

VARO BANK, N.A.  
SAVINGS ACCOUNT AGREEMENT AND DISCLOSURES  
EFFECTIVE JANUARY 12, 2021  
PLEASE READ THIS DOCUMENT CAREFULLY AND KEEP A COPY OF IT IN A SAFE  
PLACE

## **SAVINGS ACCOUNT AGREEMENT AND DISCLOSURES**

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### **A. THE AGREEMENT**

This document contains the Savings Account Agreement (the “Savings Agreement” or the “Agreement”) for the interest-bearing savings account (“Varo Savings Account” or “Account”) made available to eligible consumers by Varo Bank, N.A., member of the Federal Deposit Insurance Corporation (“FDIC”) (“Varo”, the “Bank”, or “Issuer”). “We,” “our,” and “us” refer to the Bank, our successors, affiliates, or assignees. “You” and “your” refer to the owner of the Savings Account.

You may open a Varo Savings Account during the application process, or later through the Varo Mobile Application (the “Mobile App”) or the Varo Web Application (the “Web App”). The Varo Savings Account is not designed for business use, and we may close the Varo Savings Account if we determine it is being used for business purposes. We may refuse to process any transaction(s) we believe may violate any of the terms of the Savings Agreement.

#### **1. Business Days**

Our business days are Monday through Friday, excluding federal holidays, even if we are open. Any references to “days” found in the Savings Agreement are calendar days (Monday through Sundays) unless indicated otherwise.

## **B. SAVINGS ACCOUNT BASICS**

### **1. Who is eligible for a Varo Savings Account**

The Varo Savings 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 Taxpayer Identification Number (ITIN). You must not be subject to backup withholding.

You must agree to accept electronic, rather than paper statements. 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 (like end-of-year tax forms and electronic statements).

To open a Varo Savings Account, your Varo Bank Account must be open and active.

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

### **2. Savings Account Titling and Ownership**

The Varo Savings 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 Savings 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."

### **3. Death or Incapacitation**

Your appointed party, designee, or appointed individual agrees to notify us promptly if you die or become legally incapacitated. We will continue to accept deposits and process transactions into and from the Varo Savings 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 Savings Account.

### **4. Our Relationship With You**

This Savings Agreement and the deposit relationship do not create a fiduciary relationship.

### **5. Privacy Policy**

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

Program.

## **C. GENERAL RULES GOVERNING SAVINGS ACCOUNTS**

The Varo Savings Account and your obligations under this Savings Agreement may not be assigned. We may transfer our rights under this Savings Agreement. Use of the Varo Savings 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 Savings Agreement is 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 the Savings Agreement shall not be affected. The Savings Agreement will be governed by the law of the State of Utah except to the extent governed by federal law.

### **1. Deposits to the Savings Account**

You can make deposits to your Varo Bank account by any of the methods below:

- a. Deposits to the Varo Savings Account may be made by initiating one-time transfers from your Varo Bank Account by using the Mobile App or Web App (such transfers are referred to as "Online Transfers"), by ACH credits initiated from the Varo Mobile or Web app, or by direct deposits or ACH credits initiated from an outside financial institution.
- b. By choosing to activate the optional Automatic Savings feature you will be authorizing Varo to round up qualifying transactions you make using the Varo Bank Account to the nearest whole U.S. dollar and then initiating deposits of those amounts to your Varo Savings Account on your behalf. As described in the Automatic Savings Agreement, these deposits, referred to as "Save Your Change Transfers," will range between \$0.01 and \$0.99 each and will be deducted from your Varo Bank Account balance. The Automatic Savings feature is described in detail below in Section E.

If your Varo Savings Account is cancelled, closed, or terminated for any reason, any direct deposits or ACH credits received after the Varo Savings Account closure date will be rejected and returned to the originator.

See Section D.2: "Transaction Limitations" for additional information about deposits.

### **2. Withdrawals from your Savings Account**

Withdrawals from the Varo Savings Account may be made by transferring funds to your Varo Bank Account using the Mobile App or Web App (such transfers are referred to as "Online Transfers"), by initiating an ACH transfer out from the Varo Mobile or Web app, by initiating an ACH debit from the outside financial institution, or via an ATM withdrawal.

### 3. Our Right to Set Off and Security Interest

If your Varo Savings 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 Savings Account.

Varo has 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.

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

If Varo Bank detects activity which is believed to be suspicious, unauthorized or unlawful, Varo Bank can restrict access to your Savings account, and any other 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.

### 5. Legal Processes Affecting Savings Accounts

If legal action such as a garnishment, levy or other state or federal legal process ("Legal Process") is brought against the Varo Savings Account, we may refuse to permit (or may limit) transfers from the Varo Savings 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 your Varo Savings 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 leaves insufficient funds for a transfer 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 affecting your Varo Savings 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.

### 6. Account Inactivity

A Varo Savings Account with a zero balance or no customer-initiated activity for nine continuous (9) months is considered inactive and is subject to closure at the Bank's discretion.

Customer-initiated activity includes any one-time transfers you make to or from the Varo Savings Account using the Varo Mobile App or Web App ("Online Transfers"), Automated Clearing House ("ACH") transfers initiated from an outside financial institution, logging into the Mobile App or Web App, or service calls. For additional details about closing the Varo Savings Account, see Section D.7, titled "Amendment and Cancellation."

## 7. Statements

Electronic statements are available to view and download in the Mobile App or Web App. Varo Savings Account statements are considered correct. Carefully review your statement each statement cycle 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 your Varo Savings Account transactions by calling 1-877-377-8276. You will not automatically receive paper statements.

## 8. Backup Withholding

Federal law requires us to have a correct Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) for every account, and the Internal Revenue Service (IRS) requires you to certify to us whether you are subject to backup withholding. If you are subject to backup withholding, you do not furnish us with the correct SSN or ITIN, you do not properly certify that you are not subject to backup withholding, or if the IRS notifies us that we do not have a correct SSN or ITIN for your account, we may refuse to open, or close the account. Amounts withheld are reported to the IRS as federal income tax withheld, and will be reflected on your year-end 1099-INT Interest Income Statement.

## D. TRUTH IN SAVINGS DISCLOSURES

### 1. Opening Deposit and Balance Requirements

There is no minimum deposit requirement to open a Varo Savings Account. While there are no minimum or maximum balance requirements to open the account, a Varo Savings Account with a zero balance for nine (9) continuous months will be subject to closure. See Section D.7, titled "Amendment and Cancellation" for additional details.

### 2. Transaction Limitations

You can make deposits to the Varo Savings Account by any of the methods below. These are the itemized deposit limits, which may be modified from time to time:

<b>Transaction Type</b>	<b>Frequency and/or Dollar Limits</b>
Automatic Savings transfers from Varo Bank Account to the Varo Savings Account	No limit to the number of times per calendar day.
Online Transfer from Varo Bank Account to the Varo Savings 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 Bank Account.

Direct deposit by ACH transfer initiated from an outside financial institution*	No limit to the number of times per calendar day and no maximum dollar limit.
Mobile check deposit	Eligible customers (as determined by the Bank in its sole discretion) can make deposits to the Varo Savings 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.  Please see Varo Bank Account agreement, Section III 'MOBILE CHECK DEPOSIT' for full information on this feature.
*Direct deposits from an outside financial institution: The recipient's name on any such deposits must match the name of the Varo account holder. Any such deposits received in a name other than the name registered to the Varo Savings Account will be returned to the originator.	

Withdrawals from the Varo Savings Account may be made by making an Online Transfer from the Varo Savings Account to your Varo Bank Account. Withdrawals can also be made to an outside financial institution, by initiating a transfer from the Varo Mobile or Web app, or by initiating an ACH pull from the outside financial institution.

You may also withdraw cash from your Varo Savings Account at an ATM:

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*
* 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.	

### 3. Rate Information

The Varo Savings Account is a tiered variable rate account: the rate tier that applies to the account each day is based upon the available daily balance of your Varo Savings Account and your Varo Bank Account AND whether you meet Additional Conditions described below. Your

available daily balance is calculated at close of business.

The current Interest Rate and Annual Percentage Yield (“APY”), the available daily balance requirement, and any additional conditions appear below.

The current Interest Rates and APYs may change at our discretion. Interest begins to accrue no later than the business day the deposit is applied to the Varo Savings Account (on non-business days, interest will begin to accrue on the next business day). See Section D.5 “Balance Information” for more details. Interest will be compounded daily and credited monthly.

**Qualifying Period.** The Qualifying Period begins on the first calendar day of the month and ends at close of business on the last business day of the month.

### RATE TIERS & CONDITIONS

	<b>Varo Savings Account Standard Interest Rate and APY*</b>	<b>Varo Savings Account Premium Interest Rate and APY**</b>
Interest Rate	0.40%	2.76%
Annual Percentage Yield	0.40%	2.80%

\*When the Varo Savings Account is opened, the standard interest rate / APY tier applies.

**\*\*IN ORDER TO QUALIFY FOR THE PREMIUM RATE TIER**, you must meet all of these requirements:

- a) Your available daily balance at close of business must be greater than or equal to \$0.00 in your Varo Bank Account and your Varo Savings Account on every calendar day during the month. If your balance drops to below \$0.00 and you bring your balance to greater than or equal to \$0.00 on the next day, as long as it is before the end of the Qualifying Period, you will re-qualify for the Premium tier.
- b) Your available daily balance in your Varo Savings Account at close of business must not exceed \$10,000.00 on any calendar day during the month, and you must meet both Additional Conditions during the Qualifying Period, specified below.

#### 4. Additional Conditions

- 1) **Condition 1:** the Varo Bank Account or Varo Savings Account must receive at least \$1,000.00 in Qualifying Direct Deposits in a Qualifying Period, AND
- 2) **Condition 2:** at least five (5) Qualifying Debit Card Purchases must be made with the Varo Visa Debit Card in a Qualifying Period.

**Qualifying Direct Deposit.** Only the following are qualifying direct deposits for the purposes of meeting Condition 4a. Above:

- A direct deposit made by Automated Clearing House (ACH) transfer consisting of payroll, pension, or government benefit payments from an employer or a government agency. The recipient's name associated with such deposits must match the name of the Varo Bank Account or Savings Account holder.
- Payroll transfers made to the Varo Visa Debit Card via Visa Direct, from Uber, Lyft, DailyPay, Doordash, and Postmates are also considered Qualifying Direct Deposits.

**Qualifying Direct Deposits do not include, without limitation, the following:**

1. The following types of ACH transfers:
  - a. Transfers from an account held in your name at another bank, brokerage firm, or other financial institution whether from the Varo Bank Account holder or a third party; or
  - b. Transfers from digital wallets or Peer to Peer (P2P) services, including, but not limited to, PayPal, Venmo, Square, and ApplePay Cash;
2. Non-Payroll transfers made to the Varo Visa® Debit Card via Visa Direct from digital wallets or P2P services, including, but not limited to, PayPal, Venmo, Cash App, Zelle, Google Pay, Facebook, or other similar transfers;
3. Cash deposits made via Third Party Money Transfer Services, including, but not limited to, the Green Dot® Network.
4. Mobile Deposit of checks via the Varo Mobile App.
5. Varo to Varo Transfers received in the Varo Bank Account.

**Qualifying Debit Card Purchase.** A Qualifying Debit Card Purchase is an authorization to purchase goods or services made through use of the Varo Visa® Debit Card.

**Qualifying Debit Card Purchases do not include, without limitation, the following:**

1. Transactions at ATMs, including but not limited to cash withdrawals and balance inquiries;
2. Over the Counter ("OTC") cash withdrawals;
3. Transfers from the Varo Visa® Debit Card via external Peer to Peer (P2P) transfer services, including, but not limited to, PayPal, Venmo, Cash App, Zelle, and ApplePay Cash or similar services
4. ACH Debits from merchants, utility service providers and other financial institutions;
5. ACH Transfers from your Varo Bank Account to another bank account you own made using the Mobile App;
6. Payments made using the bill payment ("Mail a check") feature in the Mobile App; or
7. Transfers or withdrawals from the Varo Savings Account.
8. Varo to Varo Transfers sent from the Varo Bank Account.

Varo reserves the right, in its sole discretion, to determine what transactions are considered **Qualifying Direct Deposits** or **Qualifying Debit Card Purchases** in addition to the



transactions described above.

## **How it works**

### **Going from standard to Premium interest rate / APY tier:**

If you are earning the standard interest rate / APY and the available daily balance of your Varo Savings Account is between \$0.00 and \$10,000.00 at close of business and you have met the Additional Conditions during the current Qualifying Period, your interest will be recalculated and accrued at the Premium rate for the entire calendar month.

### **Going from Premium to standard interest rate / APY tier:**

If you are earning the Premium interest rate / APY and the available daily balance at close of business of your Varo Savings Account exceeds \$10,000.00 during the calendar month, or the available daily balance at close of business of your Varo Bank Account is less than \$0.00, you will earn interest at the standard rate for the Savings balance during the entire calendar month, regardless of whether you continue to meet the Additional Conditions.

### **Maintaining the Premium interest rate / APY tier:**

If you meet the Additional Conditions during a Qualifying Period, you are deemed to have met the Additional Conditions for the entire calendar month in which you initially met the Additional Conditions. However, the available daily balance of the Varo Savings Account at close of business each day must be between \$0.00 and \$10,000.00, and the available daily balance of your Varo Bank Account must be above \$0.00s in order to earn, or maintain, the Premium interest rate / APY.

## **Examples of how it works**

If you meet the Additional Conditions on June 5, and the balance of your Varo Savings Account is between \$0.00 and \$10,000.00 at close of business, and the balance of your Varo Bank Account is greater than \$0.00 at close of business, you will earn the Premium rate for the entire month of June. If the available daily balance of your Varo Savings Account exceeds \$10,000.00 on June 19, you will earn the standard rate on the entire calendar month of June, regardless of whether you continue to meet the Additional Conditions.

## **5. Balance Information**

We use the daily balance method to calculate the interest on your Varo Savings Account. This method applies a daily periodic rate to the principal and to the interest that has been accrued to the account each day.

The daily periodic rate is calculated by dividing the interest rate by three hundred sixty-five (365) days, or three hundred sixty-six (366) in leap years. There are no minimum balance

requirements to open a Varo Savings Account and there are no fees for the Varo Savings Account. Your daily balance is determined at close of business.

If you perform an Online Transfer into your Varo Savings Account from your Varo Bank Account on a non-business day, or apply funds to your Varo Savings Account using any other instant method of deposit, your deposit will not be recognized for interest calculation purposes until the next business day.

Similarly, if you perform an Online Transfer out of your Varo Savings Account to your Varo Bank Account on a non-business day, or withdraw funds from your Varo Savings account using any other instant method, your withdrawal will not impact your interest earnings until the next business day.

In some months, the end of the month falls on a non-business day. In this situation, any Online Transfers made after the final business day of the month will not be recognized for interest until the first business day of the following month, and will be reflected in the following month's interest payment.

## 6. Funds Availability

All online transfers are completed electronically. You will have immediate availability to your funds once they are transferred from the Varo Savings Account to your Varo Bank Account. Please see Section D.5, titled "Balance Information" for more information on how online transfers impact your interest calculation

## 7. Amendment and Cancellation

We may amend or change the terms and conditions of this Savings Agreement at any time by posting the amended Savings Agreement on: <https://www.varomoney.com/policies/>, and any such amendment shall be effective upon such posting to that website. The current 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 your Varo Savings Account or the Savings Agreement at any time and for any reason, at our sole discretion. You may cancel the Savings 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 your Varo Savings Account. You may withdraw consent to receive communications in electronic form by contacting us at 1-877-377-8276. If you withdraw consent, the Savings Account will be closed in accordance with the terms of this Savings Account Agreement. Your termination of the Savings Agreement will not affect any of our rights or your obligations arising under the Savings Agreement prior to termination.

If your Varo Savings Account is cancelled, closed or terminated for any reason, any remaining balance will be transferred to your Varo Bank Account.

Note: If your Varo Savings Account is cancelled, closed, or terminated for any reason, any direct deposits or ACH transfers received after the Varo Savings Account closure date will be rejected and returned to the originator.

Important: If your Varo Bank Account is closed for any reason, the Varo Savings Account will also be closed. Upon closure, any remaining funds in the Varo Savings Account, including any interest payments due to you, will be aggregated with the remaining funds in your Varo Bank Account. The aggregated funds will then be made available for refund in accordance with the terms of the Varo Bank Account Agreement Section D.7, titled "Amendment and Cancellation" where we describe the process of closing the Varo Bank Account and refunding the account balance.

## 8. Our Liability for Failure to Complete Transactions

If we do not properly complete a transaction between your Varo Savings Account and your Varo Bank Account on time or in the correct amount according to this Savings 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 your Varo Savings Account to complete the transfer;
- b) If access to your Varo Savings Account or Varo Bank Account has been blocked after you reported your Card, Varo Bank Account number, or Varo Savings Account number lost or stolen;
- c) If there is a hold or your funds are subject to legal or administrative process or other encumbrance restricting their use;
- d) If we have reason to believe the requested transaction is unauthorized;
- e) 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
- f) Any other exception stated in this Savings Agreement with you.

## 9. Confidentiality

We may disclose information to third parties about your Varo Savings Account or the transactions you make:

- a) Where it is necessary for completing transactions;
- b) In order to verify the existence and condition of your Varo Savings Account for a third party;
- 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 Savings Agreement.

## 10. Information About Your Right to Dispute Errors

If you believe your Varo Savings Account number has been lost, stolen, or compromised in any way, or someone has transferred or may transfer money from your Varo Savings Account without your permission, contact us immediately by calling 1-877-377-8276, or emailing [support@varomoney.com](mailto:support@varomoney.com). While the nature and frequency of transactions into and out of your Varo Savings Account are described in this Agreement, please see Section II, "ELECTRONIC FUNDS TRANSFER DISCLOSURE AND SPECIAL TERMS AND CONDITIONS" of the Varo Bank Account Agreement where your liability for unauthorized transfers from the Varo Bank Account is explained.

## 11. 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 can be found at [www.frbservices.org](http://www.frbservices.org).

## 12. Telephone 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.

## 13. Arbitration

Any claim, dispute, or controversy ("Claim") arising out of or relating in any way to: i) this Savings Agreement; ii) the Savings Account; iii) your establishment of the Savings Account; iv) your use of the Savings Account; v) the amount of available funds in the Savings Account; vi) advertisements, promotions or oral or written statements related to the Savings Account; vii) the benefits and services related to the Savings Account; or viii) transactions made using the Savings 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 the association 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 the Savings 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 Savings Agreement; ii) the bankruptcy of any party; iii) any transfer, sale or assignment of your Savings Account, or any amounts owed on your Savings Account, to any other person or entity; or iv) closing of the Savings 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 THE TERMS OF THIS SAVINGS AGREEMENT, CALL 1-877-377-8276 TO CLOSE THE VARO SAVINGS ACCOUNT AND REQUEST A REFUND, IF APPLICABLE.

## **E. AUTOMATIC SAVINGS AGREEMENT**

### **1. Eligibility**

You must have an open and active Varo Bank Account and Varo Savings Account to be eligible to enroll in one or both of the automatic savings features described in paragraph 3 below (“How it Works”). We reserve the right to cancel or modify Automatic Savings, or terminate your eligibility, at any time with or without prior notice.

### **2. Opt-in**

You may activate or disable Automatic Savings at any time in the Varo Mobile App or by emailing Varo Customer Service at [support@varomoney.com](mailto:support@varomoney.com), or by calling 1-877-377-8276.

### **How it Works**

The following Automatic Savings features are offered:

- 1) **Save Your Change:**

Following the account holder's activation of the Save Your Change feature, each qualifying transaction (as defined below in paragraph 4.1) that debits the Varo Bank Account is rounded up to the nearest whole U.S. dollar. Foreign purchases are rounded up to the nearest whole dollar after the purchase is converted to U.S. dollars. The difference between the dollar value of the transaction and the rounding amount (between \$0.01 and \$0.99) will be deposited to the Varo Savings Account. The Mobile App Transaction History for the Varo Bank Account will refer to this generically as "Save Your Change" related to the originating transaction. The Bank Account statement will identify the transaction as "Transfer – To Varo Savings Account." The Savings Account Statement will identify the transaction as "Transfer – From Varo Bank Account."

2) **Save Your Pay:**

Activation of the Save Your Pay feature requires designation of a percentage of each qualifying transaction (as defined below in paragraph 4.2) to be transferred from the Varo Bank Account to the Varo Savings Account. When a qualifying transaction is initially credited to the Varo Bank Account, the designated percentage will be calculated based on the dollar amount credited to the Varo Bank Account. This amount will then be transferred from the Varo Bank Account balance to the Varo Savings Account balance. For example, if 10% is designated and the Varo Bank Account receives a qualifying transaction of \$1,000, \$100 will be transferred from the Varo Bank Account balance to the Varo Savings Account balance. If 15% is designated, \$150 will be transferred from the Varo Bank Account balance to the Varo Savings Account balance. The Mobile App Transaction History for the Varo Bank Account will refer to this generically as a "Save Your Pay" transaction related to the originating transaction. The Bank Account statement will identify the transaction as "Transfer – To Varo Savings Account.". The Savings Account Statement will identify the transaction as "Transfer – From Varo Bank Account."

#### 4. Qualifying Transactions for Automatic Savings

- 1) Qualifying transactions for the **Save Your Change** feature are:
  - a) Signature and PIN transactions made with the Varo Visa® Debit Card;
  - b) Direct debits ("ACH Debits") you authorize to be made from your Varo Bank Account by merchants, utility service providers, and other financial institutions;
  - c) ACH transfers you authorize to be made from your Varo Bank Account to another bank account you own using the Mobile App; and
  - d) Bill payments ("Bill Pay") you authorize to be made to third-parties from your Varo Bank Account using the Mobile App.
- 2) Qualifying transactions for the Save Your Pay feature are limited to direct deposit of Automated Clearing House (ACH) transfers to your Varo Bank Account.

**IMPORTANT:** Instant transfers made by payors using your 16-digit Varo Visa Debit Card number are not qualifying transactions for Save Your Pay.

## 5. Automatic Savings Transfer Timing

The timing of each Automatic Savings deposit or transfer to the Varo Savings Account varies based on what type of qualifying transaction occurred:

- 1) Each qualifying transaction made with the Varo Visa Debit Card as described in paragraph 4.1.a will yield one (1) Save Your Change deposit to the Varo Savings Account when the authorized transaction settles, i.e., when the transaction is finalized. NOTE: A transaction typically settles within one (1) to three (3) business days of the transaction date; settlement timing depends on the merchant's actions.
- 2) Each qualifying transaction described in paragraphs 4.1. b – d will yield one (1) Save Your Change deposit to the Varo Savings Account which in most cases will occur immediately after the Varo Bank Account has been debited for the transaction.
- 3) Each qualifying direct deposit made to the Varo Bank Account as described in paragraph 4.2 will yield one (1) Save Your Pay deposit to the Varo Savings Account which in most cases will occur immediately after the Varo Bank Account has been credited for the transaction.

## 6. Exceptions

- 1) If any transaction described in paragraph 4.1 of this Section E consists of a whole dollar amount, e.g., \$5.00, no Save Your Change Transfer will be made.
- 2) If, at the time of settlement of a transaction, the Varo Bank Account has insufficient available funds to cover the full amount of a Save Your Change deposit, the Save Your Change deposit will not be completed.
- 3) Retroactive Save Your Change deposits are not supported. This means that even if you later make a deposit or a credit posts to your Varo Bank Account, any previously incomplete Automatic Savings Transfers will not post to your Varo Savings Account.
- 4) If after settlement, a qualifying transaction is canceled or reversed for any reason (including disputes), the corresponding Save Your Change deposit will not be reversed from the Varo Savings Account.

## **F. DEPOSIT SWEEP PROGRAM**

Section F 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 F do not apply to your Varo Savings 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 Savings Account into bank

deposit accounts at FDIC-insured Program Banks (these accounts at Program Banks will be either money market deposit accounts or demand deposit accounts) at other banks insured by the FDIC. This will not impact your access to your funds you have deposited in your Varo Savings Account, subject to FDIC insurance.

For all Varo Savings 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 Savings 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 the 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 Deposits.

If you are enrolled in the Program, the Program may sweep all or part of your available cash balances to deposit accounts at insured banks that are participating in the Program (“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 Savings 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>, this list is subject to change and Varo may change the Program Banks at any time without notice to you. In the future, Varo may designate additional Program Banks.

You may withdraw cash held at Program Banks at any time. You receive interest on your balances held on deposit at the Program Banks. 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 Savings 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 Savings 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 Savings Account 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 swept deposit balances in your Varo Savings Account on each business day will be transferred to Program Bank accounts on the next business day. Your ownership of 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 Savings 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 Savings 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

Your Varo Savings Account funds are deposited into interest-bearing 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 deposits, plus interest earned thereon, (“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 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 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 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. 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 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 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 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 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 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, with a view to providing a cushion for interest earned on the Deposit to be covered by FDIC deposit insurance. In the aggregate, the maximum amount of 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 \$250,000 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 advising Varo if you have funds on deposit at a Program Bank that could affect your FDIC coverage. You may obtain a current list of Program Banks by visiting <https://faq.varomoney.com/hc/en-us>. 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 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

You will receive the interest rate as indicated in this Agreement. The interest rate paid to you in your Varo Savings Account as part of the Program is determined pursuant to agreements with the Program Banks and is subject to change at any time. The interest rate on the Deposit Accounts is determined by the amount that Program Banks are willing to pay on the Deposit Accounts less any fees that may be paid to Stable and Varo as set forth below under "Compensation and Fees." The interest rate may fluctuate daily.

Interest will be accrued daily and posted monthly to the Program Bank account. Interest will accrue on deposits from the day they are received in investable form by the Program Bank through the business day preceding the date of withdrawal from the Program Bank. The "daily balance method" is used to calculate interest. This method applies a daily periodic interest rate to the principal in the account for the period. The daily rate is  $1/365$  (or  $1/366$  in a leap year) of the applicable annual rate. The interest rate you earn on your Deposits may be higher or lower than the rates available to depositors making non-Program deposits with Program Banks directly, through other types of accounts at Varo, or with other depository institutions in comparable accounts. Any fees imposed under the Program could reduce earnings on your Deposits. You should compare the terms, rates of return, required minimum amounts, charges and other features of a Deposit with other accounts and investment alternatives.

## 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 Deposits equal to a percentage of the average daily deposit balance in the Deposit Accounts at the Program Bank. The amount of any fees a Program Bank pays could directly affect the interest rate paid by the Program Bank on your Account. The fees paid to Varo and/or Stable by each Program Bank may vary.

### G. Account Statements

All your activity on your Varo Savings Account, including interest earned for the period covered, will appear on your periodic account statement, including the total of your opening and closing Deposit 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. Your periodic Varo Savings Account statement will be delivered to you monthly. You should retain all Account statements.

### H. Tax Reporting

The interest that you receive from your Deposits is generally fully subject to federal, state and, where applicable, local tax. An I.R.S. Form 1099 will be sent to you by Varo for each year, showing the amount of interest income you have earned from your Deposits. You will not receive a Form 1099 if you are not a citizen or resident of the United States or Canada.

### I. 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 Savings 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.

### J. 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 Savings Account according to the terms and conditions of your Varo Savings 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 operate on all 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 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 F.3.E 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 Deposit records are maintained.