

VARO BANK, N.A.  
SAVINGS ACCOUNT AGREEMENT AND DISCLOSURES  
EFFECTIVE NOVEMBER 6, 2023

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 “Savings

Account”) made available to eligible consumers by Varo Bank, N.A., (“Varo”, the “Bank”, or “Issuer”), member of the Federal Deposit Insurance Corporation (“FDIC”). “We,” “our,” and “us” refer to the Bank, our successors, affiliates, or assignees. “You” and “your” refer to the owner of the Savings Account.

**THIS AGREEMENT CONTAINS A MANDATORY AND BINDING ARBITRATION PROVISION, SEE GENERAL TERMS AGREEMENT FOR MORE DETAILS.**

By providing an electronic signature or opening or holding an account with us, you agree to the most recent version of this Agreement, which is available to you at <https://www.varomoney.com/privacy-legal/> (as part of [www.varomoney.com](https://www.varomoney.com), the “Website”), or within the Varo Mobile Application (the “Mobile App”) or the Varo Web Application (the “Web App”), collectively (the “App”).

## 1. Definitions

**Close of Business for Eligibility.** For determining eligibility for the Elevated Interest Rate, Close of Business is 6:00 PM MST, except on the last business day of the month, when the Close of Business is 4:25 pm MST (3:25 MDT).

**Qualifying Period.** The Qualifying Period begins on the first calendar day of the month and ends at the monthly cut-off (4:25 PM MST/3:25 MDT) on the last business day of the month.

**Qualifying Direct Deposit:** A Qualifying Direct Deposit means either:

1. A direct deposit made at Varo Bank, N.A. at bank routing number 124303201, 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 Bank Account or Savings Account holder; OR
2. Payroll transfers made to the Debit Card via Visa Direct, from Uber, Lyft, DailyPay, Doordash, and Postmates.

For the avoidance of doubt, Qualifying Direct Deposits **do not include**, without limitation:

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 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 Bank Account.
6. Tax refunds from State and Federal Tax Boards, or from the IRS.
7. Government stimulus payments.

Varo reserves the right, in its sole discretion, to determine what transactions are considered Qualifying Direct Deposits in addition to the transactions discussed above.

## **B. SAVINGS ACCOUNT BASICS**

### **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.

### **2. Account Opening and Usage**

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

### **3. Eligibility**

In order to be eligible for the Varo Bank Savings Account, you must have a Varo Bank Account with an available balance equal to or greater than \$0.00 and your Varo Bank Account must not be suspended or closed. In order to use the Varo Bank Savings Account, 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). We may provide certain documents in paper form at our sole discretion. We may use information from third parties to help us determine if we should open the Varo Savings Account for you.

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

The 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 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."

In the event that your Savings Account comes under a Power of Attorney or conservatorship, we will work with your legal representatives to handle the disposition of your Savings Account.

## 5. General Terms Agreement

The terms of the VARO BANK GENERAL TERMS AGREEMENT & DISCLOSURES ("General Terms Agreement") are incorporated herein by reference as if set forth in full.

## 6. Amendment and Cancellation

We may amend or change the terms and conditions of this Savings Account Agreement at any time by posting the amended Savings Account Agreement on the Website. Such amendments or changes will be effective upon the effective date. If you maintain your Savings Account after the effective date of any change or amendment to the Agreement, you indicate your agreement to the change or amendment. 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 Savings Account or this Savings Account Agreement at any time and for any reason, at our sole discretion. You may cancel this Savings Account Agreement by contacting the Bank (please see Customer Service section of the General Terms Agreement for contact information) to request canceling your account. Specific information and instructions, including how to receive any remaining Savings Account balance, will be delivered to you prior to Varo closing your Savings Account. You may withdraw consent to receive communications in electronic form by contacting us. If you withdraw consent, the Savings Account will be closed and any balance in the Savings Account will be transferred to your Bank Account. Your termination of this Savings Account Agreement will not affect any of our rights or your obligations arising under this Savings Account Agreement prior to termination.

If your Savings Account has a negative balance (overdraft) for more than sixty (60) calendar days, it is subject to closure. Even if your Savings Account is suspended or closed, you are still responsible for repaying your balance and can contact us to repay your Savings Account (please see Customer Service section of the General Terms Agreement for contact information). If your Savings Account is canceled, closed or terminated for any reason, any remaining balance will be transferred to your Varo Bank Account.

Note: If your Savings Account is canceled, closed, or terminated for any reason, any direct deposits or automated clearing house ("ACH") transfers received after the Savings Account closure date will be rejected and returned to the originator.

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

## **C. TRUTH IN SAVINGS DISCLOSURES**

### 1. Fees

There are no fees charged on the Savings Account.

### 2. Opening Deposit and Balance Requirements

There is no minimum deposit requirement to open a Savings Account. However, a Savings Account with a zero dollar balance for nine (9) consecutive months is subject to closure at the Bank's discretion.

### 3. Rate Information

The Savings Account is a tiered variable rate account. The rate tier that applies to the Account is based upon Elevated Savings Conditions discussed below.

The current Interest Rates and Annual Percentage Yields ("APY") may change at our discretion at any time. Interest begins to accrue no later than the business day the deposit is applied to the Savings Account (on non-business days, interest will begin to accrue on the next business day). Information on our current rates is available at:

<https://www.varomoney.com/policy/varo-bank-rate-information/>. This rate information is incorporated into this Agreement by reference.

### 4. Balance Computation Information

We use the daily balance method to calculate the interest on your Savings Account. Interest is calculated using your available daily balance at the Close of Business each day.

Interest will be compounded daily and credited monthly. This method applies a daily periodic rate to the principal and to the interest that has been accrued to the account each day. Interest from your Account is calculated every day on a 365-day year/ 366-day for leap years. The daily periodic rate is calculated as a weighted balance of each tier by dividing the interest rate by three hundred sixty-five (365) days, or three hundred sixty-six (366) in leap years. We pay interest only in whole cents. At the end of each interest payment period, usually monthly, fractional interest equal to half of one cent or more will be rounded up and amounts less than half of one cent will be rounded down.

If you perform an Online Transfer or other instant method of transfer, your transfer may not be recognized for interest calculation purposes until the next business day.

## **D. ELEVATED SAVINGS PROGRAM**

The Elevated Savings Program is part of our tiered rate Savings Account which allows you to earn interest at our Elevated Savings Rate if you meet certain eligibility criteria during the Qualifying Period of the prior month, as described below. Eligibility is determined monthly at the

end of each Qualifying Period. When the Savings Account is opened, the Standard Rate tier is applied.

### 1. Qualifying for Elevated Interest Rate

In order to qualify for the Elevated Interest Rate for a particular month, you must meet all of the eligibility criteria below (collectively, the “Elevated Savings Conditions”) in the prior Qualifying Period:

- a) Your available daily balance must be greater than or equal to \$0.00 in your Bank Account and your Savings Account at the end of the Qualifying Period; and
- b) Your Bank Account and/or Savings Account must have received at least \$1,000.00 in Qualifying Direct Deposit(s)

### 2. How Elevated Savings Program Works

If you have met all of the Elevated Savings Conditions at the end of the current Qualifying Period, you will earn interest for the following month (i) on balances up to \$5,000 (\$0 - \$5,000.00) at the Elevated Interest Rate and (ii) on the portion of any balances above \$5,000.00 at the Standard Rate. The interest rate we pay is according to the tier in which your end-of-day balance falls. We reserve the right to change these balance tiers at any time.

## E. ACCESS TO FUNDS

### 1. Deposits

You can make deposits to your Savings Account by any of the methods below. Varo reserves the right to modify the limits contained herein as we deem necessary, including based on your account activity.

<b>Transaction Type</b>	<b>Frequency and/or Dollar Limits</b>
Transfer from the Bank Account using the App	No limit to the number of times per calendar day and no maximum dollar limit, as long as no more than the available balance in the Bank Account.
Use an Automatic Savings Feature	Please see Automatic Savings Program below.
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 Savings Account using the App	Limits may be adjusted from time to time and will be disclosed to you when you access the ACH Transfer feature using the App.
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2. Withdrawals from your Savings Account

Withdrawals from the Savings Account may be made by transferring funds to your Bank Account using the App, or by initiating an ACH Debit from an outside financial institution.

3. No Overdrafts

You cannot intentionally overdraw the Savings Account.

If the available balance in the Savings Account is insufficient to cover any payment or withdrawal you have authorized, we will refuse to process the payment or withdrawal. If the Savings Account balance becomes negative for any reason, you must make a deposit immediately to cover the negative balance.

4. Statements

Electronic statements are available to view and download in the App. 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 Savings Account transactions by contacting Support via the App. You will not automatically receive paper statements.

5. Information About Your Right to Dispute Errors

In case of errors or questions about your electronic transactions or if you think there is an error regarding your electronics transactions including that your statement or receipt is wrong or if you need more information about a transaction listed in the statement or receipt then:

- Call 1-877-377-8276, or
- Write to Varo, ATTN: DISPUTES, PO Box 108, Draper, UT 84020,

We must allow you to report an error until sixty (60) days after the electronic transaction FIRST appears on your statement. You may request a written history of your transactions at any time by contacting Support via the App or by writing to: PO Box 108, Draper, UT 84020. You will need to provide us:

- a. Your name, Bank Account number and/or 16-digit Card number;
- b. Why you believe there is an error, and the dollar amount involved; and
- 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 Savings 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 Savings Account.

For errors involving new Savings Account or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For a new Savings Account, we may take up to twenty (20) business days to credit the Savings 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, contact Support via the App.

## 6. Our Liability for Failure to Complete Transactions

If we do not properly complete a transaction between your Savings Account and your Bank Account on time or in the correct amount according to this 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 Savings Account to complete the transfer;
- b) If access to your Savings Account or Bank Account has been blocked after you reported your Card, Bank Account number, or 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.

## F. AUTOMATIC SAVINGS PROGRAM

### 1. Eligibility

You must have an open and active Bank Account and Savings Account to be eligible to enroll in one or both of the automatic savings features described below (collectively, "Automatic Savings"). 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 App or by contacting the Bank. By activating Automatic Savings, you accept the terms of this Section, as amended from time to time.

## 3. How Automatic Savings 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 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 Savings Account. The App Transaction History for the Bank Account will refer to this generically as "Save Your Change" related to the originating transaction.

### 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 Bank Account to the Savings Account. When a qualifying transaction is initially credited to the Bank Account, the designated percentage will be calculated based on the dollar amount credited to the Bank Account. This amount will then be transferred from the Bank Account balance to the Savings Account balance. For example, if 10% is designated and the Bank Account receives a qualifying transaction of \$1,000, \$100 will be transferred from the Bank Account balance to the Savings Account balance. If you have Move Your Pay turned on in connection with your Varo Believe Account, you cannot enter a Save Your Pay percentage that, including your Move Your Pay percentage, would exceed 100%.

## 4. Qualifying Transactions for Automatic Savings

### 1) Qualifying transactions for the **Save Your Change** feature are:

- a) Signature and PIN transactions made with the Debit Card;
- b) ACH Debits you authorize to be made from your Bank Account by merchants, utility service providers, and other financial institutions;
- c) ACH transfers you authorize to be made from your Bank Account to another bank account you own using the App; and
- d) Transactions involving Varo mailing paper checks on your behalf from the Bank Account.

Qualifying transactions for the Save Your Pay feature are any deposits made to your Bank Account that are made via Automated Clearing House (ACH) from an outside financial institution using a customer's Varo account and the routing number.

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

## 5. Automatic Savings Transfer Timing

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

- 1) Each qualifying transaction made with the Debit Card as described above will yield one (1) Save Your Change deposit to the 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 Savings Account which in most cases will occur immediately after the Bank Account has been debited for the transaction.
- 3) Each qualifying direct deposit made to the Bank Account as described in paragraph 4.2 will yield one (1) Save Your Pay deposit to the Savings Account which in most cases will occur immediately after the Bank Account has been credited for the transaction.

## 6. Exceptions

- 1) No Save Your Change Transfer will be made for a transaction of a whole dollar amount.
- 2) If, at the time of settlement of a transaction, the 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 Bank Account, any previously incomplete Automatic Savings Transfers will not post to your 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 Savings Account.