credit in the Reserve to cover the overdraft. The Bank has the option of refusing the payment order from the merchant or financial institution, and You would be solely liable to pay the amount for the corresponding purchase or withdrawal transaction. In this case, the Bank will collect the applicable charge for dishonoring payment orders drawn against insufficient funds.
- E. If the business in which you are carrying out a transaction has contracted the Partial Authorization Visa service, and at the time of the transaction you do not have the funds required for payment, the merchant could obtain partial authorization for the portion of funds available in your account and request another payment method to cover the difference.
- F. Payment orders resulting from transactions made with the ATH International Card shall not be subject to Stop Payment Orders. It is expressly agreed that You waive this right.
- G. The ATH International Card issued by the Bank is not transferable. You will be able to carry out transactions with your ATH International Card by means of a PIN. Some merchants may give you the option or require that the transaction made with the ATH International card be signed by the person in whose name the card was issued. Said signature must coincide with the signature that is required to be placed by that person on the back of the ATH International card immediately upon receive.
- H. The use of the ATH International Card to access automatic teller machines (ATH) and points of sale is subject to the conditions established in Section Use of the Access Card at Automated Teller Machines and Points of Sale of this Agreement.

V. SPECIAL PROVISIONS FOR ATH POP, JUNIOR SAVINGS (POPULOSO), REGULAR SAVINGS, POPULAR ACCESS, ACADEMIA, AND U SAVE ACCOUNTS

The following provisions apply in addition to the rest of the provisions of this Agreement. In the event any special provision applicable to a particular account pursuant to this Section of the Agreement conflicts with another Section of this Agreement, the special provision will apply.

A. ATH POP

- 1. The ATH POP Account (Account) is a savings account that may be opened by the parents or legal tutors of children between the ages of 8 and 17.
- 2. The Account Holders will have Access to make deposit transactions, withdrawals, transfers and purchases with the Account through any channel that accepts the ATH and ATH International cards, including but not limited to, Automatic Teller Machines, Point of Sales (POS) and electronic services owned by the Bank or unaffiliated parties, or at the Bank's Branches and Internet Banking.
- 3. The father, mother or legal tutor expressly authorize the Bank to:
 - a. Issue the minor an ATH and/or ATH International Card to make any type of transactions that can be made using both cards.

- b. Send the periodic Account Statement in the name of the minor which will include the transactions made in the Account during the period covered by the Account Statement.
- 4. The funds deposited in the Account may not be used as collateral for loans or other liabilities.
- 5. The Bank will automatically convert the Account to such other account as the Bank designates when the minor reaches 19 years of age.
- 6. The use of the ATH Card is subject to the conditions set forth in the Section Use of the Access Card at Automated Teller Machines (ATH) and Points of Sale.

B. Junior Savings Club (Populoso)

- 1. The Junior Savings Club (Populoso) Account is a savings account exclusively for children. The father, mother, grandmother, grandfather, or legal tutor expressly agree that the funds deposited in the Account belong and will be for the benefit of the child even though the father, mother, or legal tutor will be the Account Holder.
- 2. You and the child will not have access to the Account through an ATH card.
- 3. The funds deposited in the Account may not be used as collateral for loans or other liabilities.
- 4. You will receive your Account Statement quarterly.
- 5. The Bank will automatically convert the Account to such other account as the Bank designates when the child reaches 19 years of age.

C. Regular Savings

- 1. If your Account is a Regular Savings Account, You must present the passbook every time a deposit or withdrawal of funds is made against the Account where deposits or withdrawal amounts will be registered. The amount shown in the column identified as BALANCE will only be considered accurate if it is the same amount as in the Bank records. You will not receive an Account Statement.
- 2. If the passbook is lost, destroyed or stolen, or if the same comes in possession of a person not authorized to make withdrawals against the Account, You must immediately notify the Bank in writing. The Bank will close the Account, and open a new one with the corresponding balance.
- 3. Each deposit made by the bearer of the passbook will be credited to your Account and the Bank will assume no responsibility for said deposit.
- 4. You will not have access to the Account through an ATH Card.

D. Popular Access and Academia

- 1. Popular Access and Academia are electronic accounts that combine transaction and saving sections under the same number. You may be able to make transfers between the two sections through Mi Banco Popular, by phone, at our branches, or automatic teller machines (ATMs).
- 2. The Bank may debit the Savings Section of your Account to cover overdrafts in the Transaction Section and to cover Account charges.
- 3. You may establish an automatic transfer for the desired amount from the transaction section to the savings section of your account.
- 4. The Academia Account was designed for customers attending college or equivalent studies. After the sixth anniversary of the account opening, the Bank will automatically change the account to another individual deposit account unless You provide current and satisfactory evidence of enrollment in a university. You will be notified of the aforesaid change prior to the account conversion, so You can provide on time the required evidence to keep the account unchanged. The notification will also include information of the new account in the event the Academia Account is converted.

F. U Save

1. You will only be able to make automatic transfers from an existing Bank account. Transfers may be weekly, biweekly, monthly, quarterly, or annually. The Bank will establish the minimum amount for these transfers from time to time.
2. You may receive the accumulated funds on the anniversary of the account opening, on a specific date, or you may leave the date open.
3. Once You designate a payout date, we will automatically credit the available balance up to this date less any deposit made on the same date. This credit will be reflected the next business day after the payout date to the account designated at opening.
4. Partial or total withdrawals from the account entail a charge.
5. You will not have access to the account through ATH card.
6. You will not receive an Account Statement from transactions performed to the U Save account.
7. Deposits made after finalizing the cycle will be credited on the year after. This applies to annual cycle only.

VI. TERMS AND CONDITIONS FOR THE FUNDS TRANSFER SERVICE (WIRE TRANSFERS)

The following terms shall apply to the wire transfers that You make or receive through the Bank's funds transfer service.

A. Payment Orders

1. **Authorization** - When requesting a transfer of funds ("payment order"), You authorize the Bank to debit from your Account the amount to be transferred, a service fee in accordance with the rates in effect at the time of the request, and any other expense incurred by the Bank in relation to the origination, amendment or termination of a request for the transfer of funds. The Bank shall not resort to funds in any account other than the one specified in the request.

You authorize the Bank to transfer the funds from the Account, with the authorization of the signers who have been designated to initiate and/or confirm transfers, according to the Appendix for the Designation of Accounts and Authorized Representatives, as established in the security procedure selected to originate requests. The notification of change to this Appendix does not obligate the Bank until a written notice of the change is received and the Bank has had a reasonable period of time to implement it.

2. **Security Procedures** - You agree to use the security procedures set forth in the Appendix for Funds Transfers Security Procedures, which is made part of this Agreement. You expressly acknowledge and agree that the procedure You have chosen is a commercially reasonable procedure and that it adapts to your particular circumstances. You acknowledge that these procedures are designed to detect unauthorized bank payments and not to detect errors in the content of the instruction. You accept responsibility for the transfer, whether or not You have authorized it, provided the Bank has accepted the payment order in accordance with the established security procedure.
3. **Selection of Beneficiary Bank** - Discrepancies in Names and Numbers -Upon placing a payment order, You must select a financial institution ("Beneficiary Bank") to receive the order. You may instruct the Beneficiary Bank to credit the funds to an account or to hold the funds for the beneficiary. The Beneficiary Bank is responsible for following your instructions and for letting the beneficiary know when the funds are available. If You identify the beneficiary, the Beneficiary Bank or the intermediary bank by an account number or by a number and name, the intermediary bank and the Beneficiary Bank may rely on the number indicated and they are not obligated to check to make sure that the

account number belongs to the beneficiary of the transfer. You acknowledge that any loss or delay caused by the inaccurate identification will be your responsibility and not that of the Bank.

4. **Selection of the Intermediary Bank** - The Bank may select the intermediary bank or transfer system it deems appropriate under the circumstances for the funds to reach the beneficiary, including, but not limited to, Fedwire, SWIFT, or Telex. It must also operate in accordance with the policies and procedures of each of the respective systems. If You order the Bank to use a particular intermediary bank or system to transfer funds, through which the Bank will process the payment order, You assume all risks for errors or failure of the intermediary bank to pay, and all loss risks caused by the use of the means selected.
5. **Conversion to Foreign Currency** - When You so request, the Bank will convert the funds to the currency of the receiving country at the exchange rate in effect at the time the payment order is executed. The Bank cannot guarantee that the beneficiary will receive the funds in US currency, even when You so request. The Beneficiary Bank may charge a currency conversion fee. The actual amount received by the beneficiary could be reduced due to the application of fees charged by the Beneficiary Bank, including currency conversion fees. The Bank shall not be responsible for the conversion rate applied by the receiving bank.

Foreign currency transfers shall be made within two funds-transfer business days after the Bank receives the request. If the Bank were obligated to return funds that would have been converted to a foreign currency, said funds shall be returned, based on the prevailing exchange rate at the time of return, after deducting expenses incurred.

6. **Fees** - The amount of funds, in both international transfers and transfers within the United States, could be reduced due to fees charged by the issuing bank and the correspondent bank, including those charged by the Bank.
7. **Claims** - You must notify the Bank of any error, delay or other problem with a transfer of funds within thirty (30) days, following the date of receipt of notification of execution of the transfer or of the statement that includes the transfer, whichever occurs first. In case of error or delay caused by the Bank, the Bank will be responsible only for reimbursing the amounts stipulated by the applicable law. Under no circumstances will the Bank be responsible for indirect or incidental damages related to said transfer. Any payment of interest that the Bank must pay shall be at the average federal funds rate published by the Federal Reserve Bank of New York, for each day for which interest is payable, divided by three hundred sixty (360). If You do not notify the Bank of any claim concerning the transfer of funds within one year of having received the notification of the execution of the transfer or of the statement in which the transfer is included, whichever occurs first, all claims shall be null and void by virtue of the applicable law.
8. **Delays or Failure to Execute Transfers** - In general, the Bank makes electronic transfers, although it could use other means. The Bank is not responsible, except to the extent required by law, for delays or failure to send the funds due to circumstances beyond its control, such as, but not limited to, conflicts with applicable laws or regulations, government action, national emergencies, labor disputes, fire, catastrophes, fortuitous causes, force majeure, bad weather, equipment failure, war, problems with electricity, communications, or means of transportation. The Bank shall not be responsible to You for delays or failure to execute the transfer of funds due to acts or omissions of the intermediary or beneficiary bank.
9. **Cancellation or Amendment** - If You decide to cancel or amend the payment order, You may do so only if the Bank receives said instructions prior to having sent the funds and provided it has sufficient time to carry out the instructions.

In general, once the Bank has sent the funds, You cannot cancel or amend the payment order, unless the Beneficiary Bank accepts said request. The Bank and/or the Beneficiary Bank may charge a fee for the cancellation or amendment of the transfer. The Bank shall not be responsible for any loss resulting from the Beneficiary Bank's non-compliance with the cancellation or amendment of the transfer of funds.

10. **Rejection of a Transfer Request** - The Bank reserves the right to reject any request for the transfer of funds. The Bank is not obligated to accept a request, neither in its totality or in part, and may delay accepting any request if (a) the transfer requested exceeds the funds of Depositor that have been collected and are available in the designated account; (b) it is not in accordance with the Security Procedures; (c) it is not duly authorized; (d) it does not provide the information required by the Bank; (e) it is not in compliance with this agreement; (f) it is not practical or possible to accept; or (g) the Bank understands that the transfer does not comply with any provision of the applicable laws.
 11. **Cut-off Time** - If the Bank receives the request for the transfer of funds on the cut-off time or after the cut-off time, the request will not be processed until the next funds-transfer business day.
- B. Incoming Transfers**
1. **Authorization** - You authorize the Bank to credit to your Account all payment orders for the transfer of funds received in accordance with this Agreement.
 2. **Inconsistent Name and Account Number** - If a payment order received by the Bank identifies a beneficiary or the Beneficiary Bank only with an identification number, You authorize the Bank to accept only the identification number of the beneficiary or Beneficiary Bank, without making any other inquiry. If the request identifies the beneficiary or Beneficiary Bank by name and account number, the Bank may accept only the number as the appropriate identification, even if the number is associated with a name other than the name of the person or bank identified by name. The Bank shall also have the option, in that case, of returning the funds to the remitter. You agree that the Bank shall not be responsible for any delay that arises from the Bank's efforts to reconcile the inconsistencies between the account name and number, or for investigating if it suspects irregularities.
 3. **Payment to the Bank/Fees** - The amount of the funds, in international transfers as well as in transfers made within the United States, could be reduced due to fees charged by the issuing bank and the correspondent bank. The Bank shall deduct any applicable fees from any transaction it receives, and it shall inform You by mail every time the Bank debits or credits your account for the transfer of funds. You must repay the Bank the amount of funds transferred if it receives an erroneous credit. Likewise, You shall be responsible for expenses incurred due to the omission of identifiers of the beneficiary bank and for fees charged by the correspondent bank selected.
 4. **Transfers Received in Foreign Currency** - The Bank shall convert funds to US dollars at the prevailing exchange rate in the Bank on the day the funds are accepted. This rate includes a commission for the conversion service.
 5. **Acceptance of Transfers** - The Bank shall not be responsible in any way for accepting a transfer of funds received for your benefit. Although the current practice of the Bank is to notify You of the acceptance of a transfer in US dollars within two days following the payment date, in the case of transfers made through a system other than the Automated Clearinghouse (ACH), the Bank is not obligated to provide such notification. The Bank shall credit the account of the beneficiary for a transfer accepted on the date the order is paid if it is received before the cut-off time of a funds-transfer business day, or on the next funds-transfer business day.

6. **Provisional Payment of Transfers Received** - The credit provided by the Bank to You for funds transferred is provisional until the Bank receives the final payment for the amount transferred. Should the Bank not receive the final payment for the transfer of funds You agree to reimburse the Bank for the amount of the transfer. An unaccepted payment order is cancelled as provided by law at the closing of the fifth funds-transfer business day.
7. **Account Statements** - All transfers of funds shall be reflected in your periodic bank statement. If You believe that the transfer of funds is not correct, or if more information on a transfer of funds is needed, You must notify the Bank in writing upon discovering the error, or no later than thirty (30) days after having received the first notice or statement containing the discrepancy, whichever occurs first.

C. Addendums related to Funds Transfer Services

The following addendums (as applicable), once completed and signed, shall form an integral part of this Agreement:

- Addendum A - Designation of Accounts and Authorized Representatives
- Addendum B - Funds Transfers Security Procedures
- Addendum C - Authorization for Repetitive Transfers
- Addendum D - Authorization to Honor Requests for Transfers Received by Fedwire or SWIFT
- Addendum E - Non-repetitive Automatic Transfers
(applicable to requests made through electronic means)

D. Miscellaneous Provisions

1. **Funds-Transfer Business Day** - any day, other than Saturday or Sunday, during which the Bank and Federal Reserve Bank of New York are open for business.
2. **Cut-off Time** - refers to the deadline which, from time to time, the Bank establishes to receive, process, transmit, cancel or amend payment orders.
3. **Law Governing Transfers** - the rights, duties and responsibilities of the parties are governed by the provisions of Chapter 47 (Transfer of Funds) of the Puerto Rico Commercial Transaction Act and the provisions of Uniform Commercial Code (UCC Article 4A), and shall be subject to the laws of the Commonwealth of Puerto Rico. If any part of a transfer of funds involves the use of Fedwire, your rights and obligations as well as the Bank's in relation to the electronic transfer shall be governed by Regulation J of the Federal Reserve Board.

VII. DISCLOSURE FOR ELECTRONIC FUNDS TRANSFERS (REGULATION E)

In compliance with Regulation E, which regulates electronic transfers of funds in individual accounts, the Bank provides You with this disclosure about the terms and conditions under which the Bank provides the electronic funds transfer services and your rights and responsibilities under said Regulation. These provisions apply only to individual accounts, not to commercial accounts.

A. Responsibility

Please notify us IMMEDIATELY if you believe your card, PIN or code has been lost or stolen or if you believe an electronic funds transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum line of credit). If you tell us within two (2) business days after you learn of the loss or theft of your card, you may lose no more than \$50 if someone used your card without your permission.

If you do NOT notify us within two (2) business days after you learn of the loss or theft of your card, code or PIN, and we can prove that we could have stopped someone from using your card, code or PIN without your permission if you had told us, you could lose as much as \$500.

Also, if your statement shows transfers that you did not make, including those made by card, PIN or other means, tell us at once. If You do not notify us within sixty (60) days after the statement was mailed to you, you may not get back any money you lost after the sixty (60) days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as long trip or a hospital stay) kept you from telling us, we will extend the time periods.

B. Contact in event of Unauthorized Transfer

If you believe your card, code or PIN has been lost or stolen, call us at: (787) 724-3659 (mobile and metropolitan area in PR) or toll-free at 1-888-724-3659 (outside the metropolitan area, PR, USVI, and BVI) or write: Banco Popular de Puerto Rico, Customer Contact Center (714), PO Box 362708, San Juan, Puerto Rico 00936-2708.

You should also call the number or write to the address listed above if you believe a transfer has been made using the information from your check without your permission.

C. Business Days

For purposes of these disclosures, our business days are Monday through Friday, excluding federal holidays. Although the bank offers services to the public on some Saturdays, Sundays and holidays, these will not be considered business days.

D. Transfers types and limitations

1. Account access

Bank ATM – You may use your ATH Card, ATH International Card, ATH International Gold Card and ATH International Platinum Card validated at any of our ATM's for the following purposes:

- Withdraw cash from your checking or savings account
- Make deposits to your checking or savings accounts*
- Transfer funds between your checking and savings accounts whenever you request
- Balance inquiry*
- Make payments to participating merchants*
- Get cash advances
- Pay bills directly by phone from your checking or savings accounts in the amounts and on the days, you request

*Some of these services may not be available at all ATM's

Points of Sale (POS) – You can use your validated ATH card to pay for purchases at merchants that have agreed to accept it as a payment method.

Pre-authorized Debit and Credit Transfers

Other Authorized Payments

2. Electronic check conversion

You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

3. Limitations on dollar amounts of transfers

You may withdraw up to \$500 from our ATM's per day when you use the ATH card or PIN. For Popular Plus and Private Management accounts, you may withdraw up to \$1,000 per day.

In the Popular TelePago and Internet Banking Service, real-time funds transfers (debit or credit) apply as follows

Transfers between Accounts in which the Client is a Signatory			
Account Type	Debit (Sent Transfers)	Credit (Transfers Received)	Daily Total Maximum Amount
Individual Checking and Savings	\$10,000	\$10,000	\$20,000
Private Management Account	Unlimited	Unlimited	Unlimited
Transfers to Third Party Accounts			
Individual Checking and Savings	\$2,500	\$2,500	\$5,000
Private Management Account	Unlimited	Unlimited	Unlimited

E. Fees

Applicable charges per transfers are provided in the Characteristics and Fees document applicable to your account. Each bank may impose a charge on your ATH card for each transaction you make. This fee is charged by the Bank or ATM owner.

Any ATM operator outside the Bank's ATH Network may impose a charge on your account for each electronic fund transfer, regardless of the amount of the transaction.

F. Confidentiality

We will disclose information to third parties about your account or the transfers you make:

1. Where is necessary for completing transfers, or
2. In order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant, or
3. In order to comply with government agency or court orders, or
4. If you give us your written permission.

G. Documentation

1. Receipts. By using the Bank's ATM's or POS terminals, you can obtain a receipt of the transaction. However, providing this receipt is not a requirement for transfers of fifteen dollars (\$15) or less.

2. Pre-authorized credits. If you have arranged to have direct deposits made to your account at least once every sixty (60) days from the same person or company, you can call: TeleBanco Popular at (787) 724-3659 (mobile and metropolitan area in PR) or toll-free at 1-888-724-3659 (outside the metropolitan area, PR, USVI and BVI); phones available for hearing impaired audio (TDD): (787) 753-9677 (metropolitan area in PR) or toll-free at 1-800-981-9666 (outside the metropolitan area in PR, USVI and BVI) to find out whether or not the deposit has been made.

3. **Periodic statements.** You will get a monthly account statement showing all transactions processed by the bank and the dates on which they were processed. If there are no transfers in a particular month, you will get the statement at least quarterly.

H. **Preauthorized Payments**

1. **Right to stop payment and procedure to doing so**

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how: Call us at (787) 724-3659 (mobile and metropolitan area in PR) or toll-free at 1-888-724-3659 (outside the metropolitan area, PR, USVI and BVI). Phones available for hearing impaired audio (TDD): (787) 753-9677 (metropolitan area in PR) or toll-free at 1-800-981-9666 (outside the metropolitan area in PR, USVI, and BVI), or write us at: Banco Popular de Puerto Rico, Customer Contact Center (714), PO Box 362708, San Juan, Puerto Rico 00936-2708, in time to receive your request three (3) business days or more before the payment is scheduled to be made. If you call, we may also require you to put your request in writing and get it to us within fourteen (14) days after you call. We will charge you \$15.00 for each stop payment order you give.

2. **Notice of varying amounts**

If these regular payments may vary in amount, the person you are going to pay will tell you, ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

3. **Liability for failure to stop payment of preauthorized transfer**

If you order us to stop one of these payments three (3) business days or more before the transfer is scheduled, and we do not do so, we will be liable for your losses and damages.

a. **Financial institution's liability**

If we do not complete a transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses and damages. However, there are some exceptions. We will not be liable, for instance:

- (1) If, through no fault of ours, you do not have enough money in your account to make the transfer;
- (2) If the ATM where you are making the transfer does not have enough cash.
- (3) If the transfer would go over the funds available in your checking, savings or credit line;
- (4) If the ATM is not working properly and you knew about the breakdown when you started the transfer.
- (5) If you had not notified the Bank of the theft, loss or possible unauthorized use of your card.
- (6) If circumstances beyond our control (such as fire or flood) prevent the transfer despite reasonable precautions that we have taken;
- (7) If the funds in the account are subject to a legal procedure, restriction or garnishment that prevents the transfer of funds.

I. **Error Resolution Notice**

In case of errors or questions about your electronic transfers call us at: (787) 724-3659 (mobile and metropolitan area in PR) or toll-free at 1-888-724-3659 (outside

the metropolitan area, PR, USVI and BVI); phones available for hearing impaired audio (TDD): (787) 753-9677 (metropolitan area in PR) or toll-free at 1-800-981-9666 (outside the metropolitan area in PR, USVI and BVI); or write us at: Banco Popular de Puerto Rico, Customer Contact Center (714), PO Box 362708, San Juan, Puerto Rico 00936-2708, as soon as you can if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. We must hear from you no later than sixty (60) days after we sent the FIRST statement in which the problem or error appeared.

1. Tell us your name and account number (if any),
2. Describe the error or transfer you are unsure about and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within ten (10) business days.

We will determine whether an error occurred within ten (10) business days after we heard from you and will correct any error promptly. If we needed more time, however, we may take up to forty-five (45) days to investigate your complaint or question. If we decide to do this, we will credit your account within ten (10) business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within ten (10) business days, we may not credit your account.

For errors involving new accounts, points of sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

J. **Bank's Liability for Failure to Make Transfers**

If the Bank does not process a transaction on time and for the correct amount, it will be liable for your losses or damages. However, the Bank will not be responsible under the following circumstances: (1) if for any reason outside the Bank's control, You do not have enough funds or credit available in your Account to make the transfer or withdrawal; (2) if the ATH machine where the transaction is made does not have enough cash; (3) if the transfer amount exceeds the available funds on your transactions, savings, reserve account, (4) if the ATH machine is not working properly and You knew about the breakdown when You started the transfer; (5) if You have not notified to the Bank the loss, theft, or possible unauthorized use of the card; (6) if circumstances beyond the Bank's control, such as fire or flood, prevent the transfer, despite reasonable precautions taken by the Bank; (7) if the account funds are subject to a legal process, restriction or attachment that restrains the funds transfer.

K. **Procedure Applicable to Resolution of Errors in Electronic Transfers**

In case of errors or questions about your account statement or the receipt issued by the ATH machine or POS terminal:

In accounts with ATH card, call toll free: 1-888-724-3659. Telephone available for hearing impaired (TDD): 1-800-981-9666 (toll free). You can also send the claim to the following address: Banco Popular de Puerto Rico, Customer Contact Center (714), PO Box 362708, San Juan, Puerto Rico 00936-2708.

The Bank must have knowledge of the complaint within sixty (60) days following the day the first account statement containing the error was sent. When contacting the Bank, You must provide:

- your name and account number,
- transaction date and reference number,
- description of the claim or question, and
- the dollar amount of the alleged error.

If the complaint is made through the telephone, to protect your rights, You must confirm it in writing within the next ten (10) business days. If necessary, the Bank can take up to forty-five (45) calendar days to investigate, if the transaction took place in Puerto Rico, the US, USVI, or BVI (local), or ninety (90) calendar days if the transaction took place outside Puerto Rico, the US, USVI, or BVI (foreign) or at a point of sale. In such case, the Bank will credit the account for the amount You think is in error, within ten (10) business days if the transaction is local, foreign, or at a point of sale, so You can use said amount during the period of time it takes the Bank to finish the investigation.

If the Bank does not receive written confirmation of the complaint within the ten (10) business days mentioned above, the Bank may not provisionally credit the amount in question.

The Bank will send a written explanation to You within three (3) business days following the day the Bank finishes the investigation. You can ask the Bank for copies of the documents used in the investigation.

L. **Right to Stop a Pre-Authorized Transfer**

If You have authorized the Bank to make debits from your Account, You can stop any of these debits. Call the Bank toll free at: 1-888-724-3659. Telephone available for hearing impaired (TDD): 1-800-981-9666 (toll free), or write the Bank at Banco Popular de Puerto Rico – TeleBanco Popular (Popular TeleBank), PO Box 362708, San Juan, Puerto Rico 00936-2708 so that the Bank receives the stop payment order at least three (3) business days before the date scheduled for the payment. If the stop payment order is made verbally, it must be confirmed in writing within fourteen (14) days following the call.

M. **Bank's Responsibility for Failure to Stop Payment of Pre-Authorized Transfer**

The Bank will be liable to You for damages suffered for failure to carry out a stop payment order over a pre-authorized transfer by You, as long as the stop payment instructions are received according to the provisions and terms of this Disclosure.

VIII. **DISCLOSURE REGARDING THE TRUTH-IN-LENDING ACT (REGULATION Z)**

(Important notice: This information applies only if You make use of the Reserve.)

A. **Applicable Charges**

The applicable charges, including the Interest Charges and the method to calculate such charges are included in the Special Provisions for Reserve Line of Credit (GEN-685A).

B. **Your Billing Rights**

This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.

What to Do If You Find a Mistake on Your Statement

If you think there is an error on your statement, write to us at:

BANCO POPULAR DE PUERTO RICO
Customer Contact Center (714)
PO BOX 362708, San Juan, Puerto Rico 00936-2708

In your letter, give us the following information:

- **Account information:** Your name and account number.
- **Dollar amount:** The dollar amount of the suspected error.
- **Description of problem:** If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

What Will Happen After We Receive Your Letter

When we receive your letter, we must do two things:

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

While we investigate whether or not there has been an error:

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

After we finish our investigation, one of two things will happen:

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us. If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

IX. **DISCLOSURE RELATED TO THE AVAILABILITY OF FUNDS DEPOSITED IN INDIVIDUAL TRANSACTION ACCOUNTS (REGULATION CC)**

Federal Regulation requires banks to make deposited funds available to You within certain periods of time. Depending on the type of deposit, the funds may be available to You the same day, the next business day, or after several days; in the majority of cases, the longest possible delay is until the seventh (7th) business day following the day of the deposit. During the delay period (if any), You cannot withdraw the funds in cash and the Bank will not use the funds to process payment orders issued by You.

The Bank establishes the limits for the availability of funds deposited according with the minimum amounts required by the Regulation CC. The following explanations are intended to provide an easy guide for determining when various types of deposits (cash, electronic transfers, etc.) will be available to You for cash withdrawals and for the payment of checks against the Account. However, periodically the Bank will review several criteria, and may provide a higher availability of funds than the limit established by the Regulation. If you need further information regarding this matter, please visit any of our branches or call us through Popular TeleBank at 1-888-724-3659 (toll free) and one of our service representatives will assist you.

The availability Policy only applies to funds deposited for accounts of Banco Popular in the Virgin Islands and Puerto Rico. Please inquire for information about the availability of funds deposited at other locations.

A. **How to Determine the Availability of Deposited Funds**

The length of the delay is counted in business days, starting on the first business day after the day of the deposit. Business days are defined as every weekday, except Saturdays, Sundays, and federal holidays. Although the Bank offers public banking services on Saturdays, Sundays, and some holidays, these are not considered business days.

B. **Availability of Funds Deposited for Purposes of Cash Withdrawals, the Purchase of Goods and Services in Establishments that Accept the ATH Card as a Mean of Payment (Point of Sale Transactions) and for the Payment of Checks.**

1. **Deposits Available for Cash Withdrawals on the Same Day of the Deposit**

Electronic fund transfers, such as: Social Security benefits and payroll payments by direct deposit.

2. **Deposits Available for Withdrawals on the Next Business Day Following the Date of the Deposit**

Federal Regulation provides that certain items be available for withdrawal on the business day following the date of the deposit:

- a. Cash
- b. Wire transfers
- c. Checks drawn against any Banco Popular branch located in the US and British Virgin Islands or Puerto Rico; US Treasury Checks; Postal Money Orders; Federal Home Loan Bank Checks; and Federal Reserve Bank Checks, notwithstanding the amount of these checks.
- d. Certified Checks, Official Checks and checks from the Government of the Virgin Islands made payable to the owner of the account and presented directly to a Bank Representative using the Bank's Special Deposit Slip. This slip can be obtained from any Bank Consultant. If the owner of the account does not use this slip, the funds of these checks will be available as indicated in clause 3 of this section.
- e. The first \$225 of the total deposit of other checks drawn on banks other than Banco Popular.

3. **Availability of Other Checks Deposited**

The availability of funds from other checks deposited will depend on Banco Popular's policy.

a. **Deposits in Individual Transaction Accounts**

The first \$225 of the aggregate sum of other checks deposited on any business day will be available in the following manner:

- (1) If the aggregate amount of the deposit with other checks is \$225 or less, the entire amount will be available for cash withdrawal and payment of checks on the next business day.

- (2) If the total aggregate amount of the deposit with other checks is more than \$225, the Bank will make \$225 available for withdrawal on the next business day. Banco Popular will have available for withdrawal up to \$450 on other checks on the second business day after the deposit, whenever the aggregate amount of checks is \$225 or more.
- (3) The remainder of the funds deposited will be available for cash withdrawals and payment of checks on the third business day following the day of the deposit.

C. **Delay on the Availability of Funds for Longer Periods**

1. The Bank may delay the availability of funds from check deposits for a longer period of time under the following circumstances:
 - a. If the Bank believes that a check You deposit will not be paid.
 - b. If there is an emergency, such as failure of the Bank's communication or computer equipment, or bad weather conditions (such as a hurricane or an earthquake).
2. The Bank will notify You if your availability to withdraw funds will be delayed for any of the foregoing reasons, and You will also be informed as to when the funds will be available. The funds will be available not later than the seventh (7th) business day following the day of the deposit.

D. **Special Rules for New Accounts**

If You are a new customer, electronic transfers (such as Social Security benefits and payroll payments through direct deposits) will be available for withdrawal on the same day as of the deposit. However, the following rules will apply during the first thirty (30) days after opening your Account:

1. The next business day funds availability policy of \$225 as provided in item B (3) (a) of this disclosure, shall not be applicable.
2. US Treasury Checks; Postal Money Orders; Federal Home Loan Bank Checks; Federal Reserve Bank Checks; Certified Checks; Official Check, and checks from the Government of the Virgin Islands will be available for cash withdrawal and payment of checks on the next business day.
3. The funds of other checks deposited can be delayed for a longer period as established by the regulation.

E. **Availability of Funds Deposited using Easy Deposit ATM Service**

The Bank will process the deposits made through the automatic teller machines identified with Easy Deposit Service as follows:

1. Cash deposits - Deposits made before 9:30 p.m. on business days will be immediately available for payment of any type of transactions.
2. Cash deposits made after 9:30 p.m. on business days or deposits made on non-business days will be immediately available only for withdrawals and purchases with the ATH card; will not be available for payment of checks, EFT payment transactions and payments made through TelePago Popular service. These funds will be credited to the checking or savings section selected by You at the moment of the transaction.
3. The automatic teller machines could process bills up to the denomination of \$100.

F. **Availability of Checks Deposited using the Easy Deposit ATM and Mobile Easy Deposit Services**

1. Check deposits - Deposits made before 6:00 p.m. on business days will be processed the same business day, subject to verification and validation of the

deposit. This verification may result in a delay of the availability of the funds deposited according with the Bank's policy. These funds will be credited to the checking or savings section selected by You at the moment of the transaction. The following deposits will not be processed: US Postal Money Orders or Money Orders not issued by Banco Popular, Official Checks issued by institutions outside of Puerto Rico, postdated checks, checks payable to the order of someone other than the account holder. Although the automatic teller machine or the mobile application accepts any of the checks mentioned above, they will be rejected. We will contact You to return them.

2. To obtain details regarding the requirements applicable to Mobile Easy Deposit, refer to the Electronic Banking Services Agreement in <https://documents.popular.com/terms/mibanco/terms-conditions-en>.

G. **Disclosure regarding the Check Clearing for the 21st Century or Check 21 Act (Check 21)**

In compliance with Check 21 and the relevant provisions of Regulation CC, which regulates check processing, the Bank provides the following disclosures about the terms and conditions applicable to substitute checks and the rights and responsibilities You have in relation to them:

Substitute Checks and Depositor's Rights

1. **What is a substitute check?** To make check processing faster, federal law permits banks to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states:

"This is a legal copy of your check. You can use it the same way You would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that You receive back from the Bank may be substitute checks. If You are a consumer with a consumer account, as such terms are defined in Check 21, this notice describes rights that You have when You receive substitute checks from the Bank. The rights in this notice do not apply to original checks or to electronic debits to Your Account. Neither do they apply if You receive substitute check images from the Bank. However, You have rights under other provisions of this and/or other laws with respect to those transactions.

2. **What are your rights regarding substitute checks?** In certain cases, federal law provides a special procedure that allows You to request a refund for losses You suffer if a substitute check is posted to Your Account (for example, if You think that the Bank withdrew the wrong amount from your Account or that the Bank withdrew money from your Account more than once for the same check). The losses You may attempt to recover under this procedure may include the amount that was withdrawn from your Account and fees that were charged as a result of the withdrawal (for example, bounced check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You are also entitled to interest on the amount of your refund if your Account is an interest-bearing Account. If your loss exceeds the amount of the substitute check, You may be able to recover additional amounts under other law.

If You use this procedure, You may receive the amount of the substitute check (up to a maximum of \$2,500, plus interest if the Account earns interest) within ten (10) business days after the Bank received your claim and the remainder of the refund (if the amount of the substitute check exceeds \$2,500, plus interest if the Account earns interest) not later than forty-five (45) calendar days after the Bank received your claim.

The Bank may reverse the refund (including any interest on the refund) if the Bank is able to later demonstrate that the substitute check was correctly posted to the Account.

The Bank could delay the availability of the funds credited to your Account on the tenth business day until the next business day after the Bank determined that the claim is valid or the forty-fifth (45th) calendar day from the date the Bank received the claim under the following circumstances:

- If You open a new account and You are a new customer.
- If You have repeatedly overdrawn the Account during the preceding six (6) months; or
- If the Bank has reasonable cause to believe that the claim is fraudulent.

The Bank will send You a written explanation within the next business day following the day the Bank concludes its investigation. You may ask the Bank for copies of the documents used in the investigation.

3. **How do You make a claim for a refund?** Regardless of whether You are a consumer as the term is defined in Check 21, if You believe You have suffered a loss relating to a substitute check received and posted to your Account, You should contact the Bank. You may call TeleBanco Popular (Popular TeleBank) at 1-888-724-3659 (toll free) 24 hours a day, seven days a week. Telephone available for the hearing impaired (TDD): 1-800-981-9666 (toll free). You may also write to the following address:

Banco Popular de Puerto Rico
Customer Contact Center (714)
PO Box 362708
San Juan, PR 00936-2708

You must contact the Bank within forty (40) calendar days of the date that the Bank mailed (or delivered by an alternate method to which You agreed) the substitute check in question or the Account Statement showing that the substitute check was posted to your Account, whichever is later. The Bank will extend this time period if You are not able to make a timely claim because of extraordinary circumstances.

The claim must include:

- A description of why You have suffered a loss (for example, You think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check received is insufficient to confirm that You have suffered a loss; and
- A copy of the substitute check and/or the following information to help the Bank identify the substitute check: information such as the check number, the name of the person who wrote the check, and the amount of the check.

X. **DISCLOSURE REGARDING TRUTH-IN-SAVINGS ACT (REGULATION DD)**

The Truth-in-Savings Act requires disclosure of the terms and conditions under which interest will be paid and service charges imposed.

A. **Interest Rate**

1. Interest Rate and the Annual Percentage Yield (APY) for the Account are listed in the Addendum to the Deposit Accounts Agreement. In the event of a change in the interest rate, the Interest Rate and APY to be paid in the account shall be the one effective on the last day of the cycle covered by the Account Statement.

2. The Bank, at its discretion, determines the Interest Rate. The Interest Rate and Annual Percentage Yield (APY) may be changed at any time.

B. Minimum Deposit and Balance Requirements

Minimum initial deposit, if any, and minimum balance requirements applicable to the Account are listed in the Addendum to the Deposit Accounts Agreement.

C. Computation Method

1. The Bank uses the Average Daily Balance method to calculate interest on the Account. This method applies a Periodic Rate to the Average Daily Balance in the interest payment period.
2. The Average Daily Balance is determined by adding the principal in the account for each day of the cycle and dividing that total obtained by the number of days in the cycle.

D. Computation and Interest Payment

1. Interest will be computed monthly and credited to the Account, as specified in the Addendum to the Deposit Accounts Agreement.
2. Interest will be paid on the funds deposited, when:
 - a. The Account remains open on the last cycle day of the Account Statement or during the Interest Payment Period, and
 - b. You maintained the balance required by the Bank during the cycle covered on the Account Statement or the Interest Payment Period.
3. Interest begins to accrue on the business day of deposit, when items are deposited (e.g., checks).

E. Charges

1. Applicable charges are disclosed in the Addendum to the Deposit Accounts Agreement.
2. For more information regarding the types of transactions for which an overdraft charge may be imposed refer to Section 1-E (Overdrafts).

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2. The Bank, at its discretion, determines the Interest Rate. The Interest Rate and Annual Percentage Yield (APY) may be changed at any time.

B. Minimum Deposit and Balance Requirements

Minimum initial deposit, if any, and minimum balance requirements applicable to the Account are listed in the Addendum to the Deposit Accounts Agreement.

C. Computation Method

1. The Bank uses the Average Daily Balance method to calculate interest on the Account. This method applies a Periodic Rate to the Average Daily Balance in the interest payment period.
2. The Average Daily Balance is determined by adding the principal in the account for each day of the cycle and dividing that total obtained by the number of days in the cycle.

D. Computation and Interest Payment

1. Interest will be computed monthly and credited to the Account, as specified in the Addendum to the Deposit Accounts Agreement.
2. Interest will be paid on the funds deposited, when:
 - a. The Account remains open on the last cycle day of the Account Statement or during the Interest Payment Period, and
 - b. You maintained the balance required by the Bank during the cycle covered on the Account Statement or the Interest Payment Period.
3. Interest begins to accrue on the business day of deposit, when items are deposited (e.g., checks).

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