

# VARO® BANK, N.A. BANK ACCOUNT AGREEMENT AND DISCLOSURES

EFFECTIVE January 12, 2021

PLEASE READ THIS DOCUMENT CAREFULLY AND KEEP A COPY OF IT IN A SAFE PLACE

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## I. BANK ACCOUNT AGREEMENT AND DISCLOSURES

### 1. An introduction to this agreement

Please read this carefully and retain it for future reference. This Bank Account Agreement (the "Bank Account Agreement") is revised periodically, so it may include changes from earlier Versions.

This Bank Account Agreement is about your demand deposit account ("Varo Bank Account") available from Varo Bank, N.A. (the "Bank", "Varo" or "Varo Bank"), member of the Federal Deposit Insurance Corporation ("FDIC"). "We", "our" and "us" refer to the Bank, our successors, affiliates or assignees. When we say "you" or "your" we mean the owner of the Varo Bank Account.

By providing an electronic signature or opening or holding an account with us, you agree to the

most recent version of this Bank Account Agreement, which is available to you at <https://www.varomoney.com/policies/>, or within the Varo Mobile Application (the "Mobile App") or the Varo Web Application (the "Web App")

## 2. Mobile Phone Contact Policy

We will send you communications necessary to manage your bank account, via phone call, email, short message service ("SMS") or push notification. You are expressly consenting to receive communications including but not limited to prerecorded or artificial voice message calls, SMS, and calls made by an automatic telephone dialing system-from us, and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider.

## A. Our Agreement

### 1. Account opening and usage

You may open a Varo Bank Account by using the Mobile App or Web App. The Varo Bank Account is not designed for business use, and we may close the Varo Bank Account if we determine it is being used for business purposes. We may refuse to process any transaction(s) that we believe may violate the terms of this Bank Account Agreement.

### 2. Waivers

This Bank Account Agreement gives us certain rights and obligations. If we do not take advantage of all our rights all the time, that does not mean we lose them. For example, if we make funds available to you for withdrawal ahead of schedule, that does not mean we must do it again.

### 3. Business Days

Our business days are Monday through Friday, excluding federal holidays, even if we are open. Any references to "days" found in this Bank Account Agreement are calendar days (Monday through Sundays) unless indicated otherwise.

## B. Account Basics

### 1. Varo Bank Account Eligibility

The Varo Bank Account is available to persons residing (with a physical address) in the fifty (50) United States, and the District of Columbia ("U.S."), who are at least 18 years of age with a valid

Social Security Number (SSN) or Individual Tax Payer Identification Number (ITIN).

You must agree to accept electronic, rather than paper statements, which will be available in the Mobile App or Web App. This means: (i) you must keep us supplied with your valid email address; and (ii) you must agree to accept electronic delivery of all account communications (such as end-of-year tax forms and electronic statements).

In order to access and utilize the functionality available in the Mobile App, you must have a device meeting the requirements specified within the Electronic Communications Agreement, which is available here: <https://www.varomoney.com/policies/>.

We may update these requirements as necessary. If there is a substantial change in these requirements, you will be notified of the changes accordingly.

We may use information from third parties to help us determine if we should open your Varo Bank Account.

## 2. Important Information About Procedures for Opening a Varo Bank Account

To help prevent the financing of terrorism, money laundering and other illicit activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens a Varo Bank Account.

What this means for you: When you open a Varo Bank Account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see a copy of your driver's license or other supporting documentation. The verification process may take up to five (5) days.

## 3. The Varo Bank Account

The Varo Bank Account consists of the online transaction demand deposit account used to make payments and transfers to third parties online or through the use of a Varo Visa® Debit Card ("Card") that is issued with the Account. The Varo Bank Account is a checkless account; you may not issue paper checks with the Varo Bank Account.

## 4. Account Titling and Ownership

The Varo Bank Account may only be owned and titled in the name of one (1) person who solely retains the right to deposit, transfer, or withdraw funds. The Varo Bank Account cannot be owned or titled jointly, by an organization, as "Payable on Death" (referred to as "POD"), "In Trust For" (referred to as "ITF"), or under "Power of Attorney."

## 5. Death or Incapacitation

You or your appointed party, designee, or appointed individual agree to notify us promptly if you die or become legally incapacitated. We will continue to accept deposits and process transaction instructions into and from your Varo Bank Account until we are: (a) notified of your death or adjudication of incompetency and (b) have a reasonable opportunity to act. You agree that, even when we have knowledge of your death we may accept deposits and make loan payments unless instructed to stop by someone evidencing an executor role over your estate. We may require additional documentation to confirm any claims made on the Varo Bank Account.

## 6. Our Relationship With You

This Bank Account Agreement and the deposit relationship do not create a fiduciary Relationship.

## 7. Privacy Policy

You can read our privacy policy and notices at: <https://www.varomoney.com/policies/>. The privacy policy is considered part of this Bank Account Agreement.

# C. General Rules Governing Deposit Accounts

The Varo Bank Account and your obligations under this Bank Account Agreement may not be assigned. We may transfer our rights under this Bank Account Agreement. Use of the Varo Bank Account is subject to all applicable rules and customs of any clearinghouse or other association involved in transactions. We do not waive our rights by delaying or failing to exercise them at any time. If any provision of this Bank Account Agreement shall be determined to be invalid or unenforceable under any rule, law, or regulation of any governmental agency, local, state, or federal, the validity or enforceability of any other provision of this Bank Account Agreement shall not be affected. This Bank Account Agreement will be governed by the law of the State of Utah except to the extent governed by federal law.

## 1. Deposits to the Varo Bank Account

You can make deposits to your Varo Bank account by any of the methods below. These are the itemized deposit limits for your Varo Bank Account, which limits may be modified from time to time depending on activity on this account and any other Varo Accounts you may hold, and also whether or not you have activated the Card:

Transaction type	Frequency and/or Dollar Limits
Online Transfer from Varo Savings Account to the Varo Bank Account	No limit to the number of times per calendar day and no maximum dollar limit, as long as

	under available balance in the Varo Savings Account
Direct deposits of Automated Clearing House ("ACH") transfer initiated from an outside financial institution*	No limit to the number of times per calendar day and no maximum dollar limit
ACH transfers to the Varo Bank Account using the Mobile App	Limits will be disclosed to you when you access the ACH Transfer feature using the Mobile App. Varo may change such limits at any time at our sole discretion. Limits may be changed based on the length of time the Varo Bank Account has been open and prior account activity.
Cash Deposits via Third Party Money Transfer Services**	<p>Please see <a href="https://secure.attheregister.com/locations">https://secure.attheregister.com/locations</a> for more information about participating locations. Limits:</p> <ul style="list-style-type: none"> <li>• \$1,000 per calendar day</li> <li>• \$5,000 per calendar month</li> </ul> <p>Please note that the deposit location may charge up to \$5.95 for this service.</p>
Mobile check deposit	<p>Limits will be disclosed to you when you access the Mobile Deposit feature using the Mobile App. Varo may change such limits at any time at our sole discretion. Limits may be changed based on the length of time the Varo Bank Account has been open and prior account activity.</p> <p>Please see Section III, captioned "MOBILE CHECK DEPOSIT" for full information on this feature.</p>
<p>*Direct deposits from an outside financial institution: The recipient's name on any such deposits we receive must match the name of the Varo Account holder. Any such deposits received in a name other than the name registered to the Varo Bank Account will be returned to the originator</p> <p>** Third party money transfer services used to add cash to your Varo Bank Account may impose their own fees, and limits (per transaction, daily, weekly or monthly) on the frequency</p>	

or amount of cash you may deposit to the Varo Bank Account.
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**IMPORTANT:** If your Varo Bank Account number changes you must immediately notify your employer or any other payers. You must provide them with the new Varo Bank Account number to ensure that your direct deposit activity continues uninterrupted.

## 2. No Cash, Paper Checks or Foreign Currency

Varo does not accept, and is not liable for, any cash, check or money order deposits received by mail.

- **Cash:** We do not accept deposits made in cash. If we receive a cash deposit by mail, the cash will be mailed back to the address we have for you on file.
- **Paper Checks:** While checks made payable to you as a payee may be deposited to your Varo Bank Account using Mobile Check Deposit ("Mobile Deposit"), personal checks, cashier's checks, and money orders may not be deposited by mail. See Section III captioned "MOBILE CHECK DEPOSIT". All checks and money orders sent to us for deposit will be returned unless the full amount may be applied towards a negative balance, in which case the check or money order may or may not be deposited to the Varo Bank Account at our discretion.
- **Foreign Currency:** We do not accept deposits in foreign currency. Any deposits received in foreign currency, cash or check, will be sent back to the address we have for you on file.

## 3. Funds Availability

Please refer to Section III paragraph 10, captioned "Mobile Deposit Funds Availability", and Section V, "General Funds Availability Policy" for additional information.

## 4. ACH Debits

Your Varo Bank Account number and Varo Bank's ABA routing number can be used for preauthorized direct debits ("ACH Debits") from merchants, internet service or other utility service providers ("Merchants") and for the purpose of initiating direct deposits to the Varo Bank Account. These transfers will be processed under the Operating Rules of the National Automated Clearing House Association ("NACHA") and you agree to comply with the NACHA rules. Detailed information regarding preauthorized transfers is available in Section II, captioned "Electronic Funds Transfer Disclosure and Special Terms and Conditions."

**IMPORTANT:** If your Varo Bank Account number changes you must immediately notify Merchants of the new Bank Account number to ensure that you continue to make payments.

## 5. Problems That Could Occur with Deposits

Overpayments and Reversals: If funds are deposited or transferred into the Varo Bank Account by mistake or otherwise, we may correct the situation by deducting the amount of the deposit from the Varo Bank Account without prior notice to you. If there are not enough funds in the Varo Bank Account at that time, the Varo Bank Account could become overdrawn. See the "No Overdrafts" and "Our Right to Set Off" paragraphs below for more information about what could occur if the Varo Bank Account has a negative balance.

Note: If the Varo Bank Account is cancelled, closed, or terminated for any reason, any direct deposits, ACH transfers, or cash deposits made via third party money transfer services received after the Varo Bank Account closure date will be rejected and returned to the originator. Access to Mobile Deposit will also be disabled.

## 6. No Overdrafts

You cannot overdraw the Varo Bank Account.

If the available balance in the Varo Bank Account is insufficient to cover any payment or withdrawal you have authorized, we can refuse to process the payment or withdrawal. If the Varo Bank Account balance becomes negative for any reason, you must make a deposit immediately to cover the negative balance. If the Varo Bank Account has a negative balance for an extended period of time and you have another account with us, we reserve the right to exercise our right to set off. See the "Our Right to Set Off" paragraph below for details. If the Varo Bank Account has a negative balance for sixty (60) calendar days or more, it will be suspended. You will be able to continue to deposit funds into the account, but all other functions will be suspended until the charged off balance is repaid.

## 7. Our Right to Set Off

If your Varo Bank Account balance remains negative for fifteen (15) days, we can use the funds in any of your accounts with us to repay the negative balance of the Varo Bank Account.

This means we have the right to set-off any liability, direct or contingent, past, present or future that you owe against any account you have with us. Further, you grant us a lien on and security interest in the funds on deposit in each of your account(s) as security for all of your liabilities and obligations to us, now or in the future.

## 8. Our Right to Place a Hold on Funds Under Special Circumstances

If the Bank Detects activity which is believed to be suspicious, unauthorized or unlawful Varo can restrict access to your account(s). Varo Bank may require you and other parties to the activity to produce documents and/or other materials to support a review of the activity. Funds on deposit in any account with us may be held at our discretion until the source of such funds and/or the activity is properly verified.

## 9. Legal Processes Affecting Accounts

If legal action such as a garnishment, levy or other state or federal legal process ("Legal Process") is brought against the Varo Bank Account, we may refuse to permit (or may limit) withdrawals or transfers from the Varo Bank Account until the Legal Process is satisfied or dismissed. Regardless of the terms of such garnishment, levy or other state or federal process, we have first claim to any and all funds in the Varo Bank Account. We will not contest on your behalf any such Legal Process and may take action to comply with such Legal Process as we determine to be appropriate in the circumstances without liability to you, even if any funds we may be required to pay out leave insufficient funds to pay a transaction that you have authorized. Payment is made after satisfying any fees, charges or other debts owed to us. You agree that you are responsible for any expenses, including legal expenses and fees we incur due to any Legal Process on the Varo Bank Account. We may charge these expenses to your Varo Savings Account or any account that you have with us. You will indemnify us for any losses if we do this.

## 10. Amendment and Cancellation

We may amend or change the terms and conditions of this Bank Account Agreement at any time by posting the amended Bank Account Agreement on <https://www.varomoney.com/policies/>, and any such amendment shall be effective upon such posting to that Website. The current Bank Account Agreement is available at: <https://www.varomoney.com/policies/>. You will be notified of any change in the manner provided by applicable law prior to the effective date of the change. However, if the change is made for security purposes, we can implement such change without prior notice. We may cancel or suspend the Varo Bank Account or this Bank Account Agreement at any time and for any reason, at our sole discretion. You may cancel this Bank Account Agreement by calling 1-877-377-8276, or emailing [support@varomoney.com](mailto:support@varomoney.com), from the email account that serves as your Varo username to close the Varo Bank Account. You may withdraw consent to receive communications in electronic form by contacting us at 1-877-377-8276. If you withdraw consent, the Bank Account will be closed and a balance refund check may be issued in accordance with the terms of this Bank Account Agreement. Your termination of this Bank Account Agreement will not affect any of our rights or your obligations arising under this Bank Account Agreement prior to termination.

If the Varo Bank Account is cancelled, closed or terminated for any reason, you may request the unused balance be returned to you by check sent to the mailing address we have in our records. Allow fourteen (14) days for processing and mailing of the refund check. In the event the program is cancelled, closed, or terminated, we will send you prior notice, in accordance with applicable law. Specific information and instructions, including how to receive any remaining Varo Bank Account balance, will be in the notice. We reserve the right to refuse to return any unused balance amount of less than \$1.00.

Note: If the Varo Bank Account is cancelled, closed, or terminated for any reason, any direct deposits, ACH transfers, or cash deposits made via third party money transfer services received



after the Varo Bank Account closure date will be rejected and returned to the originator. Access to Mobile Deposit will also be disabled.

## 11. Account Dormancy and Escheatment

An account that is inactive for a period of time may be considered dormant and is subject to escheatment. Each state has varying laws as to when an account is subject to escheatment and we may be required to send the balance in the Varo Bank Account to the state of your last known address. We will make reasonable efforts to contact you before transferring the remaining balance of the Varo Bank Account to the applicable state. For a Varo Bank Account with an international address, the funds will be transferred to the State of Utah.

## 12. Statements

Electronic statements are available to view in the Mobile App or Web App. Varo Bank Account statements are considered to be correct. Carefully review your statements each statement period and notify us of any errors within sixty (60) days of your statement becoming available. You also have a right to obtain a sixty (60) day history of the Varo Bank Account transactions by calling us at 1-877-377-8276, or by emailing us at [support@varomoney.com](mailto:support@varomoney.com). You will not automatically receive paper statements.

## 13. Special Rules for New Accounts

Varo Bank Accounts with a Card that has not been activated will be limited in functionality. You may not be eligible to use certain features such as Mobile Check Deposit and Varo to Varo Payments until the Card has been activated. In addition, certain transfer limits may be lower during this time as indicated in Section I, sub-section C, paragraph 1, "Deposits to the Varo Bank Account"; Section I, sub-section E, paragraph 1, "Electronic Banking Services"; and Section III, "Mobile Check Deposit."

## D. Using The Varo Visa® Debit Card

You will receive a Debit Card with the Varo Bank Account. You acknowledge and agree that the funds accessible through use of the Card is limited to the available funds of your Varo Bank Account. You agree to sign the back of the Card immediately upon receipt. The expiration date of the Card is identified on the back of the Card. The Card is the property of the Bank and must be surrendered upon demand. The Card is nontransferable and it may be cancelled, repossessed, or revoked at any time without prior notice subject to applicable law.

### 1. Activating your card

You must activate the Card before it can be used. You may activate it by calling 1-877-377-8276. You will need to provide personal information in order for us to verify your identity.

## 2. Personal Identification Number

You will not receive a Personal Identification Number ("PIN") with the Card. However, you will be prompted to select a PIN when you activate it. See the activation instructions Section I, sub-section D, paragraph 1, "Activating The Card". You should not write or keep your PIN with the Card. Never share your PIN with anyone. When entering your PIN, be sure it cannot be observed by others and do not enter your PIN into any terminal that appears to be modified or suspicious. If you believe that anyone has gained unauthorized access to your PIN, you should advise us immediately following the procedures in the section labeled "Your Liability for Unauthorized Transfers."

## 3. Authorized Card or Varo Bank Account Users

You are responsible for all authorized transactions initiated and fees incurred by use of the Card or Varo Bank Account. If you permit another person to have access to the Card, Card number(s), Varo Bank Account number(s) or PIN, we will treat this as if you have authorized such use and you will be liable for all transactions and fees incurred by those persons. You are wholly responsible for the use of your Varo Bank Account according to the terms and conditions of this Agreement.

## 4. Secondary Cardholder

You may not request an additional Card for another person.

## 5. Your Representations and Warranties

By activating the Card or by retaining, using or authorizing the use of the Card provided with the Varo Bank Account, you represent and warrant to us that: (i) you are at least 18 years of age (or older if you reside in a state where the majority age is older); (ii) you reside (with a physical address) in the fifty (50) United States, or the District of Columbia ("U.S."). (iii) you have provided us with a verifiable U.S. or District of Columbia street address (not a P.O. Box); (iv) the personal information that you provide to us in connection with the Varo Bank Account is true, correct and complete; (v) you received a copy of the Agreement and agree to be bound by and to comply with its terms; and (vi) you accept the Card.

## 6. Cash Access and Card Transaction Limitations

With your PIN, you can use your Card to withdraw cash from your Varo Bank Account at any ATM ("Automated Teller Machine") that bears the Allpoint®, Plus®, or Shazam® Acceptance Mark(s) or at any Point-of-Sale ("POS") device, as permissible by a merchant, that bears the Visa Interlink® or Shazam® Acceptance Mark(s).

In the table below, you can see your cash withdrawal and card spending limits for the Varo Bank Account, which limits may be modified from time to time depending on prior activity both on this account and on other transactions and also whether or not you have activated the Card:

Transaction Type	Frequency and/or Dollar Limits*
ATM Withdrawals and Over the Counter "OTC" Withdrawals	No limit to the number of times per calendar day. Up to \$1,000 per calendar day*
Card Purchases (Signature and PIN combined, includes Cash Back at Point of Sale)	No limit to the number of times per calendar day. Up to \$2,500 per calendar day
* The aggregated limit for all ATM cash withdrawals and OTC cash withdrawals is up to \$1,000 per calendar day across your Varo Bank Account and Varo Savings Account. ATM owner-operators, merchants, and participating banks may impose their own lower limits on cash withdrawals as well as their own fees.	

Consistent with applicable law, you may use the Card to purchase goods or services everywhere (and/or obtain cash where permitted by the merchant) from any merchant that accepts Visa® cards as long as you do not exceed the available balance of the Varo Bank Account.

Some merchants do not allow customers to conduct split transactions where the Card is used as partial payment for goods and services and the remainder of the balance is paid with another form of legal tender. If you wish to conduct a split transaction and it is permitted by the merchant, you must tell the merchant to charge only the exact amount of funds available in the Varo Bank Account to the Card. You must then arrange to pay the difference using another payment method. Some merchants may require payment for the remaining balance in cash. If you fail to inform the merchant that you would like to complete a split transaction prior to swiping or dipping the Card, the Card is likely to be declined.

If you use the Card at an automated fuel dispenser, i.e., "pay at the pump", the transaction may be preauthorized for an amount up to \$75.00 or more. If the Card is declined, even though you have sufficient funds available, you should pay for your purchase inside with the cashier. If you use the Card at a restaurant, a hotel, for a car rental purchase, or for similar purchases, the transaction may be preauthorized for the purchase amount plus up to 20% or more to ensure there are sufficient funds available to cover tips or incidental expenses. A preauthorization places a hold on those available funds until the merchant sends us the final payment amount of your purchase. Once the final payment amount is received, the hold on the preauthorized amount will be removed. It may take up to seven (7) days for the hold to be removed. During the hold period, you will not have access to the preauthorized amount.

All transactions relating to car rentals may result in a hold for that amount of funds for up to sixty (60) days.

If you use the 16-digit Card number without presenting the Card (such as for a mail order,

telephone, or Internet purchase), the legal effect will be the same as if you had used the Card Itself.

Card use restrictions include, but are not limited to: restricted geographic or merchant locations where there is a higher risk of fraud or illegal activity; restrictions to comply with laws or prevent our liability; and other restrictions to prevent fraud and other losses. For security reasons, we may, with or without prior notice, limit the type, amount, or number of transactions you can make with the Card. You may not use the Card for illegal online gambling or any other illegal Transaction.

We may increase, reduce, cancel, or suspend any of the restrictions or add new ones at any time. The Card cannot be redeemed for cash.

Each time you use the Card, you authorize us to reduce the value available in the Varo Bank Account by the amount of the transaction and any applicable fees. You are not allowed to exceed the available amount in the Varo Bank Account through an individual transaction or a series of transactions. Nevertheless, if a transaction exceeds the balance of the funds available in the Varo Bank Account, you shall remain fully liable to us for the amount of the transaction and any applicable fees. See these paragraphs in sub-section C for additional details if the Varo Bank Account balance becomes negative: "6. No Overdrafts" and "7. Our Right to Set Off."

## 7. Non-Visa Debit Transactions

Procedures are in effect that may impact you when you use the Card at certain merchant locations. In the past, transactions have been processed as Visa debit transactions unless you entered a PIN. Now, if you do not enter a PIN, transactions may be processed as either Shazam® or Interlink® transactions.

Merchants are responsible for and must provide you with a clear way of choosing how to make a Visa debit transaction if they support the option. Please be advised that should you choose to use the Shazam® or Interlink® network when making a transaction without a PIN, different terms may apply. Certain protections and rights applicable only to Visa debit transactions as described in this Varo Bank Account Agreement will not apply to transactions processed on the Shazam® or Visa Interlink® network. Please refer to the paragraph captioned "Your Liability for Unauthorized Transfers" for a description of these rights and protections applicable to Visa debit and non-Visa debit transactions.

To initiate a Visa debit transaction at a point-of-sale, swipe the Card through the POS terminal, tap your contactless card at a contactless terminal, sign the receipt, or provide your 16-digit Card number for a mail order, telephone, or internet purchase. To initiate a non-Visa debit transaction at the POS, enter your PIN at the POS terminal or provide your 16-digit Card number after clearly indicating a preference to route your transaction as a non-Visa debit transaction for certain bill payment, mail order, telephone, or Internet purchases.

## 8. Transactions Made In Foreign Currencies

If you withdraw money or make a purchase in a foreign currency, the amount deducted from the available balance of the Varo Bank Account will be converted by Visa into the amount in United States Dollars. The exchange rate is set by Visa from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable central processing date.

## 9. Receipts

You should get a receipt at the time you make a transaction using the Card. You agree to retain, verify, and reconcile your transactions and receipts.

## 10. Card Replacement

If you need to replace your Card for any reason except at Card expiration, please contact 1-877-377-8276 to request a replacement Card. You will be required to provide personal information which may include the Varo Bank Account number, 16-digit Card number, your full name, transaction history, copies of acceptable documentation.

## 11. Card Expiration

When your Card nears its expiration date, Varo will automatically mail a replacement Card to you. You will not be able to use the Card after the expiration date. If you need a Card replacement for any reason other than the Card's expiration, you may request one at any time by following the procedures in the paragraph captioned "Card Replacement."

# E. Electronic Banking Services

## 1. Varo to Varo Transfers

With the Varo Bank Account, you will have access to Varo to Varo Transfers via the Mobile App. Varo to Varo Transfers allow you to send money to other Varo customers and receive money from other Varo customers. To send funds to another Varo customer you will provide the intended recipient's email address and the dollar amount you would like to send. Varo to Varo Transfers are applied to the Varo Bank Account associated with the recipient's email address. Approved Varo to Varo Transfers are automatically debited from the sender's Varo Bank Account and deposited to the recipient's Varo Bank Account.

**To send money:** You will not have access to Varo to Varo Transfers until you activate your Varo Bank debit card. You may only send a Varo to Varo Transfer to an existing Varo customer. If you wish to send money to a non-Varo customer, the intended payee must sign up and be approved for a Varo Bank Account before you can initiate a Varo to Varo Transfer.

**To receive money:** You must have an open Varo Bank Account. Your Varo Bank debit card does not need to be activated to receive money from a Varo to Varo Transfer. Until such time as your Card is activated you may access any transferred money using ACH transfer.

### **Using Varo to Varo Transfers**

To send Varo to Varo Transfers, login to the Mobile App and select “Varo to Varo Transfers.” You may choose the intended recipient either by selecting from the list of prior recipients, or by entering the intended recipient’s email address.

**You must be sure the recipient’s email address is entered accurately to be sure a Varo to Varo Transfer is sent to the correct recipient. The obligation to pay a Varo to Varo Transfer will not be excused by an error in the information you enter. Once you have initiated a Varo to Varo Transfer in the Mobile App, you will not be able to cancel it.**

**The amount you enter for the Varo to Varo transfer must not exceed the available balance in your Varo Bank Account, and must be within the limits described below under “Limits on Varo to Varo Transfers.”**

By using Varo to Varo Transfers, you are representing you are the owner of the email address registered for the Varo Bank Account and you are giving your consent for the email address to be used as the identifier by which you send and receive transfers.

**When you receive money:** Your email address will be entered in full by the sending Varo customer and your full name and email address will be added to their payee list.

**When you send money:** In addition to the recipient’s email address you entered being displayed in your transaction history and on your monthly statement, the first name and first letter of the receiving Varo customer’s surname will display in your transaction history after the Varo to Varo Transfer has been processed.

Before you complete a Varo to Varo Transfer you will be asked to enter a note or description of the transaction. The note will be visible to both you and the recipient in the online transaction history, but will not be included on your monthly statement or the recipient’s monthly statement.

**Fees:** There are no fees associated with the use of Varo to Varo Transfers.

### **Limits on Varo to Varo Transfers**

Varo to Varo Transfers may be initiated at any time as long as the transfer request does not exceed the available balance in the Varo Bank Account. Varo may refuse to process any transaction that exceeds any of the limits described below. If the Varo to Varo Transfer is denied because the Varo Bank Account balance is not sufficient, you are responsible for making

alternate payment arrangements with the intended recipient. These are the limits associated with Varo to Varo Transfers:

Transaction Type	Frequency and/or Dollar Limits*
Varo to Varo Transfers	Up to fifty (50) individual payments per calendar day  Up to \$2,000 per rolling 30-day period

\*Varo to Varo Transfer limits may be reduced with or without notice in order to protect the security of all Varo Bank Accounts.

## II. ELECTRONIC FUNDS TRANSFER DISCLOSURE AND SPECIAL TERMS AND CONDITIONS - INCLUDING THE MANDATORY AND BINDING ARBITRATION PROVISION

The Varo Bank Account number and the Bank's ABA routing number can be used for preauthorized direct debits ("ACH Debit(s)") from merchants, including Internet service, other utility service providers, other financial institutions and for the purpose of initiating direct deposits ("ACH Credits") to the Varo Bank Account.

Note: The recipient's name on any direct deposit(s) or ACH Credit(s) we receive must match the name on the Varo Bank Account. Any direct deposits received in a name other than the name registered to the Varo Bank Account will be returned to the originator.

### **Limits on ACH Debit Transactions**

**Cut-off Time:** The cut-off time for scheduling ACH Transfers is midnight Eastern Time. Any transfer scheduled after the cut-off time will be treated as if it were scheduled on the next business day.

**ACH Debit Limits:** The limitations to the amount of funds that can be transferred from the Varo Bank Account per day are described below. These limits may be modified from time to time depending on activity in the Varo Bank Account.

Transaction Type	Frequency and/or Dollar Limits
ACH Debits initiated by merchants, utility service providers and other financial institutions	<ul style="list-style-type: none"> <li>• No limit to the number of times per calendar day</li> <li>• Limited to the available Varo Bank Account balance</li> </ul>
ACH Transfers from the Varo Bank Account to another bank account you own made using the Mobile App*	<ul style="list-style-type: none"> <li>• Limits will be disclosed to you when you access the ACH Transfer feature using the Mobile App or Web App. Varo may change such limits at any time at our sole discretion. Limits may be changed based on the length of time the Varo Bank Account has been open and prior account activity.</li> </ul>
*Acceptance of ACH Transfers may vary by receiving financial institution. To determine if restrictions apply, contact the bank to which you wish to send funds prior to initiating an ACH Transfer.	

### Electronic Funds Transfer Services

The following terms are used to describe Electronic Funds Transfer ("EFT") services. "Automated credits", "direct deposits" or "ACH Credits", which are deposits made into the Varo Bank Account by electronic means. "Automated debits", "Automated payments" and "ACH Debits" indicate payments authorized by you to be made from the Varo Bank Account by electronic means. "Online Transfers" are the movement of funds between the Varo Bank Account and optional Varo Savings Account by use of the Mobile App or Web App. Online Transfers are described in detail in the agreement governing the Varo Savings Account.

When you accept direct deposits or authorize automatic payments/ACH debits or transfers to or from the Varo Bank Account, you agree to these terms and conditions.

Your account is subject to the National Automated Clearing House Association (NACHA) rules and the Federal Reserve Electronic Funds Transfer Act. This means credit given by Varo to you with respect to an ACH credit transaction received from your external bank is provisional until Varo receives final settlement for such entry through the Federal Reserve Bank. If Varo does not receive such final settlement, you are hereby notified and agree that Varo is entitled to a refund of the amount credited to you in connection with such entry, and the party making payment to you via such entry (i.e. the originator of the entry) shall not be deemed to have paid you in the amount of such entry.



Varo is not required to give next day notice to you of receipt of an ACH item and Varo will not do so. However, Varo will continue to notify you of the receipt of payments in the periodic statements we provide to you. Your statement will show the date, amount, and description of each electronic funds transfer received. Your rights and obligations with respect to such payments shall be construed in accordance with the terms of this Agreement including choice of law as provided by NACHA, which are applicable to ACH transactions involving your account.

Other relevant terms and conditions described elsewhere in the Agreement also apply as long as they are consistent with Regulation E or Section II.

## 1. Types of Electronic Funds Transfers Available

You may arrange with another party, such as your employer or a government agency, to electronically deposit funds on a one-time or recurring basis directly to the Varo Bank Account. You may authorize another party, such as a merchant, to make a one-time or recurring payment(s) using the Varo Bank Account and bank routing numbers, directly from the Varo Bank Account subject to the established limitations on withdrawals and transfers. You may use the Card to make purchases at merchants that accept the Card or to obtain cash at ATMs and, subject to availability, cash back at POS terminals.

## 2. Limitations on Transfers, Amounts and Frequency of Transactions

You may make cash withdrawals and POS purchases, but you cannot exceed the established limits for the Varo Bank Account. See the paragraphs captioned "Cash Access and Card Transaction Limitations" for details about the limits.

If your Varo Bank Account is closed, blocked or suspended for any reason, you will not be able to transact using the Card (including at an ATM).

## 3. Right to Receive Documentation of Electronic Funds Transfers

You will have access to an electronic monthly statement that can be viewed on the Mobile App or Web App.

If you have arranged to have direct deposits, automated credits or ACH credits made to the Varo Bank Account, view the transaction on the Mobile App or the Web App to find out when the deposit has been made.

## 4. Right to Stop Payment of Preauthorized Transfers and Procedures for Doing So

To stop a recurring ACH transfer to a merchant you preauthorized to debit the Varo Bank Account, it is best to contact the merchant directly to request cancellation of the recurring payment.

## 5. Your Liability for Unauthorized Transfers

You must contact us immediately at 1-877-377-8276 if you believe the Card, PIN or Varo Bank Account number has been stolen, compromised, or your account has been used without permission. Under Visa Core Rules, your liability for unauthorized Visa debit transactions on the Card is \$0.00 if you are not negligent or fraudulent in the handling of the Card. This reduced liability does not apply to certain commercial card transactions, transactions not processed by Visa, or to anonymous prepaid cards (until such time as the identity of the cardholder has been registered with us). You must notify us immediately of any unauthorized use. In the event that the Visa Zero Liability Rules do not apply, if you notify us within two (2) business days after you learn of any unauthorized transactions, you can lose no more than \$50.00 if someone used the Varo Bank Account without your permission. If you do not notify us within two (2) business days after you learn of the loss or theft of the Card, PIN, or Varo Bank Account number and we can prove that we could have stopped someone from using the Varo Bank Account without your permission if you had promptly notified us, you could lose as much as \$500.00.

Also, if you become aware of and/or your statement shows transactions that you did not authorize, notify Varo at once following the procedures stated in the paragraph captioned "Information About Your Right to Dispute Errors". If you do not notify us within sixty (60) days after you become aware of the transaction(s) and/or the statement was made available to you, you may not get back any of the value you lost after the sixty (60) days if we can prove that someone could have been stopped from taking value if you had provided us notice in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If your Card, PIN or Varo Bank Account number has been lost, stolen or compromised, we will deactivate the Card and/or Varo Bank Account to prevent further transactions from occurring and send you a replacement Card and/or Varo Bank Account Number.

If your Varo Bank Account number changes you must immediately notify your employer or any other payors or merchants. You must provide them with the new Varo Bank Account number to ensure your direct deposit and/or ACH Debit activity continues uninterrupted.

## 8. Our Liability for Failure To Complete Transactions

If we do not properly complete a transaction from the Varo Bank Account or Card on time or in the correct amount according to this Bank Account Agreement with you; we will be liable for your losses or damages. However, there are some exceptions. We will not be liable, for Instance:

- a. If through no fault of ours, you do not have enough funds available in the Varo Bank Account to complete the transaction;
- b. If a merchant refuses to accept the Card or Varo Bank Account number;
- c. If an ATM where you are making a cash withdrawal does not have enough cash;
- d. If an electronic terminal where you are making a transaction does not operate properly, and you knew about the problem when you initiated the transaction;

- e. If access to the Card or Varo Bank Account has been blocked after you reported the Card or Varo Bank Account number lost, stolen or compromised;
- f. If there is a hold or your funds are subject to legal or administrative process or other encumbrance restricting their use;
- g. If we have reason to believe the requested transaction is unauthorized;
- h. If circumstances beyond our control (such as fire, flood, or computer communication failure) prevent the completion of the transaction, despite reasonable precautions that we have taken; or
- i. Any other exception stated in this Bank Account Agreement with you.

## 9. Confidentiality

We may disclose information to third parties about the Varo Bank Account, Card or the transactions you make:

- a. Where it is necessary for completing transactions;
- b. In order to verify the existence and condition of the Varo Bank Account or Card for a third party, such as a credit bureau or a merchant;
- c. In order to comply with government agency, court order, or other legal or administrative reporting requirements;
- d. If you consent by giving us your written permission;
- e. To our employees, auditors, affiliates, service providers, or attorneys as needed; or
- f. Otherwise as necessary to fulfill our obligations under this agreement.

## 10. Information About Your Right to Dispute Errors

In case of errors or questions about your electronic transactions, call 1-877-377-8276, write to PO Box 108, Draper, UT 84020, or send an email at [support@varomoney.com](mailto:support@varomoney.com) if you think your statement or receipt is wrong or if you need more information about a transaction listed in the statement or receipt. We must allow you to report an error until sixty (60) days after the earlier of the date you electronically accessed the Varo Bank Account, if the error could be viewed in the electronic history, or the date Varo sent the FIRST written history on which the error appeared. You may request a written history of your transactions at any time by calling 1-877-377-8276, or by writing to: PO Box 108, Draper, UT 84020. You will need to provide us:

- a. Your name, Varo Bank Account number and/or 16-digit Card number
- b. Why you believe there is an error, and the dollar amount involved
- c. Approximately when the error took place

If you provide this information orally, we may require that you send 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 hear from you and will correct any error promptly. If we need 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 the Varo Bank Account within ten (10) business days for the amount you think is in error, so that you will have use of the money during the time it takes to complete the investigation. If we ask you to put your complaint or question in writing and you do not provide it within ten (10) business days, we may not credit the Varo Bank Account.

For errors involving new Varo Bank Account, POS transactions or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For a new Varo Bank Account, we may take up to twenty (20) business days to credit the Varo Bank Account for the amount you think is in error.

We will tell you the results within three (3) business days after completing the investigation. If we decide that there was no error, we will send you a written explanation. Copies of the documentation used in the investigation may be obtained by contacting us at the phone number or address shown at the beginning of this section. If you need more information about this program's error-resolution procedures, call 1-877-377-8276.

## 11. Truth in Savings Disclosures

This is not an interest-bearing account. No interest will be paid.

**Minimum Balance Requirements:** There is no initial deposit required to open a Varo Bank Account. You may deposit any amount you wish when opening the Varo Bank Account.

**Transaction Limitations:** Minimum and maximum withdrawal limitations apply. See Section I, sub-section D, paragraph captioned "6. Cash Access and Card Transaction Limitations" for full information regarding these limits.

## 12. Customer Service

If you need help with your account, please call us at 1-877-377-8276 or email [support@varomoney.com](mailto:support@varomoney.com). Customer service agents are available to answer your calls:

- Monday through Friday, 8 AM to 9 PM Eastern Time (excluding Federal holidays),
- Saturday and Sunday, 11 AM to 7 PM Eastern Time

A list of holidays observed by the Federal Reserve Board can be found at [www.frb.services.org](http://www.frb.services.org).

## 13. Call Monitoring/Recording

We may monitor and/or record telephone calls between you and us to assure the quality of our customer service team, or as required by applicable law.

## 14. No Warranty Regarding Goods or Services as Applicable

We are not responsible for the quality, safety, legality, or any other aspect of any goods or services you purchase using the Varo Bank Account.

## 15. Arbitration

Any claim, dispute, or controversy ("Claim") arising out of or relating in any way to: i) this Agreement; ii) the Varo Bank Account; iii) your acquisition of the Varo Bank Account; iv) your use of the Varo Bank Account; v) the amount of available funds in the Varo Bank Account; vi) advertisements, promotions or oral or written statements related to the Varo Bank Account, as well as goods or services purchased with the Varo Bank Account; vii) the benefits and services related to the Varo Bank Account; or viii) transactions made using the Varo Bank Account, no matter how described, pleaded or styled, shall be FINALLY and EXCLUSIVELY resolved by binding individual arbitration conducted by the American Arbitration Association ("AAA") under its Consumer Arbitration Rules. This arbitration agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act (9 U.S.C. 1-16).

We will pay the initial filing fee to commence arbitration and any arbitration hearing that you attend shall take place in the federal judicial district of your residence.

ARBITRATION OF YOUR CLAIM IS MANDATORY AND BINDING. NEITHER PARTY WILL HAVE THE RIGHT TO LITIGATE THAT CLAIM THROUGH A COURT. IN ARBITRATION, NEITHER PARTY WILL HAVE THE RIGHT TO A JURY TRIAL OR TO ENGAGE IN DISCOVERY, EXCEPT AS PROVIDED FOR IN THE AAA CODE OF PROCEDURE.

For a copy of the procedures, to file a Claim or for other information about this organization, contact it at: AAA, 335 Madison Avenue, New York, NY 10017, or at [www.adr.org](http://www.adr.org).

All determinations as to the scope, interpretation, enforceability and validity of this Bank Account Agreement shall be made final exclusively by the arbitrator, which award shall be binding and final. Judgment on the arbitration award may be entered in any court having jurisdiction.

NO CLASS ACTION, OR OTHER REPRESENTATIVE ACTION OR PRIVATE ATTORNEY GENERAL ACTION OR JOINDER OR CONSOLIDATION OF ANY CLAIM WITH A CLAIM OF ANOTHER PERSON OR CLASS OF CLAIMANTS SHALL BE ALLOWABLE.

This arbitration provision shall survive: i) the termination of this Bank Account Agreement; ii) the bankruptcy of any party; iii) any transfer, sale or assignment of the Varo Bank Account, or any amounts owed on the Varo Bank Account, to any other person or entity; or iv) closing of the Varo Bank Account. If any portion of this arbitration provision is deemed invalid or unenforceable, the remaining portions shall remain in force.

IF YOU DO NOT AGREE TO THESE ARBITRATION TERMS, DO NOT ACTIVATE OR USE THE CARD OR VARO BANK ACCOUNT. CALL 1-877-377-8276 TO CLOSE THE VARO BANK ACCOUNT AND REQUEST A REFUND, IF APPLICABLE.

# III. MOBILE CHECK DEPOSIT

## 1. Description of Service and Consent

You can make deposits to the Varo Bank Account remotely by using the Mobile App to take a legible picture of the front and back of the negotiable check(s) and transmitting images of such instruments to us in compliance with our requirements ("Check Image(s)"). If the Check Image is accepted for deposit, we will notify you electronically. The Bank will then attempt to collect the item by presenting the image or converting the image into a digital representation of the original check ("Substitute Check"). Unlike traditional check deposits, you retain the original paper check when you use Mobile Deposit. See the paragraph captioned "Retention of Original Check" for retention requirements. The manner in which Substitute Checks are cleared, presented for payment and deposited will be determined by the Bank, in our sole discretion. We may change, modify, add or remove functionality from Mobile Deposit at any time, with or without notice to you.

## 2. Mobile Deposit Eligibility; Termination of Varo Bank Account Relationship

We will determine whether you are eligible for the Mobile Deposit feature at our sole discretion. We may suspend or terminate your use of Mobile Deposit at any time and without prior notice to you. If you violate the terms of Mobile Deposit, such actions may be used as a basis to terminate the Varo Bank Account.

## 3. Fees

There is no fee for depositing a check by Mobile Deposit. Please note that your mobile carrier may charge you for sending and receiving data to upload Check Images using the Mobile App. Please check your mobile service agreement for details on applicable costs.

## 4. Limits

Limits may be imposed on the dollar amount or number of deposits you make through Mobile Deposit. Such limits will be disclosed to you when you access the Mobile Deposit feature using the Mobile App. We may change such limits at any time at its discretion. Limits may be changed based on the length of time the Varo Bank Account is opened and Varo Bank Account activity.

## 5. Prohibited Checks

We may decline to accept any image of a Check Image you submit through Mobile Deposit at its sole discretion. You agree that you will not scan and attempt to deposit any of the following:

- a) Checks payable to any person or entity other than you (i.e. third party checks);
- b) Checks containing alterations, illegible items, fraudulent checks, or checks that you should have known or have reason to believe were fraudulent;

- c) Checks that have been previously deposited at another institution via physical item, image or electronic funds transfer;
- d) Checks from financial institutions located outside the United States;
- e) Checks that are not payable in U.S. dollars;
- f) Checks that are more than six (6) months old (i.e. stale dated) or that are post-dated;
- g) Substitute checks (a digital reproduction of the front and back of an original check);
- h) Remotely created checks (a check created by a merchant with a buyer's checking account number on it, but without the buyer's original signature);
- i) Travelers checks and savings bonds;
- j) Non-negotiable instruments, such as promissory notes; or
- k) Starter checks or counter checks (checks from a teller window);
- l) Credit card, Line of Credit, Home Equity, Brokerage and convenience checks.

## 6. Third-Party Checks

All checks deposited must be payable to you; the Bank will not accept third-party checks. In the event the Bank receives and detects a third-party check, the Bank will not deposit the check into any account at the Bank. Third-party checks received in the Bank's Operation Center will be returned to you through the U.S. mail, and the Bank will not be liable for any checks that may become lost in the mail. Third Party checks deposited through mobile deposit may be rejected in Processing.

We reserve the right to reject a Mobile Deposit if it is made payable to the Bank and contains no means to identify the account to which it should be credited.

## 7. Receipt of Check

We are not responsible for Check Images not received or dropped during transmission. A Check Image will be deemed received by us only when an email confirmation has been provided to you indicating the Check Image has been received. Although you may receive confirmation of receipt of your Check Image, the Check Image will still be subject to review before it is submitted for collection and may still be rejected for any reason at our sole discretion. A confirmation is not a representation, warranty or other indication that the Check Image will be presented for collection or will be honored by any collecting or paying bank. If a Check Image received through Mobile Deposit is rejected, then you may re-submit the original check for processing, however we reserve the right to refuse to process it and may require you to have the check reissued.

## 8. Retention of Original Check

Once your Check Image has been credited to the Varo Bank Account you must mark the original check as "VOID" and retain the check for sixty (60) days. You may not present the original check or any image or substitute check created from the original check for payment at any other financial institution. During this sixty (60) day period, you must store the original paper check securely using precautions at least as secure as those you would use to protect a blank

check, and you must make the original paper check available to us for review at any time and as necessary for us to facilitate the clearing and collection process, to address third-party claims or for our own audit purposes. Should you fail to produce the original paper check, you authorize us to deduct the amount of the check in question from the Varo Bank Account, regardless of whether such action may cause the Varo Bank Account to not have sufficient funds, and to pay any associated fees. Immediately after this sixty (60) day period, you must destroy the original paper check.

## 9. Endorsement Requirements

You will endorse any check or other item submitted for deposit exactly as it was made payable to you. We may in our discretion accept certain government checks jointly payable to you and another person (e.g., tax refunds for jointly filed returns), but only if endorsed by all payees. You warrant that all endorsements on items deposited to the Varo Bank Account are genuine. Any endorsement must be placed in the one-inch area starting at the left side on the back of the check and the remaining area on the back of the item may not contain any preprinted, stamped or handwritten information. If you fail to do this, you may be required to reimburse us for losses incurred. For any check deposited as a Check Image through Mobile Deposit, you must endorse the check by signing or stamping the back and writing "For Mobile Deposit Only at Varo" or as otherwise instructed by us before you take a picture of the check. In the absence of endorsement, you authorize us to supply any missing endorsements if items are made payable to you or your order and you have not endorsed them.

### **Accountholder's Warranties**

You will comply with all applicable rules, laws and regulations. Each time you submit check images for deposit through Mobile Deposit, you also make all the warranties set forth in and subject to the terms of the Utah Uniform Commercial Code ("UCC ") for the image as if it were an item subject to the terms of the UCC. You make the following warranties and representations with respect to each image of an original check you transmit to you using Mobile Deposit:

- 1) Each image of a check transmitted to us is a true and accurate rendition of the front and back of the original check (at the time it was transmitted), without any alteration, and the drawer of the check has no defense against payment of the check.
- 2) The amount, the payee, signature(s), and endorsement(s) on the original check are legible, genuine, and accurate.
- 3) You are only transmitting eligible checks and items you are entitled to endorse.
- 4) All checks and items include all signatures required for their negotiation.
- 5) You are using Mobile Deposit only for your own deposits and have not allowed the use of Mobile Deposit for the benefit of any third party.
- 6) Other than the digital image of an original check that you remotely deposit through Mobile Deposit, there are no other duplicate images of the original check.
- 7) You have possession of each original check deposited using Mobile Deposit.
- 8) You have ensured that each original check was authorized by the drawer in the amount stated on the original check and to the payee stated on the original check.



- 9) You are authorized to enforce each item transmitted or are authorized to obtain payment of each item on behalf of a person entitled to enforce such transmitted item.
- 10) The information you provided for your Varo Bank Account remains true and accurate; and, in the event any such information changes, you will immediately notify us of the change.
- 11) You have communicated material information to us.
- 12) Files and images transmitted to us contain no viruses or any other disabling features that may have an adverse impact on our network, data, or related systems.

Further, you agree that with respect to each image of an original check you transmit using Mobile Deposit:

- 1) You will not deposit, re-present, negotiate, seek to negotiate or otherwise endorse to a third party the original check and no person will receive a transfer, presentment, or return of, or otherwise be charged for, the item (either the original item, or a paper or electronic representation of the original item) such that the person will be asked to make payment based on an item it has already paid.
- 2) No party will submit the original check for payment.

## 10. Mobile Deposit Funds Availability

**Business Days and Cutoff Time:** We are open Monday through Friday excluding federal holidays. Check Images received and accepted for processing prior to 6:00PM Eastern Time on a business day that we are open are considered received as of that day. Otherwise, the Check Images will be considered the work of the next business day.

### **Next-Day Availability**

Funds are available on the next business day after the day of deposit for U.S. Treasury Check.

### **Second-Day Availability**

Funds are available on the second business day after the day of deposit for other checks drawn on a bank in the United States, including:

- Personal and Business Checks
- State and Local Government Checks
- Treasurer's/Cashier's Checks
- Certified Checks
- Federal Reserve Bank Checks
- Federal Home Loan Bank Checks
- U.S. Postal Service Money Orders

The first \$225.00 from a deposit of checks will be available on the next business day after the

deposit is applied to the Varo Bank Account. The remaining funds in excess of \$225.00 will be available on the second business day after the day the funds from Mobile Deposit are applied to the Varo Bank Account.

For example, if a check of \$725.00 is applied to the Varo Bank Account on a Monday that we are open, \$225.00 of the deposit is available on Tuesday. The remaining \$500.00 is available on Wednesday.

We may, at our sole discretion, make funds available for certain checks earlier than stated above, based on the amount of time the Varo Bank Account has been open and prior Varo Bank Account activity.

### **Longer Delays May Occur**

Under certain circumstances, a longer hold period may apply before funds deposited by check are available. A longer delay may apply if, for instance:

- We believe a deposited check will not be paid;
- You deposit checks totaling more than \$5525.00 in one (1) calendar day;
- You redeposit a check that has been previously returned unpaid;
- The Varo Bank Account has had a negative balance anytime in the last six (6) calendar months;
- We experience an emergency, such as failure of communications or computer delays.

We will send an Electronic Notice informing you if your ability to withdraw funds is delayed for any reason including information on when the funds will be available. Generally, funds will be available no later than the ninth (9th) business day after the deposit is accepted for processing.

### **Special Rules for New Accounts**

For new customers, these special rules will apply for a Varo Bank Account open less than thirty (30) calendar days:

- The first \$500.00 of deposited items identified under paragraph 10. captioned "Next-Day Availability" will be available on the next business day after the deposit is applied to the Varo Bank Account.
- The first \$225.00 of a day's total deposits of all other checks will be available on the next business day after the deposit is applied to the Varo Bank Account. The funds in excess of \$225.00 will be available on the fifth (5th) business day after the day of your deposit.

## IV. FEES

We will charge a fee for each non-Allpoint ATM cash withdrawal, i.e., out of network ATM cash withdrawal. The fee will be withdrawn from your Varo Bank Account and will be assessed as long as there is a remaining balance in your Varo Bank Account, except where prohibited by law.

Fee Description	Fee Amount and Frequency
ATM Withdrawal Fee (out of network)*	\$2.50 (per transaction). Cash withdrawal transactions at Allpoint ATMs are fee free.
Over the Counter "OTC" Cash Withdrawal Fee	\$2.50 (per transaction).
Express Shipping Fee	\$25.00 (per shipment).
Card replacement fee (shipment by U.S. Postal Service)	No fee (per shipment).
*If you use a non-Allpoint network ATM, including a balance inquiry, you may be charged an additional fee by the ATM operator even if you do not complete a withdrawal: such a fee is a third-party fee assessed by the individual ATM operator only and is not assessed by us. The ATM fee will be charged to your Varo Bank Account.	

Cards sent via Express Shipping will arrive in two (2) business days. The fee will be withdrawn from your Varo Bank Account and will be assessed as long as there is a remaining balance in your Varo Bank Account, except where prohibited by law. Alternatively, you can replace a debit card with shipping by the U.S. Postal Service without incurring a fee. Cards shipped via the U.S. Postal service will generally arrive within six to nine (6 to 9) business days.

## V. GENERAL FUNDS AVAILABILITY POLICY

Information contained in this section is provided to assist you in understanding our Funds Availability Policy.

We make funds available according to the type of deposit and when the funds are applied, or credited to the Varo Bank Account. Some types of deposits may not be available for immediate use. When we delay the availability of funds or place a hold on a deposit made to the Varo Bank Account, you may not withdraw those funds, and we will not use them to pay any debits, such as ACH transfers or payments, Bill Pay transactions or transactions using your Card during the hold period. We have the right to refuse any deposit.

If final payment is not received on any item you have deposited into the Varo Bank Account, or if any direct deposit, ACH transfer credit is returned to us for any reason, you agree to pay us the amount of the returned item.

## 1. Availability

The length of the delay in the availability of funds varies depending on the type of deposit.

## 2. Business Days

The length of the delay in the availability of funds is counted in business days from the day the deposit is applied to the Varo Bank Account. For purposes of these disclosures, our business days are Monday through Friday. Federal holidays are not included.

## 3. Same Day Availability

Funds received from preauthorized electronic payments such as payroll direct deposits, or other preauthorized electronic payments will be available on the day the deposit is applied to the Varo Bank Account.

ACH Credits received from an external bank account will be applied to the Varo Bank Account when we have verified the external account and received payment on collected funds. Once the funds are applied to the Varo Bank Account, they will have same day availability.

# VI. Deposit Sweep Program

Section VI of this Agreement only applies to customers who have opted into the Program (as defined and described below). If you have never opted in or have affirmatively opted out of the Program, then the terms of Section VI do not apply to your Varo Bank Account; however, all other terms in this Agreement do apply (unless otherwise marked).

## 1. Introduction

The Varo Insured Deposit Sweep Program ("Program") is offered to you by Varo as a sweep option and is intended for the deposit of balances in your Varo Bank Account into bank deposit accounts at FDIC-insured Program Banks, as defined below, (these accounts at Program Banks will be either money market deposit accounts or demand deposit accounts). This will not impact your access to your funds you have deposited in your Varo Bank Account, subject to FDIC insurance.

For all Varo Bank Accounts opened on or after January 12, 2021, by agreeing to this Agreement, you opt into the Program and select the Program as your automatic deposit sweep option and appoint Varo and Stable Custody Group II LLC ("Stable") as your authorized agents pursuant to this Agreement. For all Varo Bank Accounts opened before January 12, 2021, you will be enrolled in the Program if you have affirmatively opted into the Program.

Varo has appointed Stable to allocate your money to deposits in deposit accounts at insured banks that are participating in the Program ("Program Banks") to seek to maximize the amount of FDIC insurance available to you up to \$1,225,000 per category of legal ownership, subject to certain exceptions. Stable is not, itself, a bank, broker-dealer, or investment adviser and does not hold any of your Swept Deposits (as defined below).

If you are enrolled in the Program, Varo may sweep all or part of your available cash balances to deposit accounts at Program Banks. If you have more than \$250,000 in your Varo Savings Account and Varo Bank Account combined, we will always sweep funds held in your Varo Bank Accounts above \$250,000 to provide FDIC insurance up to the maximum insured deposits. A list of the current Program Banks is available at <https://faq.varomoney.com/hc/en-us/sections/360010069031-Deposits>, this list is subject to change and Varo may add or eliminate any Program Banks at any time without notice to you.

You may withdraw cash held at Program Banks at any time. At any time after enrolling, you may opt-out of the Program by contacting us at [support@varomoney.com](mailto:support@varomoney.com) or at 1-877-377-8276. If you opt-out of the Program at any time, you will opt-out of the Program for your Varo Bank Account and any other Varo accounts you may have (as applicable). Such an opt-out election shall take effect after Varo receives such notice and Varo has had a reasonable opportunity to act on that notice.

YOU UNDERSTAND THAT BY ENROLLING IN THE PROGRAM, YOU ARE INSTRUCTING VARO TO DIRECT THE PLACEMENT OF YOUR DEPOSITS IN YOUR ACCOUNT UP TO THE AMOUNT OF DEPOSIT INSURANCE COVERAGE PROVIDED BY THE PROGRAM. YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED AND CAREFULLY READ THESE TERMS AND CONDITIONS BEFORE ENROLLING IN THE PROGRAM. YOU MAY OPT OUT OF THE PROGRAM AT ANY TIME BY CONTACTING US [support@varomoney.com](mailto:support@varomoney.com) OR AT 1-877-377-8276.

## 2. Detailed Terms and Conditions of Deposit Sweep Program

### A. Account Eligibility

This Program is available to the Varo Bank Account.

### B. Deposits

Except as otherwise provided herein, each business day, Varo, utilizing the services of Stable, will deposit the cash balances in your Varo Bank Account that Varo desires to sweep to one or more omnibus deposit accounts maintained at the Program Banks held in the name of "Stable Custody Group II LLC, as Agent, for the Exclusive Benefit of its Demand Deposit Marketplace Participating Institutions, as Agent, for the Exclusive Benefit of its Demand Deposit Marketplace Customers, Acting for Themselves and/or Acting in a Fiduciary Capacity for Others" or a similar title. The amount of your deposit balances in your Varo Bank Account that are swept to Program

Banks (the “Swept Balances”) is based on the balance in your Varo Bank Account on the prior business day and the Swept Balances are transferred and deposited with the Program Bank accounts on the same business day. Your ownership of Swept Deposits will be evidenced by an entry on records maintained by Varo and Stable for each of the Program Banks at which your funds are on deposit. You will not be issued any evidence of ownership of a Program Bank account, such as a passbook or certificate.

There is no minimum deposit amount required to participate in the Program and no minimum balance to maintain your participation in the Program. There also is no minimum period that your money must remain on deposit in the Program and no limitations on the number or dollar amount of withdrawals from, or deposits to, the Program accounts. There are no penalties or fees for withdrawal of your entire balance, or any part thereof, at any time.

### C. Withdrawals

By enrolling in the Program, you consent to have the money you have in accounts administered through the Program on deposit at the Program Bank(s) automatically withdrawn from the Program Bank accounts in the event of a debit in your Varo Bank Account. Each business day as needed, Varo will withdraw your cash from the Program Bank accounts.

You may make withdrawals from the Program, in any amount, not to exceed your total account balance in the Program, through your Varo Bank Account. Withdrawals from the Program cannot be made directly by you from any of the Program Banks. In the unlikely event of the failure of Varo, you may seek to access your funds by contacting Stable at 866-237-2752 or the Program Banks. The Program Banks reserve the right to require you to present any information, identification, certification or any other documentation reasonably deemed necessary by the Program Banks to establish your entitlement to funds prior to disbursing any funds to you.

### D. FDIC Deposit Insurance: Operation and Limitations

Any Swept Deposits under the Program are deposited into FDIC-insured omnibus deposit accounts at the Program Banks that hold your and our other customers’ funds, and in which you will hold a beneficial interest. Your Swept Deposits are held in those Program Bank account(s) in a manner designed to provide you with FDIC insurance at each Program Bank. Stable, as your agent, allocates your Swept Deposits among the Program Bank accounts to seek to maximize FDIC deposit insurance coverage available under the Program. FDIC deposit insurance coverage is normally available for your Swept Deposits up to the FDIC standard maximum deposit insurance amount (“SMDIA”), which is currently \$250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by you in the same Program Bank and in the same legal category of account ownership. Thus, the maximum amount of Swept Deposits eligible for FDIC insurance coverage would not exceed the SMDIA per legal category of account ownership multiplied by the number of participating Program Banks, less any funds that you may hold in a Program Bank outside of the Program in the same legal category of account ownership. However, Varo may instruct Stable to limit the total deposit for you at any Program Bank to an amount less than the maximum permitted amount of \$250,000, with a view to providing a cushion for any interest

earned on the Swept Deposit while at the Program Bank to be covered by FDIC deposit insurance. For example, based on the SMDIA of \$250,000 per legal category of account ownership per Program Bank and an assumption that there are at least five (5) Program Banks eligible to receive your deposits through the Program, and provided that you do not have any funds on deposit at a Program Bank outside of the Program, your maximum insured Swept Deposits would be \$1,225,000 per legal category of account ownership.

Your coverage under the Program will be limited to the extent that you hold deposits directly, or through others, in the same recognized legal category of ownership at the same Program Banks as you hold deposits through the Program. The FDIC protects you against the loss of your insured Swept Deposits in the event a Program Bank fails. FDIC deposit insurance is backed by the full faith and credit of the United States. Specifically, FDIC deposit insurance coverage shall be available for your Swept Deposits up to the SMDIA, which is currently \$250,000 per legal category of account ownership at each participating Program Bank when aggregated with all other deposits held by you in the same Program Bank and in the same legal category of account ownership.

In general, the FDIC-recognized categories of account ownership include single ownership accounts; accounts held by an agent, escrow agent, nominee, guardian, custodian, or conservator; annuity contract accounts; certain joint ownership accounts; certain revocable trust accounts; accounts of a corporation, partnership, or unincorporated association; accounts held by a depository institution as the trustee of an irrevocable trust; certain irrevocable trust accounts; certain retirement and other employee benefit plan accounts; and certain accounts held by government depositors.

The FDIC's regulations impose special requirements for obtaining pass-through FDIC insurance coverage for multiple levels of fiduciary relationships. In these situations, in order for FDIC insurance coverage to pass through to the true beneficial owners of the funds, it is necessary (i) to expressly indicate, on the records of the insured depository institution that there are multiple levels of fiduciary relationships, (ii) to disclose the existence of additional levels of fiduciary relationships in records, maintained in good faith and in the regular course of business, by parties at subsequent levels, and (iii) to disclose, at each of the level(s), the name(s) and the interest(s) of the person(s) on whose behalf the party at the level is acting. No person or entity in the chain of parties will be permitted to claim that they are acting in a fiduciary capacity for others unless the possible existence of such a relationship is revealed at some previous level in the chain. If your Swept Deposits are beneficially owned through multiple levels of fiduciary relationship, you must take steps to comply with these special requirements.

Until your funds are actually received in investable form and processed by the Program Banks, your funds may be insured at Varo up to \$250,000 in total and not at the Program Banks. Your Swept Deposits are allocated among Program Banks to seek to maximize the potential FDIC deposit insurance coverage up to the Program limit. Varo may instruct Stable to limit the total deposit for you at any Program Bank to an amount less than the maximum permitted amount of \$250,000. In the aggregate, the maximum amount of Swept Deposits eligible for FDIC deposit

insurance coverage shall not exceed the SMDIA per legal category of account ownership multiplied by the number of participating Program Banks in the Program that you have not excluded from receiving your deposits, less any funds that you may hold on deposit in the Program Banks outside of the Program in the same legal category of account ownership but not in excess of the Program limit.

Varo and Stable will use all commercially reasonable efforts to ensure that no more than \$245,000 of your swept funds will be deposited in any single Program Bank. If you have any money on deposit in a Program Bank outside of the Program, that money will not be taken into account in determining whether to allocate your money in the Program to a particular Program Bank. Because Varo and Stable would not be aware of deposits made by you outside of this Program, you are solely responsible for monitoring the total amount of all deposits you have at each Program Bank for purposes of calculating your FDIC coverage and evaluating your participation in the Program based on your deposits outside of Varo. You may obtain a current list of Program Banks by visiting <https://faq.varomoney.com/hc/en-us/sections/360010069031-Deposits>. For more information, please call us at 1-877-377-8276 or email us at [support@varomoney.com](mailto:support@varomoney.com).

If for any reason the amount deposited in any Program Bank account exceeds the applicable SMDIA, the excess funds would not be insured by the FDIC. Neither Varo nor Stable, shall have any liability for any insured or uninsured portion of your deposits in any of the Program Banks. In the event that FDIC deposit insurance payments become necessary, payments of principal plus unpaid and accrued interest up to the SMDIA per legal category of account ownership multiplied by the number of Program Banks shall be made to you. However, there is no specific time period during which the FDIC must make insurance payments available. Furthermore, you may be required to provide certain documentation to the FDIC before insurance payments are made.

For questions about FDIC insurance coverage, you may call the FDIC at 877-275-3342 or visit the FDIC's web site at [www.fdic.gov](http://www.fdic.gov).

#### E. Program Banks

Each Program Bank is a separate FDIC-insured depository institution. You can obtain publicly available financial information for all Program Banks at the FDIC's website at [www.fdic.gov](http://www.fdic.gov); or by contacting the FDIC Division of Depositor and Consumer Protection by letter at 550 17th Street, N.W., Washington, D.C. 20429-9990 or by phone at 877-275-3342. Neither Varo nor Stable guarantee the financial condition of any Program Bank, or the accuracy of any publicly available information concerning a Program Bank. You expressly consent to Varo, Stable and their service providers providing your customer account information to Program Banks for purposes of your involvement in the Program, as required by applicable law or FDIC regulations.

The Program Bank accounts established by Varo as your agent constitute direct obligations of the Program Bank(s) and are not directly or indirectly an obligation of Varo or Stable. In the



event a Program Bank rejects additional deposits, withdraws entirely, or is terminated from participation, then you hereby authorize and direct Varo, as your agent, to move, or direct Stable to move, your Swept Deposits to another FDIC-insured Program Bank.

Under federal regulations, Program Banks may reserve the right to require seven (7) days' notice before permitting a transfer of funds out of a money market deposit account. While the Program Banks have not indicated their intention to implement such a policy, a Program Bank may, at any time, choose to do so.

## F. Interest, Compensation, and Fees

### Interest

Your Varo Bank Account does not accrue interest.

### Compensation and Fees

Each Program Bank may profit from the difference between the interest it pays on Deposit Accounts and the income it earns on loans, investments, and other business operations. Each Program Bank may pay Varo and/or Stable fees for its services related to your Swept Deposits equal to a percentage of the average daily deposit balance in the Deposit Accounts at the Program Bank. The fees paid to Varo and/or Stable by each Program Bank may vary.

## G. Account Statements

All your activity on your Varo Bank Account will appear on your periodic account statement, including the total of your opening and closing balances. You will not receive a separate statement from the Program Banks and your period account statement will not indicate any sweep activity that occurred during the period.

## H. Risks of the Program

You may receive a lower rate of return on money deposited through the Program than on other types of investments, including money market mutual funds. While this will not impact your access to your Varo Bank Account, subject to FDIC insurance, Program Banks are permitted to impose a seven (7) day delay on any withdrawal request. In the unlikely event of a failure of a Program Bank, there may be a time period during which you may not be able to access your money. If you have money at a Program Bank outside the Program, this may reduce the availability of FDIC insurance for the total amount of your funds held within and outside the Program.

## I. Other Terms

**Closing of Account:** If you or Varo, for any reason, close your Account at Varo, your participation in the Program also will be terminated and your funds will be distributed out

through your Varo Bank Account according to the terms and conditions of your Varo Bank Account Agreement.

**Ordinary Care:** Any failure by Varo or any Program Bank to act or any delay by such party beyond time limits prescribed by law or permitted by this Agreement is excused if caused by your negligence, interruption of communication facilities, suspension of payments by another financial institution, war, act of terrorism, emergency conditions or other circumstances beyond the control of such party. You agree that any act or omission made by Varo or any Program Bank in reliance upon or in accordance with any provision of the Uniform Commercial Code as adopted in Utah, or any rule or regulation of the State of Utah, or a federal agency having jurisdiction over such party shall constitute ordinary care.

**Personal Information:** You agree that Varo and the Program Banks and their respective service providers, including Stable, may share information concerning you and your accounts in connection with your participation in the Program and this Agreement with any affiliate of such entity or otherwise in accordance with applicable laws and regulations including Varo's Privacy Policy. You agree that Varo, the Program Banks and their respective service providers, including Stable, may obtain such information as may be necessary for legitimate business needs in connection with the operation of the Program. For information regarding the collection, processing and use of your personal information and your rights to limit the use and disclosure of such information, you should refer to the Varo's Privacy Policy.

**Days of Operation:** The Program will only initiate sweeps on days when both Varo and the Federal Reserve Banks are open for business.

**Tax Withholding:** Varo may be required to withhold U.S. federal income tax at the prevailing rate on all taxable distributions payable to certain depositors who fail to provide their correct taxpayer identification number or to make required certifications or who have been notified by the Internal Revenue Service that they are subject to backup withholding. Interest earned on accounts held by entities (individuals or corporations) that are neither citizens nor residents of the United States, except for Canadian residents, is not subject to withholding tax.

**Limitation of Liability.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT SHALL VARO OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES OF ANY NATURE, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, GOODWILL OR BUSINESS INTERRUPTION.

**Tax Identification Information.** You acknowledge that the Program uses your tax identification information in order to allocate your Swept Deposits across Program Banks under the Program. If you do not provide, or if you do not have, a tax identification number, your funds may not be allocated across Program Banks to provide you with expanded FDIC insurance under the provisions of this Agreement.

**Aggregation of Funds in Multiple Accounts.** If you have more than one account in the Program with the same tax identification information, the funds in all such accounts are aggregated for the purpose of calculating the FDIC insurance available under the Program. Depending on the individual facts and the ownership rights and capacities in which funds are held, additional FDIC insurance may be available. Refer to Section VI.2.D above for further information about FDIC insurance.

**Legal Process:** Varo and the Program Banks may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process, which such party reasonably and in good faith believes to be valid. Varo may notify you of such process by telephone, electronically or in writing. If Varo is not fully reimbursed for its record research, photocopying and handling costs by the party that served the process, Varo may charge such costs to your Account, in addition to its minimum legal process fee. You agree to indemnify, defend and hold Varo, Stable, and the Program Banks harmless from all actions, claims, liabilities, losses, costs, attorney's fees, and damages associated with their compliance with any process that such party believes reasonably and in good faith to be valid. You further agree that Varo, Stable and the Program Banks may honor legal process that is served personally, by mail, or by facsimile transmission at any of their respective offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your Swept Deposit records are maintained.