

NETWORK CARD ISSUER AGREEMENT

THIS AGREEMENT is made as of the 13th day of August, 1997 ("Effective Date"), between American Express Limited, a corporation incorporated under the laws of Delaware, having its principal office at 200 Vesey St., New York, N.Y. ("AMEX") and Banco Popular de Puerto Rico, a banking organization incorporated and organized under the laws of the Commonwealth of Puerto Rico and having its registered office at 209 Munoz Rivera Avenue, Hato Rey, San Juan, Puerto Rico ("BP").

In consideration of the mutual covenants and agreements contained herein and intending to be legally bound, the parties agree as follows:

ARTICLE 1: DEFINITIONS

Capitalized terms used in this Agreement that are not otherwise defined shall have the meanings set forth in Exhibit A.

ARTICLE 2: GRANT OF AUTHORITY; CONDITIONS; OUTSOURCING

2.01 Grant.

(i) Subject to the terms and conditions of this Agreement, AMEX hereby authorizes BP, and BP hereby accepts such authorization from AMEX, effective on the Effective Date and continuing throughout the Term as set out in Article 20, to engage in the Card Issuing Business and to issue in the Country the types of Network Cards listed in Appendix A to Exhibit B, which Network Cards shall be payable only in Local Currency and shall be in the designs and formats and according to the technical specifications set out in Appendix A to Exhibit B. BP acknowledges and agrees that the authorization provided under this Article 2.01 and its affiliation with AMEX as a Network Card Issuer hereunder are nontransferable and are non-exclusive, except as provided in Article 2.02 hereof.

(ii) Subject to the terms and conditions of this Agreement, and simultaneously with the execution of this Agreement, AMEX and BP will enter into the Trademark License Agreement attached hereto as Exhibit B, pursuant to which AMEX will grant to BP, and BP will accept from AMEX, a non-exclusive, non-transferable license and privilege to use the marks indicated in such Trademark License Agreement solely within the Country and solely in connection with the activities set forth in the Trademark License Agreement and this Agreement.

(iii) All rights, opportunities and approvals not expressly granted to BP under this Agreement or the Trademark License Agreement are reserved by AMEX.

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2.02 Exclusivity.

(i) For a period commencing on the Effective Date and ending on the sixth monthly anniversary date of the Launch Date or September 30, 1998, whichever is the first to occur, neither AMEX nor any Amex Entity shall undertake marketing efforts or conduct any direct mail campaigns for consumer revolving credit Cards in Puerto Rico, the U.S. Virgin Islands or the British Virgin Islands on a scale or in a manner materially different than have been conducted during the 12 months preceding the Effective Date.

(ii) For 18 months from the Launch Date or until September 30, 1999, whichever is the first to occur, BP shall be the only Issuer of consumer revolving credit Cards in Puerto Rico, the U.S. Virgin Islands and the British Virgin Islands other than AMEX and Amex Entities. Subject to the provisions of Article 2.02(i), it is understood and agreed that AMEX and Amex Entities are not restricted in any respect from conducting and expanding its or their Card Issuing Business inside and outside these geographic areas.

2.03 Conditions To The Authorization To Engage in the Card Issuing Business.

(i) The licenses and authorizations granted to BP under this Agreement and the Trademark License Agreement shall be exercised solely in the Country. BP shall not advertise, promote or market Network Cards or engage in the Card Issuing Business in any geographic area other than the Country. If BP markets Network Cards on the Internet, BP agrees that any such Internet marketing or advertising shall clearly state that applicants for Network Cards must be residents of the Country.

(ii) BP recognizes that upon creating a market for its products, services and brands in the Country, AMEX has achieved a valuable business reputation and goodwill. BP shall not conduct the Card Issuing Business in any manner that is deceptive or misleading or that reflects unfavorably upon the good name, goodwill, reputation or image of the American Express Brand, AMEX or any Amex Entity, or in any way that is contrary to applicable laws.

(iii) All Network Cards shall meet the technical and operational specifications established by AMEX from time to time, as set forth herein and in the AMEX Network Business Policies and Operational Procedures Manuals. BP's technical and operational capabilities must be certified by AMEX prior to BP's issuing Network Cards.

(iv) All services provided by BP, AMEX or Amex Entities in connection with the Card Issuing Business will meet the quality exemplified by the standards set forth herein and in the AMEX Network Business Policies and Operational Procedures Manuals and as otherwise communicated by AMEX from time to time.

2.04 Outsourcing. BP shall not outsource any of its obligations under this Agreement, including without limitation any processing functions associated with the Card Issuing Business, without the prior written consent of AMEX (which consent will not be unreasonably withheld). In the event that BP wishes to outsource any of its obligations under this Agreement, BP shall

submit a proposal for such outsourcing to AMEX, identifying the third party to whom work is to be outsourced and detailing the specific tasks to be outsourced. In the event BP uses any third party to perform any of its obligations hereunder, BP hereby guarantees the performance of such third parties to AMEX, and will ensure that such third party's performance and conduct are consistent with all the requirements of this Agreement. In particular, and without limitation, in the event BP does not do its own processing, BP acknowledges its obligation to use a processor certified by AMEX and hereby guarantees that such processor will perform in accordance with the terms and conditions of AMEX certification and with all the principles of applicable data protection law, and will implement security measures to prevent misuse or unauthorized access to AMEX Information (as defined in Article 19), Network Cardmember Data and Lists. BP shall contractually require all processors it utilizes in connection with the Card Issuing Business to comply with AMEX's requirements, as such requirements may be changed by AMEX from time to time. All fees and costs charged by such processor to obtain AMEX certification and perform its duties will be the sole responsibility and liability of BP.

2.05 Co-Branded Network Cards. In the event BP desires to issue a Co-Branded Network Card, BP shall obtain AMEX's prior written approval of the Co-Branded Partner(s) for such Co-Branded Network Card, which approval shall not be unreasonably withheld. BP shall comply with the Co-Branded Network Card requirements attached hereto as Exhibit L, as such Exhibit may be amended from time to time by AMEX.

ARTICLE 3: FEES AND ROYALTIES

3.01 Fees. In consideration for the rights granted to BP and services provided to BP under this Agreement, BP shall pay AMEX the fees and royalties listed in Exhibit C and the fees listed in Exhibit F.

Any value-added tax or other taxes (other than the withholding taxes discussed below) assessed on such payments shall be exclusively borne and paid by BP.

If any of the fees or royalties payable to AMEX under this Agreement is subject to withholding taxes in the Country, BP shall withhold and pay over the required amounts to the appropriate tax authorities in the Country within the time provided by law and shall furnish to AMEX within 30 days thereof or as soon as practicable thereafter the official receipts of the tax authorities for the taxes involved.

3.02 Payments. The payments pursuant to Article 3.01 above shall be paid in Local Currency in a manner designated in writing by AMEX from time to time.

ARTICLE 4: THE CARD ISSUING BUSINESS - TARGETS and BETA TEST

4.01 Measurement. BP and AMEX have mutually determined and agreed on the milestones set out in Exhibit D as measurements of BP's expected performance in conducting the Card Issuing Business in the Country for the first 10 years of this Agreement measured from the Launch Date.

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4.02 Failure to Meet Targets. In the event that BP does not attain the levels for Accounts in Force and Billings provided for in Exhibit D during any 12 month period measured from the Launch Date and its subsequent anniversaries, and such shortfall is more than 25% for either Accounts in Force or Billings, AMEX shall have the right to reduce the Issuer's Rates in accordance with Article 11.03. In the event that BP does not attain the levels for Accounts and Billings provided for in Exhibit D during any 12 month period measured from the Launch Date and its subsequent anniversaries, AMEX shall also have the right to raise the applicable fees and assessments in accordance with the then applicable schedule which forms part of Exhibit C.

4.03 Beta Test of Network Cards. AMEX and BP shall jointly conduct a Beta Test before BP begins any sales or marketing activity with respect to each type of Network Card BP proposes to issue hereunder, to determine, to the mutual satisfaction of AMEX and BP, that the proposed Network Cards comply with AMEX's requirements and can be accepted operationally by S/Es and that transactions incurred with such Network Cards can be properly authorized, submitted, processed, settled and billed to Network Cardholders. Once the requirements of the preceding sentence have been met, as mutually agreed by AMEX and BP, BP may begin sales and marketing of the tested Network Cards.

4.04 Launch Date. The parties shall work together in good faith to ensure that the Launch Date for BP's issuing Network Cards shall be not later than March 31, 1998.

ARTICLE 5: ANNUAL PLANS/ANNUAL AND MONTHLY REPORTS

5.01 Annual Plans. BP at its sole expense, shall have the sole responsibility for preparing an annual plan for its Card Issuing Business by September 1st of each year. AMEX shall be allowed to review such plan in advance of September 1st for purposes of assessing what effect the implementation of such plan will have on the AMEX Network (including without limitation, S/Es), and for ensuring that all advertising and marketing aspects of the plan are consistent with guidelines for protection of the American Express Brand. The plan, after review by AMEX, will be effective for the immediately succeeding calendar year.

5.02 Annual and Monthly Reports. At its expense BP shall prepare annual, quarterly and monthly reports containing the information and in the formats set out in the Manuals and shall submit such reports to AMEX in accordance with the time frames specified in the Manuals. In addition, BP shall also prepare annual and monthly reports, in the format specified by AMEX on each category listed in Exhibit E and shall submit such reports to auditors selected by BP and notified in writing to AMEX no later than 30 days after year-end for annual reports, and 15 days after month-end for monthly reports.

ARTICLE 6: NETWORK CARDHOLDERS-ACQUISITION, SERVICING, BILLING, CARD BENEFITS, CREDIT AND FRAUD RISK

6.01 Network Card Issuing - General. BP, at its own expense, will be responsible for acquiring, servicing, billing to, collecting from and retaining Network Cardholders and

Authorization of Network Card transactions in accordance with the terms of this Agreement and the customer servicing standards set out in the Manuals.

6.02 Positioning. Except as prohibited by applicable law, the Network Card will be positioned to Network Cardholders and prospective Network Cardholders in the Country as valid for both domestic and international use.

6.03 Core Benefits. BP will provide, at its expense, the core benefits as set forth on Exhibit F hereto, as such Exhibit may be amended by AMEX from time to time in its sole discretion.

6.04 Network Cardholder Contract Terms and Conditions. BP will use Network Cardholder contracts for all Network Cards it issues, which will contain, at a minimum, all provisions required by applicable law and regulations in the Country. The form of such Network Cardholder contracts will be subject to the prior written approval of AMEX (which approval will not be unreasonably withheld or delayed) in order to ensure consistency with the American Express Brand, and will contain provisions authorizing Network Cardholder Data to be shared with AMEX and Amex Entities for the purpose set forth in Article 8.03 hereof, which provisions may not be amended or revised except (i) as the parties agree is required by applicable laws and regulations in the Country, (ii) to reflect any changes in the provisions of Article 8.03 as agreed to by and between the parties hereto, or (iii) in any other manner with the prior written approval of AMEX.

6.05 Customer Service, Billing, and Receivables Management. BP shall be solely responsible for providing customer service to Network Cardholders (including, without limitation, handling Network Cardholder disputes and inquiries and all correspondence and other communications with Network Cardholders). BP shall also be solely responsible for billing and collecting from Network Cardholders and shall own and manage Network Cardholder receivables arising from use of Network Cards.

6.06 Card Pricing and Card Validity Period. BP shall have sole discretion and responsibility for setting the pricing of Network Cards to Network Cardholders. Network Cards will have a maximum validity of 3 years but in no event later than December 31, 1999 provided, however that (i) in the case of Cards issued on or before December 31, 1998, such validity shall expire no later than December 31, 1999 (unless otherwise notified by AMEX); and (ii) AMEX and BP shall implement appropriate procedures related to their respective systems to ensure that Cards issued or renewed on or after January 1, 1999 will expire on or after the year 2000.

6.07 New Network Card Benefits and Features. In order to give AMEX an opportunity to assess the effect of proposed new benefits and features on the Network and on the American Express Brand, BP shall not communicate any offer of new Network Card features or benefits to Network Cardholders without notifying AMEX and obtaining the prior written approval of AMEX. Such notification from BP to AMEX, which shall include the description of such new Network Card benefits or features and the timing of the offer, shall be deemed to be BP Information as defined in Article 19 hereof and shall be held by AMEX in confidence in accordance with the confidentiality provisions of Article 19. AMEX's approval of such new

Network Card benefits and features will not be unreasonably withheld or delayed so long as BP gives AMEX at least 60 days advance written notice of such planned communication of any such new benefits or features. Any adaptation costs which AMEX has to incur to accommodate such new features or benefits shall be borne by BP. BP acknowledges that nothing herein shall be deemed to prevent or restrict AMEX or any other Person from independently developing any similar new benefits or features for Cards, or to give BP any rights or claims thereto.

6.08 Duty to Report Lost/Stolen/Canceled Cards. BP shall promptly furnish AMEX with information on Network Cards that have been lost, stolen, not received or canceled or otherwise misappropriated, in accordance with the Manuals.

6.09 Credit and Fraud Risk Loss. BP alone shall bear all the credit and fraud risks arising from or associated with Network Cards, including, without limitation, the risk on Network Cards or Network Card numbers that were canceled or that were lost, stolen, not received or otherwise misappropriated as set out in Article 14.02. All Charges made by Network Cardholders or on Network Card number ranges issued to BP shall belong solely to BP, and BP shall bear the entire risk of loss for failure to collect payment for any such Charges.

ARTICLE 7: AUTOMATED TELLER MACHINES ("ATMs")

The parties will use reasonable efforts to, within 12 months of executing this Agreement, enable Network Cardholders to access automated teller machines which are owned, operated or accessible by AMEX and Amex Entities and to enable Network Cardholders and other Issuers' Cardholders to access the ATMs owned, operated or accessible by BP and BP Entities. Each party shall assume its own expenses for implementing connectivity to the other's ATMs and/or ATM Networks.

ARTICLE 8: USE OF NETWORK CARDHOLDER DATA AND LISTS

8.01 Network Cardholder Data and Lists - BP Use. BP will ensure that all uses of Network Cardholder Data and Lists, including, without limitation, mailings or other communications to the Network Cardholders, are in compliance with all applicable laws and regulations.

8.02 Network Cardholder Data and Lists - Third Party Use. If BP makes Network Cardholder Data or Lists available to third parties for such third parties' promotional or advertising purposes, then:

(i) BP shall ensure that the promotional or advertising activities for which access to Network Cardholder Data or Lists is given will in no way denigrate or degrade the American Express Brand;

(ii) access to Network Cardholder Data or Network Cardholder Lists will not be granted to third parties for the purpose of marketing or promoting credit cards, charge cards, travelers checks or travel products or other products or services which compete with AMEX or

Amex Entities' products or services (except for those which allow the Card as a payment method); and

(iii) there shall be no mention of AMEX or any Amex Entity, or use of any AMEX Licensed Marks or other related logo or indicia, in any materials sent to Network Cardholders by such third parties (except as is necessary to make the Card available as a payment method).

8.03 Network Cardholder Data - AMEX Use.

(i) BP acknowledges that AMEX, Amex Entities and other Acquirers provide S/Es with analyses, reports and marketing programs designed to enhance the value of Card acceptance by S/Es and promote the American Express Brand. To support these activities, BP shall, to the extent permitted by law and subject to the provisions of Article 19, make Network Cardholder Data and Lists available to AMEX and Amex Entities in a form mutually agreed by the parties, and AMEX, Amex Entities and other Acquirers shall be entitled to use such Network Cardholder Data and Lists only for the purposes set forth in the preceding sentence.

(ii) BP further acknowledges that AMEX, Amex Entities and other Acquirers receive and have the right to use information from Charges received or processed by them in their capacity as Acquirers.

(iii) Except as otherwise provided herein, AMEX and the Amex Entities shall not use or supply to a third party in any way any portion of the Network Cardholder Data and Lists (a) for direct mailings or other communications directed at the Network Cardholders without BP's prior written consent (except that direct mailings in support of marketing programs designed to enhance the value of Card acceptance by S/Es shall not require BP's prior written consent), or (b) for directly or indirectly soliciting applications for any Cards or other types of services or products from any Network Cardholder.

ARTICLE 9: ADVERTISING

9.01 Advertising for Launch. At least 2 months prior to the anticipated Launch Date, BP shall implement and fund the advertising and marketing plan set forth in Exhibit G, which shall cover the period commencing on a date that is at least 2 months prior to the Launch Date and concluding no earlier than 12 months after the Launch Date.

9.02 American Express Brand Advertising. BP acknowledges and agrees that only Amex Entities will have the right to do "brand advertising" (i.e., advertising in support of the American Express Brand in general rather than of specific products or services).

9.03 Review of All Advertising and Marketing Materials. The form and media of all advertising, marketing materials, letters and other communications to Network Cardholders relating to Network Cards shall comply with AMEX guidelines in accordance with Article 2.03, Exhibit B and the Manuals. AMEX shall have the right to prior review and approval of the initial advertising and marketing materials BP proposes to use for the launch of the Network Card in the

Country to ensure compliance with AMEX requirements. Thereafter, AMEX from time to time may review BP marketing and advertising relating to the Network Card for compliance with AMEX requirements. BP will promptly provide AMEX with samples of Network Card advertising and marketing materials at AMEX's request. If AMEX notifies BP of any failure to comply, in addition to any rights and remedies AMEX has under the Trademark License Agreement, BP shall correct any failure to comply within 10 days of being so notified by AMEX. Following AMEX's approval, BP shall not depart from the approved materials or institute any material changes in the quality or materials exemplified by the representative samples or utilize such materials in a manner not approved by AMEX without first obtaining another written approval of AMEX for such change. BP, not AMEX, shall be responsible for ensuring that BP advertising and marketing materials, letters and other communications to Network Cardholders comply with applicable legal requirements.

ARTICLE 10: SERVICE ESTABLISHMENTS

10.01 S/E Acquisition and Servicing. The acquisition and servicing of S/Es, both inside and outside the Country, and the routing of requests for Authorizations on Network Cards to BP will be the responsibility of AMEX, Amex Entities and other Acquirers. AMEX will continually exert efforts to expand the network of S/Es both inside and outside the Country in order to enhance the value of the American Express Brand, and will not impose any operational restrictions on S/Es' acceptance of Network Cards that would not in similar circumstances be placed on Cards issued by Amex Entities. BP agrees not to contact any S/Es concerning AMEX, Amex Entities or any American Express programs.

10.02 Network Cardholder Transactions at S/Es. BP shall ensure that Network Cards comply with AMEX technical specifications for Card acceptance. AMEX shall provide BP with the information necessary to render monthly statements to Network Cardholders, all as more fully set out in Exhibit H. AMEX shall not be responsible or liable if any S/E refuses or fails to accept a Network Card or for any problem BP or a Network Cardholder may have with such S/E.

10.03 Purchase From and Payment to S/Es for Charges. Amex Entities shall accept Charges made by Network Cardholders on Network Cards and submitted to Acquirers by S/Es (either inside or outside the Country), arrange for payment to submitting S/Es in accordance with the applicable S/E contract, and submit such Charges to BP in accordance with Articles 11 and 12, below.

ARTICLE 11: SETTLEMENT OF CHARGES, CREDITS AND CHARGEBACKS BETWEEN AMEX ENTITIES AND BP; ISSUER'S RATE

11.01 Presentment and Acceptance of Network Cardholders' Charges; Issuers Rate.

(i) All Charges of Network Cardholders, whether incurred inside or outside the Country, shall, after acceptance of the Charges by AMEX or its designee, be cleared and presented by AMEX to BP and accepted by BP without recourse to AMEX, Amex Entities or other Acquirers except as provided hereinafter, at a price equal to the face amount thereof less the

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applicable Issuer's Rate which is set out in Exhibit J. BP agrees that it will not refuse presentment and acceptance of any Network Cardholder Charge and that it will not withhold payment to AMEX of any Network Cardholder Charges presented for settlement.

(ii) BP and AMEX agree that the blended Issuer's Rate will result from the actual mix of Billings on BP Network Cards and the schedule set forth on Exhibit J hereto, subject to Issuer's Rates being adjusted pursuant to the terms of Articles 11.02 or 11.03 of this Article 11. At no time will the blended Issuer's Rate be lower than the average of the actual blended interchange received by BP, expressed as a percentage of purchase transactions (not including balance transfers, cash advances, annual fees, delinquency charges and interest), related to such interchange payments on general purpose bankcard credit cards issued by BP in the Country, during the 6 month period prior to any review of the Issuer's Rate pursuant to Articles 11.02 and 11.03 hereunder. The actual blended interchange paid to BP on such general purpose bankcard credit card transactions at the Effective Date of this Agreement is understood to result from a blend of electronic and paper rates for purchase transactions as described above on general purpose bankcard credit cards issued by BP. It is understood and agreed that although the bankcard associations may, at any time after the Effective Date of this Agreement, change their method(s) of calculating interchange payment to issuers in their respective Latin American/Caribbean regions, the calculation of the blended Issuer's Rate will continue to be made using the actual interchange dollars paid to BP by those associations expressed as a percentage of purchase transactions as described above, for reviews related to any changes to the Issuer's Rate provided for hereunder. BP shall provide its actual blended general purpose bankcard credit card interchange rates to AMEX when necessary for any reviews by AMEX related to adjustments in the Issuer's Rate, and AMEX shall be entitled to audit the actual general purpose bankcard credit card interchange rate paid to BP, using BP's designated outside auditors. If AMEX requests such audit, the audit shall be at AMEX's expense. If BP requests such audit, the audit shall be at BP's expense. BP acknowledges and agrees that as of the Effective Date of this Agreement, the Issuer's Rates set forth on Exhibit J are in compliance with the requirements of this Article 11.01(ii) when applied to BP's projected mix of business set forth on Exhibit I.

11.02 Issuer's Rate Subject to Change; Restrictions on Reduction of Issuer's Rates.

(i) It is understood and agreed that the Issuer's Rates set forth in Exhibit J are based, among other things, on Amex Entities' current Merchant Discount policy and on assumptions concerning the cost of handling Network Cardholder transactions, and may, after the first year following the Launch Date, be adjusted by AMEX at any time with 90 days advance notice to BP. However, AMEX can reduce Issuer's Rates only in accordance with the procedures set forth in this Article 11.02, subject to Article 11.03 and subject to the minimum blended Issuer's Rate requirement as set forth in Article 11.01(ii). Notwithstanding anything to the contrary contained herein and in Article 11.01(ii), AMEX will not make any adjustments to the Issuer's Rates until after the first year following the Launch Date. If the Issuer's Rates are adjusted under the terms of Article 11.02(ii), then no Issuer's Rate adjustments can be made under Article 11.03 and vice versa; the adjustments under Article 11.02(ii) and Article 11.03 are mutually exclusive.

(ii) On a quarterly basis, AMEX has the right to reduce Issuer's Rates applicable to particular industry categories in increments of 5 basis points (.05%) if AMEX determines that the average Merchant Discount weighted by Charge volume that Amex Entities received for that industry category in the Country in the period measured from the Effective Date of this Agreement or the date of the previous applicable Issuer's Rate reduction, whichever is later, to the date AMEX makes such determination, has decreased by at least twice (e.g., 10 basis points (.10%)) the amount of the proposed Issuer's Rate reduction. For changes to the Foreign Spend Issuer's Rate set forth on Exhibit J, AMEX will use the average U.S. Merchant Discount weighted by AMEX and Amex Entities' total U.S. Charge volume across all industries for purposes of this Article.

11.03 Conditions for Restrictions on Issuer's Rate Reduction; Annual Review.

(i) The limitations on AMEX's ability to reduce the Issuer's Rates set forth in Article 11.02 are expressly conditioned on AMEX's determination based on (a) its own records and on the reports provided by BP, that BP has achieved 75% or more of its annual Billings and Accounts in Force targets set forth on Exhibit D hereto and (b) based on the reports submitted by BP to its auditors under Article 5.02 and certified to AMEX under Article 11.03 (ii), below, that BP's Network Card Accounts have average annual spending (excluding balance transfers, interest, annual fees, delinquency charges, and cash advances) and average purchase transaction size (excluding balance transfers, interest, delinquency charges and cash advances) that is at least 20% higher than the average annual spending and average purchase transaction size for credit card account holders in BP's general purpose bankcard credit card portfolios issued in the Country (excluding balance transfers, interest, annual fees, delinquency charges and cash advances) for the same time period (collectively the "Minimum Requirements").

(ii) Amex shall determine on an annual basis whether BP has met the Minimum Requirements. For purposes of making the determination under Article 11.03(i)(b), above, AMEX shall, within 30 days of year end, submit to the auditors selected by BP pursuant to Article 5.02, a report setting out the average annual spending and average purchase transaction size (in both cases, excluding balance transfers, interest, annual fees, delinquency charges and cash advances) of BP's Network Card Accounts for the previous year, based on AMEX's records. BP will cause such auditors to certify to AMEX in writing within 15 days of their receipt of such report(s) whether each of the actual average annual spending and actual average purchase transaction size for Network Card Accounts is or is not at least 20% higher than that of the average annual spending and average purchase transaction size for credit card account holders in BP's general purpose bankcard credit card portfolios issued in the Country (excluding balance transfers, interest, annual fees, delinquency charges and cash advances) for the same time period.

(iii) In the event that Amex determines that BP's Network Card portfolio does not meet all of the Minimum Requirements set forth above, then for 1 year following the date Amex notifies BP of such determination, AMEX will have the right to notify BP that AMEX will reduce any industry Issuer's Rate or Foreign Spend Issuer's Rate (as applicable) in increments of 2 basis points (.02%) for each 2 basis points (.02%) decrease in Amex Entities' weighted average Merchant Discount for such industry or for out of Country spending (as applicable) using the

measurement procedures set forth in Article 11.02 above and will implement such reduced Issuer's Rate(s) in accordance with Article 11.04. The Minimum Requirements may be changed, modified or suspended, but only by written agreement by the parties.

11.04 Implementation of New Issuer's Rates; Right to Request Outside Auditor Certification. AMEX will provide BP 90 days advance written notice prior to implementing any changes to the Issuer's Rates. Either party has the right to request that the accuracy of a change to an Issuer's Rate or BP's compliance with the Minimum Requirements be audited and certified by independent auditors. However, a request for an audit shall not delay implementation. If BP requests such audit then the audit and certification shall be done by AMEX's designated outside auditors. If AMEX requests such audit, the audit and certification will be performed by BP's outside auditors. The outside auditors' certification report shall be provided to both parties and shall be binding on both parties and shall be deemed confidential information of the party who was audited and subject to Article 19 hereof. The contents of all such reports shall not contain any AMEX Information (as defined in Article 19 hereof) such as (without limitation) Merchant Discounts or other pricing related to S/Es. In the event the outside auditors' report shows that an Issuer's Rate reduction should not have been implemented, or could have been implemented, then the correct Issuer's Rate shall promptly be put into effect, and, as applicable, BP shall receive a rebate from AMEX in the amount of the incorrect Issuer's Rate reduction or AMEX shall receive a rebate from BP in the amount of the Issuer's Rate reduction AMEX would have been entitled to under the terms of this Agreement, in each case for the applicable time period. If the Issuer's Rate reduction should not have been implemented, then AMEX should pay for the audit; if the reduction should have been implemented, then BP should pay for the audit. Any disputes concerning the amount of the Issuer's Rates shall not be subject to the alternative dispute resolution procedures set forth in Article 24.05.

11.05 Credits and Chargebacks. Amounts due to BP for Credits and Chargebacks from Network Cards shall be settled between AMEX and BP in accordance with the Manuals and the procedures for settlement set forth in Article 12.

ARTICLE 12: PROCEDURES FOR SETTLEMENT

12.01 Submission of Charges. AMEX, or AMEX's designee, as the case may be, shall present to BP, no less frequently than weekly, Charges to be paid by BP to AMEX pursuant to Article 11 hereof. BP shall be obligated to purchase all Charges which are presented to it.

12.02 Remittance of Payment from BP. BP shall remit to AMEX or AMEX's designee the amounts due pursuant to Article 11 as follows:

- (i) if Charges are presented to BP prior to 12 noon in Puerto Rico at the place reasonably designated by BP, then BP shall settle for the full value of AMEX's accompanying debit notification on the same day as the presentment of the Charges (or if such day is not a Business Day, then prior to 12 noon on the first Business Day thereafter), and

(ii) if Charges are presented to BP after 12 noon in Puerto Rico at the place reasonably designated by BP then BP shall settle for the full value of AMEX's accompanying debit notification for value prior to 12 noon on the next Business Day immediately following the date of presentment of the Charges.

BP's obligation to pay AMEX for the full value of AMEX's debit notification with respect to Charges presented to BP is absolute and unconditional, and BP agrees that it will not withhold or attempt to withhold full payment to AMEX for any reason, including, without limitation, a Service Establishment's commencement (voluntarily or involuntarily) of bankruptcy or similar proceedings or complete or partial cessation of operations. If BP fails to make payment when due under this Article or Article 3 or fails to provide a standby letter of credit pursuant to Article 13, in addition to AMEX's other rights and remedies hereunder and under applicable law and equity, AMEX shall be entitled to immediately suspend acceptance of BP Network Cards at S/Es and ATMs. BP shall also pay AMEX interest on unpaid amounts at the rate of the prime rate of interest as published in The Wall Street Journal for each day full payment is delayed, which interest payment is in addition to all other rights and remedies of AMEX. Any disputes concerning action taken by AMEX pursuant to the preceding two sentences shall not be subject to the alternative dispute resolution procedures set forth in Article 24.05.

Payments shall be made by BP via deposit or other transfer of immediately available funds into a bank account or accounts specified by AMEX.

12.03 Settlement for Credits and Chargebacks - from AMEX. AMEX shall remit to BP no less frequently than weekly amounts determined to be credited to Network Cardholders' Card accounts due to Chargebacks pursuant to the Network's chargeback policy (as set forth in the Manuals) with conversions, if applicable, at the exchange rate used by the Amex Entity or other Acquirer at the time the original Service Establishment payables relating to such Chargebacks were captured and processed by the Amex Entity or other Acquirer or behalf of BP. Credits submitted by S/Es shall be settled as part of the submission of Charges by AMEX to BP.

12.04 Currency and Place of Payment - from BP to AMEX. All amounts due from BP to AMEX pursuant to Articles 11 and 12 shall be paid in Local Currency at such place or places as AMEX shall from time to time designate in writing, with conversions, when necessary, at the exchange rate used by the Amex Entity or other Acquirer at the time S/E payables are captured and processed by that Amex Entity or other Acquirer on behalf of BP. Any fees or commissions charged by an Amex Entity or other Acquirer in connection with the conversion of Charges made by Network Cardholders in foreign currencies shall be added to the Charges presented to BP for payment.

12.05 Currency and Place of Payment - from AMEX to BP. All amounts due from AMEX to BP pursuant to Articles 11 and 12, shall be paid in Local Currency at such place or places in Puerto Rico as BP reasonably designates in writing.

12.06 **Netting.** Subject to applicable law, the parties agree to make settlement under Articles 12.04 and 12.05 by netting respective amounts payable. For purposes of netting, AMEX and the Amex Entities shall be deemed one entity.

ARTICLE 13: STANDBY LETTER OF CREDIT REQUIREMENT

(i) BP is required to maintain a long-term debt rating by Standard & Poor's, Moody's or Bankwatch. In the event that BP's long-term debt is rated by more than one of said organizations and the ratings of the organizations are different, BP shall be deemed to have the lowest of such ratings.

(ii) BP has advised AMEX that, as of the Effective Date of this Agreement, its long-term debt rating as described in Article 13(i) above is "BBB+". AMEX agrees that so long as (a) none of the aforementioned rating agencies gives BP a long-term debt rating lower than "BBB+" and (b) the Average Weekly Charge Volume (defined as the aggregate of all Charges on Network Cards, excluding cash advances, for the 26 weeks preceding the date in question, divided by twenty-six) is US \$10 million or less, BP shall not be required, as a condition to the continued exercise of the licenses and authorization granted under this Agreement and the Trademark License Agreement, to obtain and deliver an irrevocable standby letter of credit. If and when the Average Weekly Charge Volume exceeds US \$10 million (and assuming that the lowest of BP's long-term debt ratings continues to be "BBB+"), BP shall be required, within 5 days of a determination that the Average Weekly Charge Volume has exceeded US\$ 10 million, to obtain and deliver an irrevocable standby letter of credit in an amount equal to the difference between the Average Weekly Charge Volume and US\$ 10 million, subject to the other provisions of this Article 13.

(iii) BP shall promptly advise AMEX of any changes or prospective changes to any of its long-term debt ratings by the above agencies.

1. In the event the lowest of such ratings is "A" or better, AMEX agrees that so long as (a) BP maintains an "A" rating as the lowest of its long-term debt ratings and (b) the Average Weekly Charge Volume is US\$ 30 million or less, BP shall not be required to obtain and deliver, or maintain, an irrevocable standby letter of credit as a condition to the continued exercise of the licenses and authorizations granted under this Agreement and the Trademark License Agreement. If and when the Average Weekly Charge Volume exceeds US\$ 30 million (and assuming that the lowest of BP's long-term debt ratings is "A" or better), BP shall be required to obtain and deliver, within 5 days of a determination that the Average Weekly Charge Volume has exceeded US\$ 30 million, an irrevocable standby letter of credit in an amount equal to the difference between the Average Weekly Charge Volume and US\$ 30 million. If the lowest of BP's long-term debt ratings falls below "A", BP will be required to comply with the provisions of Article 13(ii), above, or 13(iii)(2), below, as applicable, within 5 days of such new rating.

2. In the event that BP's long-term debt rating by any of the rating agencies is lower than "BBB+", BP shall be required, as a condition to the continued exercise of the licenses granted under this Agreement and the Trademark License Agreement, to obtain and deliver, within 5 days of such rating decrease, an irrevocable standby letter of credit in an amount equal to the Average Weekly Charge Volume outstanding on that date.

(iv) The letter of credit to be obtained and delivered by BP in accordance with this Article 13 shall be issued with AMEX named as sole beneficiary by a financially responsible entity approved by AMEX. Such letter of credit shall be subject to AMEX's written approval and will state that AMEX has the right, upon presentation of a draft, to be paid up to the maximum amount stated in the letter in the event BP does not make timely remittance of the amounts due. The amount of any standby letter of credit required under this Article 13 will be adjusted every 3 months from the date of its initial issuance and every 3 months thereafter so that it is maintained in an amount and for a period equal to that which is required under this Article 13. Any expenses incurred in arranging for such standby letter of credit shall be paid by BP.

ARTICLE 14: PURCHASE WITH RECOURSE/ LIABILITY FOR LOST/STOLEN, COUNTERFEIT NETWORK CARDS

14.01 Recourse. Notwithstanding the "without recourse" language in Article 11.01, the purchase of a Charge by BP as provided in this Agreement will be made with right of recovery against AMEX or the Amex Entity or other Acquirer in accordance with the Network Chargeback policy contained in the Manuals.

14.02 Charges Made with Lost/Stolen Network Cards or Misappropriated Network Card Account Numbers. In the event that Charges are incurred on Network Cards or Account numbers that were lost, stolen, not received, or otherwise misappropriated or incurred on misappropriated Network Card account numbers, BP shall be obligated to purchase such Charges from AMEX without recourse, except as provided in the Manuals. All losses on any such Charges shall be absorbed by BP.

14.03 Repurchase. All Charges for which BP has full right of recovery against AMEX, shall, upon demand, be repurchased by AMEX in the event of non-payment by the Network Cardholder in accordance with the AMEX Network Business Policies and Operational Procedures Manuals.

14.04 Counterfeit Network Cards. Losses arising from counterfeit Network Cards where BP's Issuer Identification Number was provided in the Authorization of the Charge or, if there was no Authorization and BP's Issuer Identification Number was provided in the submission of the transaction, shall be borne solely by BP.

ARTICLE 15: GENERAL OPERATING PROCEDURES

15.01 Permits; Compliance with Laws, Policies and Procedures. As a minimum requirement of eligibility to be an Issuer, BP has (or will have as soon as reasonably practical after the

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execution of this Agreement but in no event later than the Launch Date) and shall maintain at all times, all permits and other required authorizations necessary to operate and conduct the Card Issuing Business in the Country, and to enable it to make the payments due from it to AMEX under this Agreement. If any payments due from BP require the authorization of any authority of competence in the Country, it shall be BP's responsibility to obtain such authorization to transfer payments to AMEX's designated bank.

In its conduct of the Card Issuing Business, BP will comply with all laws, rules and regulations applicable to it and shall follow all policies and procedures set out in the AMEX Network Business Policies and Operational Procedures Manuals and any changes to such Manuals which may be made from time to time, which shall be distributed to BP separately.

15.02 Fraud Control. BP shall cooperate with AMEX, including implementing procedures and making all expenditures which are commercially reasonable in order to promote fraud control for its Network Cards.

15.03 Financial Safety and Soundness. As a minimum requirement of eligibility to be an Issuer, BP represents and warrants that it has and will at all times (a) maintain a long-term debt rating as set forth in Article 13 or provide a letter of credit as provided in Article 13; (b) maintain adequate resources, financial and otherwise, to enable it to meet its obligations to Network Cardholders and to AMEX under this Agreement, and (c) that it will at all times operate the Card Issuing Business in a safe and sound manner consistent with prudent credit and charge card industry practices. In furtherance of the foregoing, BP shall provide AMEX each year with copies of its current published annual audited accounts and half year unaudited accounts for review in order to assist AMEX in determining whether the requirements of this Article 15.03 have been met. In the event that any card association or network of which BP is a member or on which BP issues cards requires BP to provide more frequent and/or additional financial information, BP shall also provide such additional and/or more frequent financial information to AMEX. AMEX may also require BP to provide such more frequent and/or additional information or to take such curative or other action as AMEX may reasonably require to assure AMEX of BP's compliance with the requirements of this Article.

15.04 Books of Account. BP shall keep true and accurate books of account and records concerning its conduct of the Card Issuing Business in accordance with sound accounting practices, employing standards, procedures and forms in conformity with generally accepted accounting principles in the Country.

15.05 Mutual Right to Audit or Review. (i) Each party shall have the right at any time and from time to time at its expense during reasonable business hours to audit or review the financial books and records of the other party with respect to the specific functions of each party that are used to support performance of this Agreement using the other party's usual firm of external auditors or independent certified public accountants selected by the other party. Each party shall require its auditors to comply with the confidentiality requirements of this Agreement. Each party agrees to cooperate fully with any such audit or review.

(ii) In order to ensure that each party's conduct of the Card Issuing Business meets the operational requirements set forth herein and in the Manuals, at mutually agreed upon times, each party will be allowed to conduct at any time and at its expense, during reasonable business hours marketing and/or operational and/or customer servicing audits or reviews of the other party's operational functions that support this Agreement using either (1) the other party's own internal auditors or (2) the other party's usual firm of external auditors or independent certified public accountants or (3) such other qualified organization as the other party may select and as is mutually agreed to by the parties. In advance of conducting any such audits or reviews, the parties or their respective auditors shall agree on an audit or review plan, shall conduct the audit or review in accordance with such mutually agreed plan, and prepare reports based on such audits or review in a mutually agreed format.

(iii) The parties shall exchange audit or review reports promptly upon completion thereof. A report of an audit or review of a party shall be deemed to be said party's confidential information subject to the requirements of Article 19 hereof. If such audits or reviews indicate that a party's operations are deficient with respect to the requirements of this Agreement, such party shall propose, within 30 days after receiving such audit or review results, a corrective plan and use reasonable best efforts to eliminate the deficiencies identified.

(iv) Notwithstanding the provisions of (i) and (ii) above, if an audit or review covering the subject matter set forth in (i) or (ii) above, as the case may be, has been conducted by a party's internal auditors or usual firm of external auditors within 6 months of the request of the other party for an audit or review under this Article 15.05 covering the same subject matter as such requested audit or review, the relevant portions of the report of the existing audit or review may be provided to the other party in lieu of conducting an audit or review.

15.06 Network Advisory Council. AMEX intends to establish a council comprised of Issuers on the American Express Network ("Network Advisory Council"), as described on Exhibit "M", to advise AMEX on the operation of the Network, in particular on operations and systems issues affecting the Network and on products and services for Issuers on the Network. BP shall be a member of this Council until December 31, 1999. The Network Advisory Council and any committee thereof will be required to comply with applicable law, including, without limitation, antitrust and competition law and with AMEX policy, and all members of the Network Advisory Council and its committees will be required to execute confidentiality agreements in form acceptable to AMEX. AMEX shall give serious consideration to the input it receives from the Network Advisory Council.

ARTICLE 16: INTEGRITY OF NETWORK CARD ISSUING BUSINESS

BP represents and warrants that it will not use any trade secret or confidential information of any other card system in its operation of its Network Card business and shall not use any trade secret of AMEX, Amex Entities, or the American Express Network, or any AMEX Information (as defined in Article 19 hereof) in operation of any other business of BP or BP Entities. Under no circumstances may applications for Network Cards, even if declined, be

treated as an application for the issuance of any competitive charge card, credit card, debit card or prepaid card.

ARTICLE 17: AMEX ASSISTANCE IN IMPLEMENTING THE NETWORK CARD LAUNCH

AMEX will provide BP with assistance in implementing the launch plan for the Network Card set out in Exhibit K.

ARTICLE 18: SYSTEMS DEVELOPMENT

(i) BP shall at its expense develop and install (and be responsible for the maintenance of) computer systems and functions which are in the parties' judgment necessary to conduct the Card Issuing Business in the Country in accordance with the standards and specifications contained in the AMEX Network Business Policies and Operational Procedures Manuals. In advance of BP developing and installing such computer systems and functions, BP shall make its specifications available to AMEX. BP will be required to pay all initial and ongoing connectivity costs required to connect its systems or its designated and AMEX-certified processor's systems to the operational center designated by AMEX. AMEX shall not be responsible for any delays in the performance of its obligations under this Agreement resulting from BP's or BP's processor's failure to comply with the system requirements set forth in this Article 18.

(ii) Each party agrees to act in a commercially reasonable manner to ensure that any systems it owns or controls or is responsible for that interacts with data received from or transmitted to the systems of the other party are "Year 2000" compliant.

ARTICLE 19: CONFIDENTIALITY

19.01 BP Undertaking. Prior to and during the Term of this Agreement, BP (and, through BP, BP Entities) has or have acquired and will acquire confidential information of AMEX and Amex Entities ("AMEX Information"). BP undertakes, on behalf of itself and BP Entities, as well as on behalf of any third party service providers it chooses to use hereunder and its Co-Branded Partners, that all such AMEX Information will be held in confidence, will be used only for the development and improvement of BP's Card Issuing Business in the Country, and will not be released to any third party without the prior written consent of AMEX and will not, during the Term of this Agreement or at any time thereafter, be used in the development, furtherance or exploitation of any business competing with the Card Issuing Business. BP further undertakes to limit access to AMEX Information to those of its employees, Co-Branded Partners and third party service providers who require access to such Information to perform functions necessary to conduct of BP's Card Issuing Business, and to inform any third party service providers and Co-Branded Partners who are given access to such Information of their obligations under this Article 19. BP shall require that all BP Entities, third party service providers and Co-Branded Partners are obligated to treat AMEX Information in accordance with the requirements of this Agreement and in accordance with all applicable data protection law(s). All AMEX Information that BP

receives hereunder shall be considered to be confidential information unless it falls within the exceptions set forth in Article 19.05 hereof.

19.02 AMEX Undertaking. Prior to and during the Term of this Agreement, AMEX (and through AMEX, Amex Entities) has or have acquired and will acquire confidential information of BP and BP Entities ("BP Information"). AMEX undertakes, on behalf of itself and Amex Entities to receive all such BP Information in confidence and to use the same only in connection with operating the AMEX Network and as otherwise provided or permitted by this Agreement. AMEX further undertakes to limit access to BP Information to those of its employees and third party service providers who require access to such BP Information to perform functions necessary to operation of the AMEX Network and as provided or permitted by this Agreement. AMEX shall require Amex Entities and third party service providers used by AMEX in the operation of the Network to treat BP Information in accordance with the requirements of this Agreement and applicable data protection law(s). All BP Information that AMEX receives hereunder shall be considered to be confidential information unless it falls within the exceptions set forth in Article 19.05; provided, however, that any information of BP which incorporates, is based on, is derived from or is suggested by any information received from AMEX or an Amex Entity in connection with BP's conduct of the Card Issuing Business will not be subject to the restrictions of this Article.

19.03 Permitted AMEX Uses. Nothing in this Article 19 shall prevent Amex Entities or other Acquirers either inside or outside of the Country from having access to information received in confidence pursuant to this Agreement for the purpose of operating the Network or as otherwise provided or permitted by this Agreement.

19.04 Cardholder Privacy. Network Cardholder Data will be kept by AMEX and BP in confidence and in accordance with applicable laws and regulations concerning data protection and privacy, and will be used only in accordance with such laws and regulations. BP shall contractually require that third party service providers comply with such requirements. To the extent AMEX is given access by BP to Network Cardholder Data for the purposes set forth in Article 8.03, AMEX shall require any third party service providers used for that purpose to comply with such requirements. AMEX encourages BP, BP Entities and third party service providers BP uses for Network Cards to comply with Amex's Privacy Principles, as set forth in the AMEX Network Business Policies and Operational Procedures Manuals. BP shall notify AMEX of any material differences in its policies from AMEX's Privacy Principles.

19.05 Exceptions. The obligations contained in Articles 19.01, 19.02 and 19.03 above shall not apply to information which was already rightfully known to either party prior to the initiation of negotiation of this Agreement, to information which was in the public domain, or to information which is lawfully revealed to a party by a third party.

19.06 Confidentiality of this Agreement. Each party agrees to hold the terms of this Agreement in strict confidence and not to disclose this Agreement or any part thereof without the prior written consent of the other party; provided, however, that to the extent required in the specific circumstances, either party may disclose this Agreement to its regulators, examiners,

auditors and legal counsel who agree in writing to comply with the obligations of confidentiality set forth for each party herein. In addition either party may disclose this Agreement without obtaining the other party's written consent if, in the opinion of such party's attorneys, such disclosure is required by subpoena, court order or other legal process. In the event a party receives a subpoena, court order or other legal process requiring disclosure of this Agreement, such party shall notify the other party promptly thereof, and such party shall seek a protective order or other legally acceptable protection to limit the disclosure of this Agreement.

19.07 Survival. Except as otherwise provided herein, the obligations of confidentiality under this Article shall survive termination of this Agreement.

ARTICLE 20: TERM

This Agreement shall be effective on the Effective Date and shall remain in effect for a period of 10 years thereafter from the Launch Date ("Initial Term"), subject to the termination provisions of Article 21. This Agreement shall remain in effect after the Initial Term for successive terms of 5 years each (each a "Renewal Term" and collectively "Renewal Terms") provided that the parties mutually agree on the Issuer's Rates, fees and assessments, Accounts in Force, and Billings targets that shall be in effect for each Renewal Term at least 6 months prior to the end of the Initial Term or any Renewal Term (as applicable), subject to Article 21. The parties shall negotiate in good faith with the goal of obtaining mutual agreement on the Issuer's Rates, fees and assessments, Accounts in Force and Billings targets (including, without limitation, average annual spending and average purchase transaction size relative to BP's general purpose bankcard credit card portfolio). Good faith negotiations shall consider, among other things, (a) the marketplace environment at the time; (b) what Accounts in Force targets could be profitably achieved by BP given the marketplace environment of the Country and consistent with the positioning of the American Express Brand desired by AMEX in the marketplace; (c) evaluation of the performance of BP's Network Card portfolio, including whether the annual Accounts in Force and Billings targets have been met during the Initial Term or Renewal Term (as applicable), whether, based on the certification supplied by BP's auditors under Article 11.03, the average annual spending and average purchase transaction size of BP Network Card Accounts during the Initial Term or Renewal Term (as applicable) were at least 20% higher than the average for BP's general purpose bankcard credit card portfolios issued in the Country, whether BP has been promoting BP Network Cards at least as actively as other cards it issues on other general purpose card systems. The intention of the parties is to reach an agreement that serves the long term business interests of both parties. The parties shall commence negotiations concerning renewal or continuation of this Agreement at least 1 year prior to the end of the Initial Term and each Renewal Term (as applicable), and if the parties fail to mutually agree within 6 months prior to the end of the Initial Term or Renewal Term (as applicable) or such later time as is mutually agreed by the parties, then, subject to Article 21, this Agreement shall terminate 1 year after the end of the Initial Term or Renewal Term.

ARTICLE 21: TERMINATION AND DISSOLUTION

21.01 Right of Termination. Either party shall have the right to terminate this Agreement, without prior judicial resolution or decree, upon the occurrence of a Termination Event in respect of the other party. If a party shall elect to terminate this Agreement pursuant to this Article 21, such party shall notify the other party in writing of such election, which notice shall specify the Termination Event(s) upon which such termination is premised and shall set forth in reasonable detail the facts and circumstances giving rise to such Termination Event(s). The right to terminate this Agreement in accordance with this Article 21 shall not be subject to, and neither party shall have the right to invoke the provisions of, Article 24.05 to delay any such termination.

21.02 Termination Events. Each of the following shall constitute a "Termination Event". Either party may terminate this Agreement:

(i) on 10 days written notice if the other party fails to pay within such 10 day period any amount owing hereunder in an amount (or in an aggregate amount) in excess of U.S.\$100,000 at any time outstanding; or

(ii) immediately, on written notice if the other party is, or otherwise admits in writing that it has become, unable to pay its debts as they become due; or the other party becomes the subject of any bankruptcy, insolvency or similar proceeding, whether voluntary or involuntary, or a receiver or similar official is appointed for all or any substantial part of such party's assets; or

(iii) immediately, on written notice if all or any substantial portion of the other party's capital stock or assets is expropriated by any government.

BP may terminate this Agreement:

(iv) immediately on written notice if there is approval by the stockholders of American Express Company of a complete liquidation or dissolution of American Express Company.

AMEX may terminate this Agreement:

(v) immediately, on written notice, if BP fails to provide a letter of credit in accordance with Article 13, or if there is approval by the stockholders of Popular, Inc. of a complete liquidation or dissolution of Popular, Inc..

AMEX may terminate this Agreement on 30 days written notice to BP if:

(vi) BP fails to make timely submission of the reports required to be submitted under Article 5.02 more than twice in any 12 month period, and any such failure is not cured within 5 days of notice thereof from AMEX; or

(vii) A material adverse change shall have occurred in the financial condition, results of operations or prospects of BP such that AMEX may reasonably anticipate that BP is or will become unable to meet its obligations to its creditors, its Network Cardholders or to AMEX hereunder, and BP shall have failed to give AMEX adequate assurances of its ability to perform its obligations hereunder; or

(viii) BP fails to use best efforts to correct deficiencies identified in the operational audit or review performed pursuant to Article 15.05(ii), or, despite the use of such best efforts, a material deficiency identified in any such audit remains uncorrected 180 days following the completion of such audit or review; or

(ix) BP commits any material breach under the Trademark License Agreement or the Trademark License Agreement terminates or is terminated for any reason whatsoever; or

(x) BP fails to pay any amounts due AMEX under Article 3.

(xi) Either party may terminate this Agreement on 90 days written notice if there occurs any material breach (other than as described above) by the other party or one of its Related Entities or outsourcing partners of any provision of this Agreement or any agreement entered into for the purposes of effectuating the purposes of this Agreement to which it or one of such Related Entities or outsourcing partners might be a party, and either (A) such breach is not capable of effective cure (or cannot be cured without the incurrance by the non-breaching party of material additional damage or risk) or (B) if capable of cure, such breach is not cured within 90 days, or, if such breach is not capable of being remedied within 90 days, substantial progress shall not have been made toward curing such breach. However, for breaches which are not capable of being cured in 90 days, in the event that, at the end of such 90 days, the non-breaching party for good reason deems the cure or progress towards cure unacceptable or insubstantial, as the case may be, the non-breaching party shall have the right to notify the breaching party in writing thereof of the termination of the Agreement, such additional notice to be given at least 10 days prior to the termination of this Agreement, and not before the expiration of the said 90 day period.

(xii) Change of Control.

(a) AMEX shall have the right to terminate this Agreement on 6 months written notice to BP in the event of a Change in Control of BP or of Popular, Inc. ("Popular"). A "Change in Control" of BP means:

(1) The consummation of any transaction after which Popular does not own or control, either directly or through one or more Subsidiaries, 100% of the common stock ("Common Stock") and 100% of the combined voting power of the outstanding voting securities entitled to vote in the election of directors ("Combined Voting Securities") of BP, or

(2) The consummation of the sale, transfer or other disposition of all or substantially all of the assets of BP, unless such sale, transfer or other disposition is to Popular or to a Subsidiary (the "BP Assignee") and all of BP's rights and obligations under this Agreement are assigned to the BP Assignee in accordance with this Agreement.

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(b) A Change in Control of Popular shall be deemed to have occurred upon the happening of any of the following:

(1) Any individual, entity or group (a "Person") (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934 (the "Exchange Act")) acquires beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 30% of the Common Stock or of the Combined Voting Securities of Popular, except for the acquisition of such beneficial ownership (x) pursuant to a reorganization, merger or consolidation after which all of the conditions in clauses (A), (B) and (C) of subsection (b) (3) below are satisfied or (y) by any one or more of the members of the Popular Incumbent Board (as defined in subsection (b) (2) below) or any entity of which such members own 100% of the Common Stock or Combined Voting Securities (whether or not acting as or constituting a Person within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) or (z) by any one or more employee benefit or employee retirement plan or plans maintained for the employees of BP, Popular or any Subsidiary.

(2) The individuals who, on the date hereof, constitute the Board of Directors of Popular (the "Popular Incumbent Board") cease to constitute at least a majority of the Board of Directors of Popular; provided, any individual becoming a director whose election or nomination was approved by a vote of at least a majority of the Popular Incumbent Board shall be considered to be a member of the Popular Incumbent Board, but excluding any individual who became a director as a result of an actual or threatened election contest or solicitation of proxies or consents by or on behalf of a Person other than the Board of Directors of Popular.

(3) The consummation of a reorganization, merger or consolidation unless following the transaction (A) more than 60% of the Common Stock and of the Combined Voting Securities of the corporation resulting from the transaction is beneficially owned (directly or indirectly) by all or substantially all of the beneficial owners of the Common Stock and Combined Voting Securities of Popular immediately prior to the transaction in substantially the same proportions as their ownership immediately prior to such transaction, (B) no Person (excluding Popular, a Subsidiary, the corporation resulting from the transaction, and any beneficial owner, immediately prior to such transaction, of 30% or more of the Common Stock or the Combined Voting Securities of Popular) beneficially owns, directly or indirectly, 30% or more of the Common Stock or Combined Voting Securities of the corporation resulting from the transaction and (C) at least a majority of the members of the Board of Directors of the corporation resulting from the transaction were on the Popular Incumbent Board at the time of the execution of the initial agreement or action of the Board of Directors of Popular providing for the transaction.

For purposes of the foregoing provisions, a "Subsidiary" means any entity 100% of whose outstanding voting securities are owned, either directly or through one or more Subsidiaries, by Popular.

(xiii) Either party may terminate this Agreement in the circumstances and on the conditions stated in Article 24.11 (iii).

(xiv) The parties agree with the principle that neither party should be compelled to continue this Agreement on a basis that would be economically unacceptable. In the event that

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economic, political or market conditions, which conditions are materially different from those under which this Agreement was executed and that directly affect the Network or the Card Issuing Business, have or will have a clear, certain and quantifiable material adverse effect on the value of this Agreement to the party affected thereby (the "Affected Party"), the Affected Party has the right to require the other party to enter into negotiations to renegotiate the terms of this Agreement to address the effect of such change on both parties. In order to demonstrate that it is entitled to initiate such renegotiations, the Affected Party must provide the other party with reasonable documentation (which shall be considered confidential information under Article 19), including without limitation an outside auditor's report which validates the existence of such political, economic or market conditions and substantiates the Affected Party's claim of such clear, certain and quantifiable material adverse effect. If, after 90 days of conducting such negotiations (or such longer period of time as is mutually agreed by the parties in writing) the parties are unable to reach a mutually acceptable renegotiation of this Agreement, the Affected Party is entitled to terminate this Agreement by providing written notice to the other party, with termination of the Agreement to be effective 1 year after the date of such written notice or such other date as is mutually agreed by the parties. In the event that AMEX is the Affected Party who terminates this Agreement, AMEX shall not have the right of first refusal to purchase BP's Network Card portfolio as described in Article 22.04 of this Agreement and shall not have the right to solicit the list of BP Network Cardholders as described in Article 22.05 of this Agreement. However, under the circumstances described in the preceding sentence, AMEX shall not be precluded from purchasing the BP Network Card portfolio. If BP is the Affected Party who terminates this Agreement, AMEX shall have the right of first refusal to purchase the BP Network Card Portfolio and of solicitation of the List as described in Article 22.05 hereof. In the event that this Agreement is terminated as provided in this Article 21.02(xiv), both parties agree to continue to perform their respective obligations under this Agreement through termination, as well as those obligations that continue after termination, and to cooperate in the orderly termination of BP's Network Card program in order to minimize disruption of each party's relationships with its respective customers and protect the American Express Brand. Neither party shall have the right to invoke the provisions of this Article 21.02(xiv) during the first 5 years of the Initial Term of this Agreement.

ARTICLE 22: RIGHTS AND OBLIGATIONS AFTER TERMINATION

22.01 BP's Continuing Obligations.

From and after the expiration of the Term of this Agreement pursuant to Article 20 or any earlier termination of this Agreement pursuant to Article 21:

(i) BP will cease the issuance of any further Network Cards and will not renew any outstanding and issued Network Cards, and will notify Network Cardholders that all Network Cards will cease to be effective at S/Es and ATMs from the time determined in accordance with Article 22.02 or Article 22.01 (ii).

(ii) BP may, and if AMEX shall so request in writing BP shall (a) promptly cancel all outstanding and issued Network Cards in accordance with applicable legal requirements and/or (b) convert the Network Card portfolio or any Network Card Accounts to the brand of any other card system.

(iii) BP will be obligated (a) to continue accepting and paying for Charges on outstanding and issued Network Cards under Articles 11 and 12 and paying all amounts required pursuant to Article 3; and (b) to continue servicing and processing outstanding and issued Network Cards in accordance with the servicing standards set out in this Agreement, in each case until all Charges and Credits have been processed and settled.

(iv) To the extent that BP is unable to continue servicing and processing the outstanding and issued Network Cards at the time of termination of this Agreement, it will instruct any processor(s) BP uses for Network Cardholder servicing to continue to process on AMEX's behalf and at BP's expense all Charges and Credits which are incurred and not yet processed on such Network Cards up to the time of their cancellation or expiration.

22.02 AMEX's Continuing Obligations. From and after the expiration of the Term of this Agreement pursuant to Article 20 or any earlier termination of this Agreement pursuant to Article 21, AMEX will be obligated to continue providing S/E processing for Network Cards in accordance with the terms of this Agreement and Exhibit H until such Network Cards are canceled or expire (without any renewal thereof), as provided in Article 22.01. Anything to the contrary notwithstanding, the provisions of Article 11.01(i) shall remain in full force and effect with respect to the acceptance and payment by BP of all of the S/E payables arising from the Network Cards which are presented to BP by AMEX after termination of this Agreement. If BP fails to accept, acquire and promptly pay to AMEX any of the S/E payables arising from the Network Cards which are presented to BP by AMEX after termination of this Agreement, AMEX shall be entitled to recoup and offset the amounts of such payables against any amounts owed by AMEX to BP, and in addition AMEX shall be entitled to any and all accounts receivables of BP arising from such payables whether billed by BP or not, and BP hereby assigns such accounts receivable to AMEX and holds AMEX harmless against any non-payment by Network Cardholders. For the avoidance of doubt, the parties agree that AMEX shall not be entitled to receive payment from both a Network Cardholder and BP for a particular account receivable. BP shall be entitled to make an offer to AMEX to reacquire any such accounts receivables. However, anything to the contrary contained in this Agreement notwithstanding, in the event that AMEX, in the exercise of its reasonable business judgment, determines that there is a significant risk that BP would fail to pay an amount owing to AMEX in excess of \$100,000 arising from BP Network Cards upon and/or after termination of this Agreement, AMEX shall have the right to immediately suspend or terminate acceptance of BP Network Cards at SEs and ATMs and to draw down any letter of credit provided by BP hereunder, in addition to all other rights and remedies of AMEX under this Agreement, applicable law and equity.

22.03 Conversion/Transfer of Card Portfolio. During the Term of this Agreement, BP shall not convert or attempt to convert the Network Card portfolio or any Network Card Accounts to the brand of any other card system. During the Term of this Agreement, BP will not be allowed

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to transfer the Network Card portfolio or any Network Card Accounts to any third party other than a BP Entity of which 100% of the outstanding voting securities are owned by BP without the prior written consent of AMEX and without first offering AMEX the right to purchase such portfolio on terms that are at least as favorable as terms offered to any third party. In the event BP desires to transfer the Network Card portfolio or any Network Card Accounts to such BP Entity during or after the Term of this Agreement, or upon termination of this Agreement, BP shall give AMEX at least 60 days prior notice thereof and shall ensure that such BP Entity shall comply with and be bound by the terms of this Agreement, and that BP shall guarantee the full performance and payment by such BP Entity of any and all obligations under this Agreement and BP shall remain liable therefor. BP understands and agrees that in the event that BP desires to transfer the Network Card portfolio to a third party other than a BP Entity of which 100% of the outstanding voting securities are owned by BP pursuant to this Article 22.03, any such third party must meet AMEX's requirements and enter into a Network Card Issuer Agreement with AMEX in order to obtain AMEX's approval of such transfer. Such third party shall be required to maintain the Network Card portfolio for the balance of the Initial Term or applicable Renewal Term of this Agreement.

22.04 Transfer of Card Portfolio on Termination of Agreement. On termination of this Agreement, before offering the Network Card portfolio for sale to any third party other than a BP Entity of which 100% of the voting securities are owned by BP, BP shall first offer AMEX and Amex Entities the right to purchase such portfolio on terms that are at least as favorable as terms offered to any third party. Any BP Entity and any third party who purchases the Network Card portfolio and wishes to continue to issue such Cards on the American Express Network must meet AMEX's requirements and enter into a Network Card Issuer Agreement with AMEX.

22.05 Rights to Solicit Network Cardholders Upon Termination. Following termination of this Agreement, (i) BP shall have the right to use the Lists for purposes of soliciting its customers for any of its products and services, (ii) AMEX shall have the right to use the Lists solely for the purpose of making one written solicitation to the Network Cardholder customers to apply for a credit card (but not for the offer of other products or services not directly related to a credit card) through AMEX or an Amex Entity. In such event, within 10 days after termination of the Agreement, BP shall make the list of Network Cardholder names and addresses available to a third party vendor acceptable to AMEX and BP, which vendor will do the mailing on behalf of AMEX. Said vendor shall agree in writing to maintain the list in strict confidentiality, and shall within 5 days after such mailing, return the list to BP, without using the list again for any purpose and without retaining any copy in any form or delivering any copy to AMEX or to any other person. AMEX shall forfeit its rights under this Article 22.05 if termination of the Agreement results from a Termination Event in respect of AMEX.

22.06 Survival. The provisions of this Article 22 will survive termination of this Agreement.

ARTICLE 23: REPRESENTATIONS AND WARRANTIES

23.01 AMEX Representations and Warranties. AMEX represents and warrants to BP as follows:

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(i) AMEX is a corporation duly incorporated, validly existing and in good standing under the laws of the State of Delaware, having the requisite power to enter into and perform its obligations under this Agreement. As of the Effective Date of this Agreement, 100% of the voting securities of AMEX are owned by American Express Travel Related Services Company, Inc. (TRS) and 100% of the voting securities of TRS are owned by American Express Company.

(ii) This Agreement is, and will remain throughout the Term a duly authorized, valid and binding agreement of AMEX, enforceable against it in accordance with its terms, subject as to enforcement to bankruptcy, insolvency and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(iii) AMEX's execution and delivery of and performance under this Agreement (a) do not and will not, to the best of its knowledge, violate or conflict with any statute, governmental regulation, judgment, order, decree or injunction currently applicable to AMEX or any of its property or assets, (b) do not and will not, to the best of its knowledge, violate or conflict with any charter provision or bylaw of AMEX or any existing indenture, contract, licensing agreement, financing statement or other agreement binding upon AMEX, (c) do not require the consent or approval under any judgment, order, writ, decree, permit or license, to which AMEX is a party or by which it is bound, (d) do not require the consent or approval of any other party to any contract, instrument or commitment to which AMEX is a party or by which it is bound or, if such consent is required, the consent or a waiver have been obtained, and (e) AMEX is not subject to any agreement with any regulatory authority which would prevent the consummation by AMEX of the transaction contemplated by this Agreement.

23.02 BP Representations and Warranties. BP represents and warrants to AMEX as follows:

(i) BP is a banking organization duly incorporated, validly existing and in good standing under the laws of the Commonwealth of Puerto Rico having the requisite power to enter into and perform its obligations under this Agreement in accordance with the terms hereof. As of the Effective Date of this Agreement, 100% of the voting securities of BP are owned by Popular, Inc.

(ii) This Agreement is and will remain throughout the Term a duly authorized, valid and binding agreement of BP, enforceable against BP in accordance with its terms, subject as to enforcement to bankruptcy, insolvency and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

(iii) BP's execution and delivery of and performance under this Agreement (a) do not and will not, to the best of its knowledge, violate or conflict with any statute, governmental regulation, judgment, order, decree or injunction currently applicable to BP or its property or assets, (b) do not and will not, to the best of its knowledge, violate or conflict with any charter provision or bylaw of BP or any existing indenture, contract, licensing agreement, financing statement or other agreement binding on BP, (c) do not require the consent or approval under any judgment, order, writ, decree, permit or license, to which BP is a party or by which it is bound, (d) do not require the consent or approval of any other party to any contract, instrument or

commitment to which BP is a party or by which it is bound or, if such consent is required, the consent or a waiver have been obtained; and (e) BP is not subject to any agreement with any regulatory authority which would prevent the consummation by BP of the transaction contemplated by this Agreement.

ARTICLE 24: MISCELLANEOUS

24.01 Language. This Agreement is in the English language only, which language shall be controlling in all respects. All manuals, agreements, forms, reports and other documents to be furnished by one party to the other shall be submitted in English. However, Cardholder agreements and related materials used in the Country in a language other than English shall be submitted to AMEX in English and in such other language(s).

24.02 Indemnification

(i) **Indemnification by BP** BP will indemnify and hold AMEX, Amex Entities, and their respective directors, officers, employees, agents, representatives and permitted assigns, harmless from and against any Losses arising out of or in connection with:

- (a) The intentional or negligent act or omission of BP, BP Entities or of the officers, directors, employees, or agents thereof, or any third party service providers in the performance of the duties and obligations of BP under this Agreement;
- (b) The failure by BP to comply with any of the terms of this Agreement;
- (c) The failure by BP to comply with its obligations under any and all laws, rules or regulations applicable to BP including, without limitation, federal, state or local laws, rules or regulations governing consumer credit or consumer protection which are applicable to BP or the Card Issuing Business; and
- (d) any claims brought by Network Cardholders arising from BP's conduct of the Card Issuing Business, but without prejudice to any rights which BP has under this Agreement, including its indemnification rights hereunder.

(ii) **Indemnification By AMEX.** AMEX shall indemnify and hold BP, BP Entities, and their respective directors, officers, employees, agents, representatives and permitted assigns, harmless from and against any Losses arising out of or in connection with:

- (a) The intentional or negligent act or omission of AMEX, Amex Entities or of the officers, directors, employees, or agents thereof in the performance of the duties and obligations of AMEX under this Agreement;
- (b) The failure by AMEX to comply with any of the terms of this Agreement;

(c) The failure by AMEX to comply with its obligations under any and all laws, rules or regulations applicable to AMEX including, without limitation, any federal, state or local laws, rules or regulations governing consumer credit or consumer protection which are applicable to AMEX.

(iii) **Notice of Claim for Indemnification.** Each party shall promptly notify the other party of any claim, demand, suit, or threat of suit of which that party becomes aware which may give rise to a right of indemnification pursuant to this Agreement. The indemnifying party will be entitled to participate in the settlement or defense thereof. Counsel shall be selected by mutual agreement of the indemnified and indemnifying party, which shall not be unreasonably withheld. In any case, the indemnifying party and the indemnified party shall cooperate (at no cost to the indemnified party) in the settlement or defense of any such claim, demand, suit, or proceeding.

The indemnifications given by each party in this Article 24.02 shall survive any termination or expiration of this Agreement.

24.03 Assignment. Neither party may assign this Agreement to any other Person, without the other's prior written consent, except that this Agreement and its performance hereunder may be assigned by AMEX to an Amex Entity without BP's consent upon 60 days prior written notice (and will be so assigned in the event of a liquidation of AMEX), and this Agreement and its performance hereunder may be assigned by BP to a BP Entity of which 100% of the outstanding voting securities are owned by BP or to a BP Entity that owns 100% of the outstanding voting securities of BP without AMEX's consent upon 60 days prior written notice, on the express condition that such BP Entity must meet all the requirements set forth in this Agreement and in the Manuals and is otherwise capable of performing the obligations of BP hereunder and BP remains liable therefor. This Agreement is binding on the parties hereto and their successors and permitted assigns

24.04 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to the choice of law provisions thereof. The parties agree that they subject themselves to the exclusive jurisdiction of the courts of New York. **EACH OF THE PARTIES TO THIS AGREEMENT HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

24.05 Alternative Dispute Resolution.

(i) The parties agree that disputes between the parties should generally be settled in the ordinary course of business, except for the parties' right to terminate this Agreement in accordance with Article 21, and except for the provisions of Article 24.06 below. Therefore, neither party shall have the right, and each hereby waives its right, to resort to arbitration,

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litigation, or any other dispute resolution procedure prior to exhausting, in good faith, the dispute resolution procedures set forth in this Article 24.05. If any dispute shall arise between the parties under this Agreement, except as provided in Article 21 and Article 24.06, the parties shall attempt in good faith to resolve such dispute promptly by negotiation between executives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for administration of this Agreement unless said persons have the authority to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and the response shall include, respectively (a) a statement of the party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the disputing party's notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. The foregoing time deadlines may be extended by mutual written agreement. If the parties mutually agree that it would aid resolution of the dispute, each party may have its attorney attend such meeting(s).

(ii) All negotiations pursuant to this Article 24.05 shall be confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

(iii) If the dispute has not been resolved by negotiation between the executives referred to in (i) above within 90 days of the disputing party's notice, the parties shall endeavor to settle the dispute by mediation under the rules and procedures of JAMS/Endispute or the CPR Institute for Dispute Resolution in Miami, Florida. Each party shall bear its own costs of such mediation. The parties agree that the mediator, not the parties, shall decide when the parties are unable to reach agreement on the resolution of the dispute, and that mediation shall continue until the mediator so decides. The parties shall refrain from filing a lawsuit or demanding arbitration for a period of 60 days from the date of the mediator's decision that the parties have failed to reach agreement. Any applicable Statutes of Limitation with respect to a dispute subject to this Article shall be tolled for the period beginning from the date of delivery of the original notice regarding the dispute referred to in Article 24.05 (i) above through the period ending 5 days after the end of the 60 day "cooling off" period referred to in this Article 24.05 (iii).

(iv) After the expiration of the 60 day period referred to in Article 24.05 (iii) above, the parties may (1) elect to file a lawsuit; (2) elect to file a lawsuit and agree to non-binding arbitration by the American Arbitration Association in Miami, Florida; (3) agree to non-binding arbitration by the American Arbitration Association in Miami, Florida. In the event the parties agree to such non-binding arbitration without filing a lawsuit the parties agree to extend the tolling of the applicable Statute of Limitations through a date falling after the arbitrator's decision. Each party shall bear half the costs of such arbitration proceedings.

(v) The parties hereto and the mediators and arbitrators utilized hereunder shall maintain the confidentiality of the proceedings, except to the extent otherwise required under applicable law. It shall be a condition to the engagement of any mediator and/or arbitrator that

such mediator and/or arbitrator shall agree to maintain the confidentiality of the proceeding and the decision and any award thereunder.

(vi) The alternative dispute resolution procedures provided in Article 24.05 are not intended to, and do not, apply to disputes under Articles 11 or 12 and are not intended to, and do not, substitute for or supersede the procedures contained in the AMEX Network Business Policies and Operational Procedures Manuals for handling particular types of disputes as specified therein, (e.g., Chargeback disputes). To the extent that there is a conflict between this Article and the AMEX Business and Operational Procedures Manuals, the Manuals shall govern the procedures for handling such specific disputes.

24.06 Injunctive Relief. BP acknowledges that AMEX would be irreparably harmed by any use of the AMEX Licensed Marks or activities in connection with conducting the Card Issuing Business by BP otherwise than in accordance with the terms of this Agreement and the Trademark License Agreement and would suffer injuries for which damages at law would be inadequate. Therefore, BP agrees that AMEX shall have the right to petition for injunctive or other equitable relief from a court of competent jurisdiction to prevent such unauthorized use, notwithstanding anything in Article 24.05. BP shall not assert in any such proceeding that damages at law would be adequate.

24.07 Entire Agreement; Amendment. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof, except for the confidentiality agreement heretofore executed by American Express Travel Related Services Company, Inc. and Banponce Corporation. Except as otherwise specifically set forth in this Agreement, this Agreement may not be amended except by a writing signed by AMEX and BP.

24.08 Notices. All notices and other communications shall be in writing and may be personally delivered, sent by facsimile transmission with receipt confirmed telephonically, or other form of telecommunication leaving a permanent visual record (provided that where telecommunications are used, the sender also sends a copy of this notice forthwith by prepaid first class post), by first class registered mail, or by an expedited mail courier service that delivers a signed receipt of delivery. All notices or other communications shall be deemed received or given at the time of actual delivery at the address set forth below or at such alternative address as provided in this Article 24.08. All such notices and other communications shall be delivered to the parties at the addresses indicated below, as such addresses may be changed from time to time by the giving of notice in accordance with this Article 24.08:

If to AMEX:	American Express Limited 200 Vesey Street New York, NY 10285 Attention: James Cracchiolo President Global Network Services
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With copy to: American Express Travel Related Services Company, Inc.
200 Vesey Street
New York, NY 10285
Attention: General Counsel's Office

If to BP:
Popular Inc.
P.O. Box 362708
San Juan, Puerto Rico
00936-2708
Attention: Richard L. Carrion
President and CEO

With copy to: Banco Popular de Puerto Rico
Legal Division
P.O. Box 362708
San Juan, Puerto Rico
00936-2708

24.09 Severability. In the event any provision of this Agreement shall be held to be invalid, void or unenforceable, such provision shall be removed and replaced with a valid provision that comes closest to reflecting the intentions of the parties hereunder and all other provisions of this Agreement shall remain in full force and effect.

24.10 Waiver. Any failure to exercise any right hereunder shall not be deemed to be a waiver of such right, and any waiver of one right hereunder shall not be deemed to be a waiver of any other right hereunder.

24.11 Force Majeure.

(i) No party shall be liable to the other for failure or delay in performance of any obligation hereunder if such failure or delay is caused by circumstances not directly under the control of the party concerned (the "Claiming Party"), including but not limited to failures resulting from acts of God, acts of public authorities which are subject to objective verification, wars and war measures, fires or delays of suppliers or carriers. However, nothing in this Article 24.11 shall be deemed to prevent, delay or restrict AMEX from immediately terminating or suspending acceptance of Network Cards at ATMs or S/Es, or from drawing down any letter of credit provided for AMEX's benefit hereunder, or from exercising its rights under this Agreement, applicable law or equity or relieve BP of its obligations hereunder.

(ii) The Claiming Party shall promptly notify the other party (the "Non-Claiming Party") of the nature and extent of the circumstances giving rise to the Force Majeure and the

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parties shall promptly meet to discuss the impact of the Force Majeure on this Agreement. The Claiming Party shall promptly prepare a plan to comply with this Agreement despite the Force Majeure.

(iii) If the Force Majeure in question impacts adversely on the continuation of the provision or operation of arrangements contemplated by this Agreement, and prevails for a continuous period in excess of 15 days after the date on which the Force Majeure begins, and if the Claiming Party has not provided the Non-Claiming Party within 15 days after the Force Majeure began with a plan that is acceptable to the Non-Claiming Party to comply with this Agreement despite the Force Majeure (which plan the Claiming Party is capable of implementing immediately and intends to implement immediately), the Non-Claiming Party is then entitled to give notice to the Claiming Party to terminate the Agreement. The notice to terminate must specify the termination date, which must be not less than 5 days after the date on which the notice to terminate is given. Once a notice to terminate has been validly given, the Agreement will terminate on the termination date set out in the notice. Termination pursuant to this Article 24.11 shall be deemed a termination pursuant to Article 21.

24.12 No Agency. (i) AMEX and BP agree that in performing their obligations pursuant to this Agreement they are in the position of independent contractors. This Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partners or joint venturers between and among AMEX and BP.

(ii) It is the express intention and agreement of the parties that BP shall not be deemed a "Distributor" or a "Sales Representative" of AMEX as such terms are defined in Puerto Rico's Law 75 of June 24, 1964, 10 LPRC § 278 et seq. and Law 21 of December 5, 1990, 10 LPRC § 279 et seq. and their interpretive case law and the provisions of said statutes shall not be applicable to this Agreement.

24.13 Headings. The headings in this Agreement are inserted for convenience of reference only, and if there is any conflict between such headings and the text of the Agreement, then the text shall control.

24.14 Counterparts. This Agreement may be executed in counterparts and each counterpart shall be deemed an original hereof.

24.15 Stamp Tax. Any stamp taxes levied in connection with the execution of this Agreement will be borne by the parties equally.

24.16 Consents and Approvals. Whenever the consent or approval of a party to this Agreement is required, such consent may be given or withheld by such party in its sole discretion, unless otherwise specifically stated.

24.17 Rights and Remedies Cumulative. In the event of any material breach of the terms of this Agreement, the parties hereto shall be entitled to damages or to any other right or remedy in

law or in equity permitted against the other. All rights and remedies of the parties hereto are cumulative and not alternative.

24.18 Press Releases/Publicity. Any initial disclosure to the media, whether in the form of a press release or otherwise, concerning BP's issuance of Network Cards or the execution or existence of this Agreement, and the timing and contents of such disclosure, must be mutually agreed by the parties. Neither party is authorized to make any disclosure to the media on behalf of the other party, and the Public Affairs departments of each party shall consult as needed to make the other party comfortable with their respective guidelines. Except as may be permitted under the aforementioned guidelines, BP shall consult with AMEX before making any disclosure to the media concerning AMEX, the Network or the American Express Brand, and AMEX shall consult with BP before making any disclosure to the media concerning BP.

24.19 Survival. The provisions of this Agreement which by their terms require continuing performance to honor the obligations herein, shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first written above.

AMERICAN EXPRESS LIMITED

By:



Signature

James Cracchiolo

Name Typed or Printed

President, Global Network Services

Title

August , 1997

Date

BANCO POPULAR DE PUERTO RICO

By:



Signature

Richard Carrion

Name Typed or Printed

President and Chief Executive Officer

Title

August , 1997

Date

EXHIBITS

Exhibit A:	Definitions
Exhibit B:	Trademark License Agreement
Exhibit C:	Fees and Royalties
Exhibit D:	BP Targets
Exhibit E:	Required Reports
Exhibit F:	Core Benefits
Exhibit G:	Advertising and Marketing Plan for Launch Year
Exhibit H:	S/E Servicing and Charge Processing Assistance
Exhibit I:	Projected BP Network Card Spending Distribution
Exhibit J:	Issuers Rates
Exhibit K:	AMEX Assistance
Exhibit L:	Requirements for Co-Branded Cards
Exhibit M:	Network Advisory Council

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EXHIBIT A

"Account" means the account opened by an Issuer with the Person with whom the Issuer has the agreement pursuant to which the Issuer issues Cards. An Issuer may issue more than one Card on an Account. An Account may have one or more Cardholders.

"Account in Force" means an Account which has not been canceled.

"Acquirer" means an Amex Entity or any Person authorized by an Amex Entity to enter into a contract with a S/E pursuant to which (i) a Cardholder is entitled to charge purchases of goods or services at such S/E by means of a Card and (ii) the S/E agrees to transfer such Charges to an Acquirer.

"Agreement" means this Network Card Issuer Agreement, and the Exhibits, Appendices and Schedules attached hereto and the AMEX Network Business Policies and Operational Procedures Manuals.

"American Express Brand" means the American Express name, trademarks, service marks, logos and other proprietary designs and designations and the imagery owned by AMEX, its parent, subsidiaries and affiliates and the goodwill associated with all of the foregoing and with all the goods and services now and in the future provided, marketed, offered or promoted by an Amex Entity.

"Amex Entity" (or **"Amex Entities"**) means AMEX and its parent, subsidiaries and affiliates.

"AMEX Licensed Mark" or **"AMEX Licensed Marks"** shall have the meaning set forth in the Trademark License Agreement.

"AMEX Network", **"American Express Network"** or **"Network"** means the network of S/Es that accept Cards and the operational, service delivery, systems and marketing infrastructure that supports this network and the American Express Brand.

"AMEX Network Business Policies and Operational Procedures Manuals" or **"Manuals"** means the business policies and procedures manuals distributed to BP by AMEX, as such manuals may be modified or otherwise amended by AMEX from time to time in its sole discretion.

"ATM" means an automated teller machine which, among other things, dispenses cash.

"Authorization" means a S/E obtaining an approval code number for a Charge in accordance with its contract with an Acquirer or an Issuer's approval of a Charge to a Network Card number range assigned to such Issuer.

"Beta Test" means a live operational and systems test of each type of Network Card BP proposes to issue as described in the Manuals.

"Billings" means the aggregate of amounts billed (excluding balance transfers, cash advances, annual fees, delinquency charges and interest), on all Network Cardholder statements.

"BP Entity"(or **"BP Entities"**) means BP or its parent, subsidiaries or affiliates.

"Business Day" means a day on which BP's designated bank and AMEX's designated bank are open for business in the Country.

"Card" means a Revolving Credit Card or Charge Card bearing an AMEX trademark or logo and issued by an Issuer or Account number issued by an Issuer which can be used to purchase goods or services at S/E's and obtain financial services.

"Cardholder" means a Person who has entered into an agreement and established a Card Account with any Issuer or whose name is embossed on a Card.

"Card Issuing Business" means the business engaged in by an Issuer whereby the Issuer (i) issues Cards to its Cardholders pursuant to an agreement with the Cardholder; (ii) authorizes its Cardholders to charge purchases of goods and services by means of the Card at Service Establishments; (iii) purchases Charges transacted by its Cardholders, which have been captured and processed by an Acquirer; (iv) either by itself or through a certified and approved processor renders at least monthly statements of account to its Cardholders; and (v) renders related services to Cardholders.

"Charge" or "Charges" means the total price, including all applicable taxes and gratuities, for the purchase of goods or services at a S/E for which the Cardholder has signed a record of charge form or otherwise indicated an intent to pay with the Card.

"Charge Card" means a Card for which the full amount outstanding on the Card Account each month is required to be paid by the Cardholder on receipt of his/her statement.

"Chargeback" means an amount which BP is entitled to collect from an Acquirer because of a Network Cardholder dispute or failure by the Service Establishment to comply with the terms of its Card acceptance agreement with an Acquirer, in accordance with the Network chargeback policy that is part of the AMEX Network Business Policies and Operational Procedures Manuals.

"Co-Branded Network Card" means a Network Card that contains the name, trademark or logo of a Co-Branded Partner in addition to the name, trademark or logo of AMEX and the Issuer and that is jointly marketed by the Issuer and the Co-Branded Partner.

"Co-Branded Partner" means a Person who is not an Issuer who participates in marketing a Card with an Issuer pursuant to an agreement with an Issuer and whose name, logo, tradename, trademark or service mark appears on the Card issued.

"Corporate Card" means a Charge Card or Revolving Credit Card issued by an Issuer to business customers for business related expenditures.

"Country" means Puerto Rico, the United States Virgin Islands, the British Virgin Islands, Anguilla, Antigua, Aruba, Bahamas, Barbados, Cayman Islands, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Netherlands Antilles, Nevis, St. Kitts, Trinidad & Tobago, Turks & Caicos Islands.

"Credit" means an amount to be credited to a Cardholder's Card Account.

"Effective Date" means the date this Agreement is signed by BP and AMEX.

"Floor Limit" means the amount designated by AMEX for the purpose of operating the Network that a Cardholder may charge at a S/E without prior Authorization.

"Issue" or "to issue" means to extend credit or charge facilities associated with a Card to approved applicants, to set the terms on the use of such facilities and be a party to the agreement with the Cardholder governing such use.

"Issuer" means any entity (including, without limitation, AMEX and Amex Entities) authorized by AMEX or an Amex Entity to issue a Card and to engage in the Card Issuing Business.

"Issuer Identification Number" means the unique identification number assigned to BP for the purpose of its Network Card business.

"Issuer's Rate" means the difference, which may be expressed as a percentage, between the face amount of a Charge and the price which the Issuer pays an Amex Entity upon presentment of a Charge under Article 11.

"Launch Date" means the date on which BP issues the first Network Card to a Cardholder other than one of its employees or agents, which date shall follow the Beta Test.

"Lists" means the names and billing addresses of Network Cardholders as reflected in BP's most recently updated records.

"Local Currency" means U.S. Dollars.

"Losses" means any losses, damages, costs and expenses, liabilities, settlements, including without limitation any outside attorneys' fees and court costs reasonably incurred by an indemnified party, but not including any special, indirect, consequential or punitive damages.

"Merchant Discount" means the percentage and/or the portion of each Charge which Service Establishments are obligated to pay an Acquirer for accepting Cards. Where a Person other than AMEX or an Amex Entity is the Acquirer, "Merchant Discount" shall mean the portion of the Merchant Discount paid by the applicable Acquirer to the applicable Amex Entity.

"Network Card" means any Card issued by BP pursuant to the terms of this Agreement, in connection with accounts payable in Local Currency.

"Network Cardholder" means a Person having a Network Card Account with BP or whose name is embossed on a Network Card.

"Network Cardholder Data" means information about Network Cardholders arising from their application for and/or use of a Network Card including their name, Account number, Account status, type of Network Card, country code, postal code, gender, date of birth, billing address, fee services/enrollments.

"Payment Date" means the 15th day of each month (or, if such day is not a Business Day, the following Business Day).

"Person" means an individual, corporation, partnership, trust, association or any other legally recognized entity or organization.

"Related Entities" means, with respect to AMEX, Amex Entities and, with respect to BP, BP Entities.

"Revolving Credit Card" means a Card for which only a predetermined percentage or minimum amount, rather than the full amount, of the amount outstanding is required to be paid by the Cardholder each month, interest being charged on the Revolving Credit Outstanding Balance on such Network Card Account.

"Revolving Credit Outstanding Balance" means any amount billed on a Revolving Credit Card which accrues a financing charge, excluding delinquency charges on amounts billed but not paid.

"Service Establishment" or **"S/E"** means any Person that has entered into a contract with an Acquirer wherein such Person agrees (i) to permit any Cardholder to charge purchases of goods and services at or with such S/E by means of the Card and (ii) to transfer such Charges to an Acquirer.

"Term" means the period of time that this Agreement shall be in effect, measured from the Effective Date, and continuing on for the period or periods set out in Article 20, including the Initial Term and any Renewal Term.

"Termination Event" means one of the events described in Article 21 which if incurred in respect of one of the parties to this Agreement shall give the other party the right to terminate this Agreement.

"Trademark License Agreement" means the Trademark License Agreement entered into on the date hereof between AMEX and BP, the form of which is attached hereto as Exhibit B.

"United States" or "U.S." means the 50 states of the United States of America and the District of Columbia.

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EXHIBIT B

TRADEMARK LICENSE AGREEMENT

THIS TRADEMARK LICENSE AGREEMENT ("License Agreement") is made as of the 13th day of August, 1997, between AMERICAN EXPRESS LIMITED, a corporation organized under the laws of Delaware, having its principal office at the World Financial Center, New York, N.Y. 10285, United States of America ("AMEX"), and Banco Popular de Puerto Rico, a banking organization incorporated under the laws of the Commonwealth of Puerto Rico, and having its registered office at 209 Munoz Rivera Avenue, Hato Rey, San Juan, Puerto Rico ("BP").

WHEREAS, the parties have entered into the Network Card Issuer Agreement (the "Basic Agreement") dated as of August 13, 1997, by which BP has been authorized by AMEX to engage in the Card Issuing Business, as described in the Basic Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements contained herein and intending to be legally bound, the parties agree as follows:

Article 1. DEFINITIONS

Unless otherwise specified in this License Agreement, the defined terms used in the Basic Agreement will be used with the same meanings in this License Agreement.

Article 2. AUTHORIZATION TO USE AMEX LICENSED MARKS

2.01 Grant of Licenses.

(i) Subject to the terms and conditions of this Agreement, AMEX hereby grants to BP, and BP hereby accepts from AMEX, a non-exclusive, non-transferable license and privilege to use the AMEX Licensed Marks, as defined below, solely within the Country and solely in connection with: (a) issuing Network Cards payable in Local Currency to customers in the Country; (b) promoting, advertising and marketing Network Cards; and (c) otherwise engaging in activities approved in writing by AMEX in connection with the Card Issuing Business. BP shall not, and nothing in the Basic Agreement or in this License Agreement shall authorize BP to, use the AMEX Licensed Marks in connection with any activity, product or services other than those specifically authorized in this License Agreement. All rights, opportunities and approvals not expressly granted to BP under this License Agreement are reserved by AMEX.

(ii) For purposes of this Agreement, "AMEX Licensed Mark" or "AMEX Licensed Marks" means:

(a) the design(s) and format(s) identified in Appendix A attached hereto, or as such design(s) and format(s) may from time to time be amended by AMEX, in its sole discretion;

(b) the trademarks identified in Appendix B attached hereto; and

(c) any other signs, decals, logos, service marks, trade names, trademarks, copyrights or other identification or trademark of AMEX or its affiliates, which in the sole judgment of AMEX are necessary for the operation of the Card Issuing Business in the Country and which are added to Appendix B by specific written notice from AMEX.

2.02 Ownership of AMEX Licensed Marks.

The AMEX Licensed Marks are the property of American Express Company and/or its affiliates, and AMEX warrants that it has the legal right to grant the licenses granted herein. BP will only be permitted to use the AMEX Licensed Marks in the manner designated in this License Agreement without variation. Any rights which arise or are created as a result of the licensed use will accrue to and be owned solely by AMEX or its affiliate, as the case may be.

Article 3. CONDITION OF LICENSE; PROTECTION OF AMERICAN EXPRESS BRAND

3.01 Conditions of License.

(i) The authority and license granted under this Agreement is subject to the condition that the Card Issuing Business is conducted by BP in accordance with all the terms and conditions of the Basic Agreement.

(ii) BP will ensure that its use of the AMEX Licensed Marks shall at all times conform to the highest standards of business ethics, practices and good taste. In making any use of the AMEX Licensed Marks, BP agrees to comply with the rules set forth in Appendix C to this License Agreement, in the AMEX Network Business Policies and Operational Procedures Manuals and such other rules as may be communicated in writing by AMEX from time to time.

(iii) The licenses granted to BP under this License Agreement shall be exercised solely in the Country and not in any geographic area other than the Country.

(iv) BP shall not use the AMEX Licensed Marks in any manner that is deceptive or misleading or that reflects unfavorably upon the good name, goodwill, reputation or image of AMEX or any Amex Entity, or in any way that is contrary to applicable laws. BP will not, during the Term or thereafter, use the AMEX Licensed Marks in any way which would tarnish or dilute them or encumber them in any way.

(v) BP shall not adopt or use any trade name, logo, mark, graphic, slogan, or designation that includes or is confusingly similar to, or a simulation or colorable imitation of, any of the AMEX Licensed Marks.

(vi) BP shall not use the AMEX Licensed Marks in any manner that violates any agreement to which BP is a party or is otherwise bound.

3.02 Approvals.

(i) All uses of the AMEX Licensed Marks, including without limitation all marketing, promotional and advertising materials used in connection with the Network Cards, shall be subject to AMEX's written approval in accordance with the AMEX Network Business Policies and Operational Procedures Manuals in order to determine whether such materials are consistent with the AMEX Brand. If AMEX requests, BP will promptly send copies of all requested materials which contain uses of the AMEX Licensed Marks to AMEX. AMEX reserves the right to require BP to immediately discontinue any use of the AMEX Licensed Marks in connection with any such requested materials.

(ii) Following AMEX's approval, BP shall not depart therefrom or institute any material changes in the quality or materials exemplified by the representative samples or utilize such materials in a manner not approved by AMEX without first obtaining another written approval of AMEX for such change.

3.03 Protection of the American Express Brand.

(i) If, during the Term, misuse or unauthorized use of the AMEX Licensed Marks occurs in the Country, BP shall, promptly upon learning thereof, notify AMEX in writing, setting forth the facts in reasonable detail. BP agrees that AMEX shall have the sole right to determine whether any action should be taken, and to take any action, to terminate such misuse or unauthorized use or settle any action, proceeding or claim brought by AMEX to terminate such misuse or unauthorized use. BP shall join AMEX and, if necessary, grant its approval so that AMEX, at its own expense, may institute any legal proceedings to restrain the use of such names or marks, or take any other legal action as may be appropriate.

(ii) BP will comply with all AMEX requests for cooperation in preparing and filing registered user documents (and upon termination of this License Agreement, cancellation or withdrawal of such documents) and in other actions AMEX deems necessary for AMEX to protect the AMEX Licensed Marks in the Country, including without limitation, AMEX instituting legal proceedings.

Article 4. ROYALTIES

Royalties otherwise payable to AMEX for licensing of the AMEX Licensed Marks licensed hereunder are waived for the Initial Term of the Basic Agreement so long as the Basic Agreement remains in effect.

Article 5. DURATION AND TERMINATION

5.01 Duration.

This Agreement shall be effective as of the Effective Date and shall continue in full force and effect so long as the Basic Agreement is in effect or until terminated as provided herein.

5.02 Right of Termination.

(i) Either party shall have the right to terminate this License Agreement, immediately and without prior judicial resolution or decree and without penalty, upon the occurrence of any of the events set forth in Article 5.02(ii) below in respect of the other party.

(ii) Each of the following events shall constitute a termination event for purposes of Article 5.02(i):

(a) the other party is, or otherwise admits in writing that it has become, unable to pay its debts as they become due; or the other party becomes the subject of any bankruptcy, insolvency or similar proceeding, whether voluntary or involuntary, or a receiver or similar official is appointed for all or any substantial part of such party's assets; or

(b) all or any substantial portion of such party's capital stock or assets is expropriated by any government.

In the case that a party is involved in any of the events described above in this Article 5.02(ii), such party shall promptly notify the other party of the occurrence of such event.

5.03 Termination of Basic Agreement.

This License Agreement automatically shall terminate, immediately and without prior judicial resolution or decree and without penalty, in the event that the Basic Agreement is terminated, for any reason whatsoever, or expires in accordance with its terms.

5.04 Termination for Material Breach. In the event of a material breach of this License Agreement, the party not in breach shall be entitled to terminate this License Agreement, which termination shall be effective 60 days (30 days in the case of any use of the AMEX Licensed Marks that is not in compliance with the terms of this License Agreement) after giving written notice to the other party. If a party shall elect to terminate this License Agreement pursuant to this Article 5.04, such party shall notify the other party in writing of such election, which notice shall specify the breach upon which such termination is premised and shall set forth in reasonable detail the facts and circumstances giving rise to such breach.

5.05 Dispute Resolution Not Applicable. The right to terminate this License Agreement in accordance with this Article 5 and the right of AMEX to obtain injunctive relief in accordance with Article 8.06 shall not be subject to, and neither party shall have the right to, invoke the provision, of Article 8.05 concerning alternative dispute resolution to delay or oppose any such termination or relief.

Article 6. CONSEQUENCES OF TERMINATION OF LICENSED RIGHTS

Upon termination of this License Agreement, except as specifically set forth in this Article 6, the right of BP to use the AMEX Licensed Marks authorized in Article 2 will automatically terminate, and BP will, without any demand from or cost to AMEX, remove any name, sign, logo, and symbol represented by the AMEX Licensed Marks used by BP under this License Agreement and will cease to use all such names and marks in any manner whatsoever. Notwithstanding the above, BP will be allowed to use the AMEX Licensed Marks as necessary in order to comply with BP's obligations spelled out in Article 22 of the Basic Agreement.

Article 7. CONFIDENTIALITY

The confidentiality provisions of Article 19 of the Basic Agreement shall apply to the parties and their performance under this License Agreement.

Article 8. MISCELLANEOUS

8.01 Language. This License Agreement is in the English language only, which language shall be controlling in all respects. All manuals, agreements, forms, reports and other documents to be furnished by one party to the other shall be submitted in English. However, Cardholder agreements and related materials used in the Country in a language other than English shall be submitted to AMEX in English and in such other language(s).

8.02 Permits; Compliance with Applicable Law. BP has, and shall maintain, all permits and other required authorizations necessary to use the AMEX Licensed Marks and to operate and conduct the Card Issuing Business in the Country. In its use of AMEX Licensed Marks and conduct of Card Issuing Business, BP will comply with all laws, rules and regulations applicable to it, and shall follow all policies and procedures set out in the AMEX Network Business Policies and Operational Procedures Manuals.

8.03 Indemnification. The indemnification provisions of Article 24.02 of the Basic Agreement shall apply mutatis mutandis to the parties and their performance under this License Agreement.

8.04 Assignment. Neither party may assign this License Agreement to any other Person, including a successor in interest, whether by operation of law or otherwise, without the other's prior written consent, except that this License Agreement and its performance hereunder may be assigned by AMEX to an Amex Entity without BP's consent upon 60 days prior written notice, and this Agreement and its performance hereunder may be assigned by BP to a BP Entity that is 100% owned by BP without AMEX's consent upon 60 days prior written notice on the express condition that such BP Entity must meet all the requirements set forth in this License Agreement, the Basic Agreement and in the Manuals and otherwise be capable of performing the obligations of BP hereunder and BP remains liable therefor.

8.05 **Governing Law/ Dispute Resolution.** The provisions of Article 24.04 and Article 24.05 of the Basic Agreement shall apply mutatis mutandis to the parties and their performance under this Agreement.

8.06 **Injunctive Relief.** BP acknowledges that AMEX would be irreparably harmed by any use of the AMEX Licensed Marks or activities in connection with conducting the Card Issuing Business by BP otherwise than in accordance with the terms of this Agreement and the Trademark License Agreement and would suffer injuries for which damages at law would be inadequate. Therefore, BP agrees that AMEX shall have the right to petition for injunctive or other equitable relief from a court of competent jurisdiction to prevent such unauthorized use, notwithstanding anything in Article 8.05. BP shall not assert in any such proceeding that damages at law would be adequate.

8.07 **Entire Agreement; Amendment.** This License Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof, except for the confidentiality agreement heretofore executed by American Express Travel Related Services Company, Inc. and Banponce Corporation. Except as otherwise specifically set forth in this License Agreement, this License Agreement may not be amended except by a writing signed by AMEX and BP.

8.08 **Notices.** All notices and other communications shall be in writing and may be personally delivered, ~~sent~~ by facsimile transmission with receipt confirmed telephonically, or other form of telecommunication leaving a permanent visual record (provided that where telecommunications are used, the sender also sends a copy of this notice forthwith by prepaid first class post), by first class registered mail, or by an expedited mail courier service that delivers a signed receipt of delivery. All notices or other communications shall be deemed received or given at the time of actual delivery at the address set forth below or at such alternative address as provided in this Article 8.08. All such notices and other communications shall be delivered as to the parties at the addresses indicated below, as such addresses may be changed from time to time by the giving of notice in accordance with this Article 8.08:

If to AMEX: American Express Limited
200 Vesey Street
New York, NY 10285
Attn: President
Global Network Services

WVW copy to: American Express Travel Related Services Company, Inc.
World Financial Center
New York, NY 10285
United States
Attention: General Counsel's Office

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If to BP: General Manager
Popular, Inc.
P.O. Box 362708
San Juan, Puerto Rico 00936-2708

With copy to: Banco Popular de Puerto Rico
Legal Division
P.O. Box 362708
San Juan, Puerto Rico 00936-2708

8.09 Severability. In the event any provision of this License Agreement shall be held to be invalid, void, or unenforceable, such provision shall be removed and replaced with a valid provision that comes closest to reflecting the intentions of the parties hereunder and all other provisions of this License Agreement shall remain in full force and effect.

8.10 Waiver. Any failure to exercise any right hereunder shall not be deemed to be a waiver of such right, and any waiver of one right hereunder shall not be deemed to be a waiver of any other right hereunder.

8.11 Force Majeure.

(i) No party shall be liable to the other for failure or delay in performance of any obligation hereunder if such failure or delay is caused in circumstances not directly under the control of the party concerned (the "Claiming Party"), including but not limited to failures resulting from acts of God, acts of public authorities which are subject to objective verification, wars and war measures, fires or delays of suppliers or carriers. However, nothing in this Article 8.11 shall be deemed to prevent, delay, or restrict AMEX from exercising its rights under this License Agreement or the Basic Agreement, applicable law or equity.

(ii) The Claiming Party shall promptly notify the other party (the "Non-Claiming Party") of the nature and extent of the circumstances giving rise to the Force Majeure, and the parties shall promptly meet to discuss the impact of the Force Majeure on this License Agreement. The Claiming Party shall promptly prepare a plan to comply with this Agreement despite the Force Majeure.

(iii) If the Force Majeure in question impacts adversely on the continuation or operation of arrangements contemplated by this License Agreement and prevails for a continuous period in excess of 15 days after the date on which the Force Majeure begins, and if the Claiming Party has not provided the Non-Claiming Party within 15 days after the Force Majeure began with a plan that is acceptable to the Non-Claiming Party to comply with this License Agreement despite the Force Majeure (which plan the Claiming Party is capable of implementing immediately and intends to implement immediately), the Non-Claiming Party is then entitled to give notice to the Claiming Party to terminate this License Agreement. The notice to terminate must specify the termination date, which must be not less than 5 days after the date on which the notice to

terminate is given. Once a notice to terminate has been validly given, the License Agreement will terminate on the termination date set out in the notice.

8.12 No Agency. AMEX and BP agree that in performing their responsibilities pursuant to this Agreement they are in the position of independent contractors. This License Agreement is not intended to create, nor does it create and shall not be construed to create, a relationship of partners or joint venturers.

8.13 Headings. The headings in this License Agreement are inserted for convenience of reference only, and if there is any conflict between such headings and the text of the License Agreement, then the text shall control.

8.14 Counterparts. This License Agreement may be executed in counterparts and each counterpart shall be deemed an original hereof.

8.15 Stamp Tax. Any stamp taxes levied in connection with the execution of this License Agreement will be borne by the parties equally.

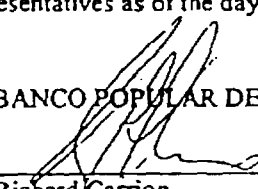
8.16 Consents and Approvals. Whenever the consent or approval of a party to this License Agreement is required, such consent may be given or withheld by such party in its sole discretion, unless otherwise specifically stated.

8.17 Rights and Remedies Cumulative. In the event of any material breach of the terms of this License Agreement, the parties hereto shall be entitled to damages or to any other right or remedy in law or in equity permitted against the other. All rights and remedies of the parties hereto are cumulative and not alternative.

8.18 Survival. The provisions of this License Agreement which by their terms require continuing performance to honor the obligations herein, shall survive any termination or expiration of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be executed in counterpart original by their duly authorized representatives as of the day and year first set forth above.

AMERICAN EXPRESS LIMITED
By: 
James Cracchiolo

BANCO POPULAR DE PUERTO RICO
By: 
Richard Carrion

Title: President, Global Network Services

Title: President and Chief Executive Officer

Date: August , 1997

Date: August , 1997

Appendix A
To License Agreement

**Types of Cards, and Designs, Format and Technical Specifications
of Network Cards to be Issued.**

Types of Cards

Standard Network Cards

Consumer Revolving Credit Cards

Standard Network Cards may be issued as Co-Branded Network Cards provided that they are in compliance with the Requirements for Co-Branded Network Cards set forth in Exhibit "L".

Premium Network Cards

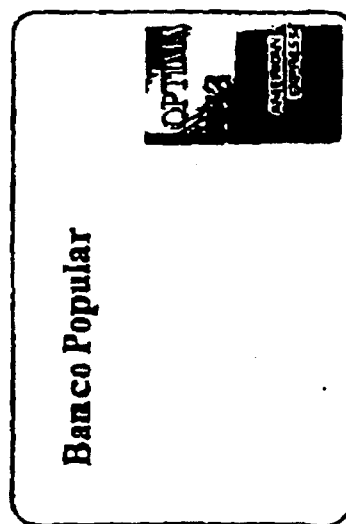
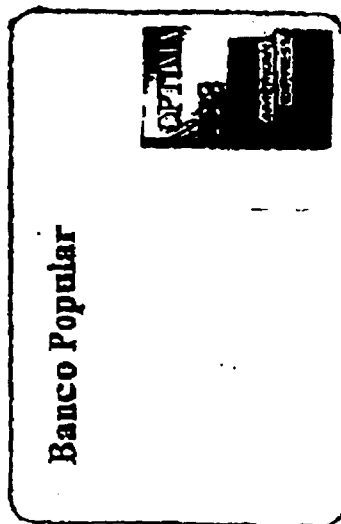
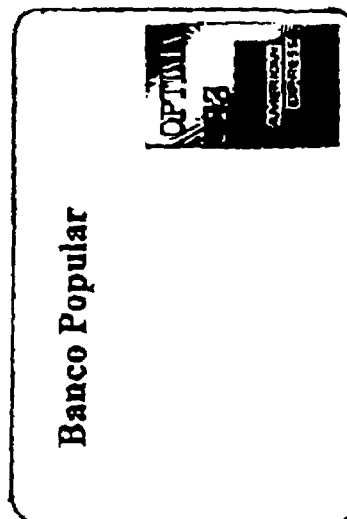
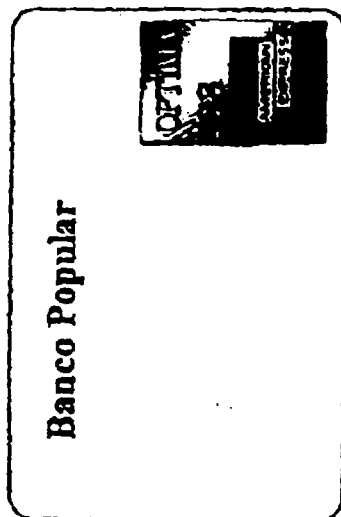
Premium Network Cards are Network Cards that have enhanced benefits and/or services above the benefits and/or services provided for standard Network Cards. Premium Cards may only be Gold Cards, not Platinum. If BP wishes to issue a premium version of a Network Card, BP must first present AMEX with a written plan and receive AMEX's written approval in order to ensure that the marketing, product standards and implementation plans for such Network Card are consistent with AMEX's operational and technical requirements and guidelines for protection of the American Express Brand. Premium Network Cards may be issued as Co-Branded Network Cards provided that they are in compliance with the requirements for Co-Branded Network Cards set forth in Exhibit "L".

Card Design and Format and Technical Specifications

Requirements contained in Card Design Manual.

BP is permitted to use "Optima" only in accordance with the attached representative format.

The design of all Network Cards is subject to AMEX's prior approval.



**Appendix B
To License Agreement**

Mark

AMERICAN EXPRESS® word mark.

AMERICAN EXPRESS Box logo®.

Optima American Express Starburst design.

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EXHIBIT C

Fees and Royalties

- (i) A one-time initiation fee of U.S. \$ 1.00 per Network Card based on the number of Network Card Accounts in Force projected in Exhibit D for the end of the third year of this Agreement payable on the Launch Date. **This fee is waived.**
- (ii) Assessments, payable in U.S. Dollars on a quarterly basis in accordance with the attached Schedule C1. The amount of the assessments shall be 0.05% (5.0 basis points) of Billings until such time as BP qualifies for a lower assessment in accordance with Schedule C1.
- (iii) A monthly royalty payable in U.S. Dollars on the Payment Date based on the average monthly Revolving Credit Outstanding Balances incurred by use of a Network Card which has a Revolving Feature. **This fee is waived.**
- (iv) "Service/Switch Fees" of 0.06% (6.0 basis points) of Billings, plus the fees listed on Schedule C3 for the services performed by AMEX in connection with BP's conduct of the Card Issuing Business, payable on the Payment Date in US Dollars. The 0.06% (6.0 basis points) fee amount shall be in effect until such time as Schedule C2 "Service and Switch Fees" is published, at which time the fees set forth on Schedule C2 shall apply.
- (v) A licensing fee to be paid in the amounts and in accordance with the terms and conditions of the Trademark License Agreement. **This fee is waived.**
- (vi) Fees for certain core benefits provided by AMEX on BP's behalf as set forth on Exhibit F.

**Schedule C1
Assessment Schedule**

Assessments

Payments due quarterly on reported total Billings (excluding balance transfers, cash advances, annual fees, interest and delinquency fees)

Paid on quarterly Volume (\$ Millions)	Amount (Basis Points)	Annualized Portfolio (\$ Millions)
1 st \$50	9.0bp	\$ 200
next \$100	8.0bp	\$ 600
next \$200	7.0bp	\$1,400
next \$500	6.0bp	\$3,400
next \$1000	5.0bp	\$7,400
Over \$1850	4.0bp	\$7,400+

(Note: All amounts in US Dollars. This schedule may be changed by AMEX from time to time, as long as such changes are consistently applied by AMEX and are competitive with the assessments made by other card systems in the Country.)

Schedule C2

Schedule to be provided on or about January 1, 1998.

This schedule may be changed by AMEX from time to time.

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Schedule C3

<u>Transaction Type</u>	<u>Fee</u>
ATM Transactions	To be Negotiated Separately
Telecom Access Fees	\$/Month To be Determined
Chargeback Dispute Initiation	TBD
Chargeback Dispute Resolution Process	TBD

(Note: All amounts in US Dollars. These fees may be changed by AMEX from time to time)

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EXHIBIT D

BP's Targets for first 10 years of Agreement.

Parameters	1 st 12 Month Period	2 nd 12 Month Period	3 rd 12 Month Period	4 th 12 Month Period	5 th 12 Month Period
End of Period Network Card Accounts in Force	23,000	40,000	54,000	65,000	75,000
Average Billings (in \$US) per Network Card Account*	\$2,000	\$2,200	\$2,400	\$2,600	\$2,700

Parameters	6 th 12 Month Period	7 th 12 Month Period	8 th 12 Month Period	9 th 12 Month Period	10 th 12 Month Period
End of Period Network Card Accounts in Force	82,000	89,000	92,000	95,000	98,000
Average Billings (in \$US) per Network Card Account*	\$2,800	\$2,950	\$3,100	\$3,200	\$3,400

Targets are set for each 12 month period measured from the Launch Date and thereafter from each anniversary of the Launch Date. AMEX will evaluate BP's performance against these targets as of the end of each calendar year (December 31) and will determine, after making such pro rata adjustments as may be necessary to reflect that the Launch Date occurred after January 1 in a given year, whether the targets shown above have been met.

- * Average Billings per Network Card Account = Total Billings for the period divided by Average Network Card Accounts in Force for the period. Average Network Card Accounts in Force = Beginning Network Card Accounts in Force plus ending Network Card Accounts in Force, divided by 2.

EXHIBIT E

Additional Reports Required

1. Average Purchase Transaction size for BP's general purpose bankcard credit card accounts issued in the Country, expressed in U.S. Dollars.*
2. Average Annual Spending per account for BP's general purpose bankcard credit card accounts issued in the Country, expressed in U.S. Dollars.*

* Excluding balance transfers, interest, annual fees, delinquency fees and cash advances.

Calculations shall be made using the same methodology and time periods as set forth on Exhibit D for Network Card Accounts.

EXHIBIT F

Core Benefits BP is Required to Provide

Standard Network Cards

- **Emergency Card Replacement** Replacement of Cardholders' lost or stolen Network Cards within 24 hours after being reported lost/stolen, if lost/stolen in the Country; within 48 hours if lost/stolen outside the Country.
- **24 hour Customer Service** Toll Free/Collect phone number(s) Cardholder can call worldwide for customer service assistance 24 hours a day, 7 days a week.
- **24 hour lost/stolen card reporting** Toll Free/Collect phone number(s) Cardholders can call worldwide to report lost or stolen Network Cards 24 hours a day, 7 days a week.

Premium (Gold) Network Cards

Same Core Benefits as Standard Network Cards Plus

- \$5,000 minimum line of credit.
- Emergency travel assistance, including legal and medical referrals while the Cardholder is traveling away from home.
- Travel Accident Insurance - accidental death insurance of \$100,000 when the Cardholder travels on a licensed common carrier with tickets charged to the Network Card.

All programs must be in accordance with AMEX requirements as contained in the AMEX Network Business Policies and Operational Procedures Manuals.

AMEX will also provide or make available to BP Network Cardholders the core benefits listed below, at the fees indicated, on behalf of BP. BP agrees that, at its sole expense, it will implement the necessary connectivity between its systems and AMEX's in order to enable AMEX to provide or make available the indicated Core Benefits.

Core Benefits Provided by AMEX for Additional Fees

Local and Outside the Country

	Fees
Emergency Card Replacement <u>via</u> Travel Services Offices ("TSOs") or an Amex Entity	\$50 per Card to process a Request for a replacement Network Card and \$75 to Deliver the replacement Network Card.
Emergency Cash Access <u>via</u> TSOs	\$8.00 per transaction.
Remittance Acceptance and Processing <u>via</u> TSOs	\$8.00 per transaction

AMEX shall, by the 15th day of each calendar month, calculate the amount of above fees payable by BP in respect of the prior calendar month and shall invoice BP accordingly. BP shall pay the amount invoiced in U.S. Dollars within 5 days from invoice date. AMEX has the right to change the fees on reasonable advance notice.

EXHIBIT G

**BANCO POPULAR DE PUERTO RICO
BANCO POPULAR NETWORK CARD MARKETING STRATEGY - LAUNCH YEAR**

To achieve the Banco Popular Network Card goals in terms of number of accounts in force, an aggressive mass media and targeted direct marketing campaign must be executed. The principal target will include the top two thirds of the total bankcard market in Puerto Rico and other consumers with characteristics matching the target market.

At launch, Banco Popular will have four revolving products to reach different segments, thereby increasing penetration of Banco Popular Network Cards in the target market. These include a classic card, a gold card, a rewards classic card and a rewards gold card, all subject to AMEX's approval as provided in the Agreement.

Prior to launching the product, focus groups will be conducted to test the product concepts and card designs, which designs are subject to AMEX's approval as provided in the Agreement.

The mass media campaign, including TV (Direct Response), radio and press will create awareness of as well as communicate a new product concept: a revolving credit card issued by Banco Popular that is accepted at all American Express merchants.

The communication will need to overcome preconceived ideas such as the non-revolving nature of American Express cards and explain benefits new to the Puerto Rico market such as the tiered interest rate feature. For the rewards program, it needs to communicate its benefits compared to other rewards and value-added programs.

A large portion of the first year's marketing budget will be allocated to the first quarter after launch. This will enable breaking through the clutter and achieving top-of-mind awareness quickly. In later months, direct marketing and branch officers will capitalize on the early investment.

Mass media will utilize vehicles that will ensure that the target is reached in the most efficient and effective manner. The print advertising will be placed mostly in the largest circulation newspapers in the island and TV will be in direct response format and placed on the Cable TV networks. Radio will be used with some integration into morning talk shows, which will not only be effective but will also provide credibility to this new product concept.

Leveraging the awareness and knowledge that will be created through mass media, a significant number of the new accounts will be acquired through direct marketing efforts. During the first year, over 400,000 letters will be mailed in several efforts which will be followed by telemarketing support. These mailings will include preapproved offers as well as invitations to apply.

The branches will also serve as an important channel in the acquisition of new customers. Incentive compensation will be provided to branch employees to encourage the sale of the BP Network Card.

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Banco Popular de Puerto Rico
American Express Analysis
Marketing & Account Acquisition Strategy

	Month -2	Month -1	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
MASS MARKETING															
1. Direct Response TV															
Production		\$ 75,000													\$ 75,000
Spots			\$ 45,000	\$ 45,000	\$ 25,000	\$ 7,500	\$ 7,500	\$ 18,000	\$ 30,000	\$ 20,000	\$ 20,000	\$ 15,000	\$ 10,000	\$ 10,000	\$ 250,000
2. Printed Media															
Production		\$ 35,000													\$ 35,000
Spots	\$ -	\$ -	\$ 80,000	\$ 80,000	\$ 40,000	\$ -	\$ 40,000	\$ 40,000	\$ 80,000	\$ 60,000	\$ -	\$ 80,000	\$ 40,000	\$ -	\$ 500,000
3. Radio															
Production		\$ 8,000													\$ 8,000
Spots			\$ 12,500	\$ 10,000	\$ 5,000			\$ 10,000	\$ 7,500	\$ 5,000	\$ 5,000	\$ 2,500			\$ 57,500
Sub Total	\$ -	\$ 118,000	\$ 137,500	\$ 135,000	\$ 70,000	\$ 7,500	\$ 47,500	\$ 63,800	\$ 97,500	\$ 85,000	\$ 25,000	\$ 77,500	\$ 50,000	\$ 10,000	\$ 623,500
DIRECT MARKETING															
Mail			\$ 181,250	\$ 138,750				\$ 117,000	\$ 117,000			\$ 117,000	\$ 117,000		\$ 708,000
Postals															\$ -
Convenience Checks			\$ -	\$ -	\$ 4,674	\$ -	\$ -	\$ 8,488	\$ -	\$ -	\$ 8,921	\$ -	\$ -	\$ 11,563	\$ 31,649
Sub Total	\$ -	\$ -	\$ 181,250	\$ 138,750	\$ 4,674	\$ -	\$ -	\$ 125,488	\$ 117,000	\$ -	\$ 8,921	\$ 117,000	\$ 117,000	\$ 11,563	\$ 608,649
RESEARCH															
Merchandising		\$ 87,500													\$ 87,500
Incentive Compensation			\$ 20,000	\$ 17,811	\$ 8,174	\$ 783	\$ 4,430	\$ 11,716	\$ 13,533	\$ 6,305	\$ 2,854	\$ 12,584	\$ 10,887	\$ 1,643	\$ 107,520
Sub Total	\$ -	\$ 87,500	\$ 20,000	\$ 17,811	\$ 8,174	\$ 783	\$ 4,430	\$ 11,716	\$ 13,533	\$ 6,305	\$ 2,854	\$ 12,584	\$ 10,887	\$ 1,643	\$ 195,020
OTHER															
Retention & Activation			\$ 1,088	\$ 2,058	\$ 2,337	\$ 2,378	\$ 2,615	\$ 3,250	\$ 3,980	\$ 4,398	\$ 4,864	\$ 5,141	\$ 5,714	\$ 5,794	\$ 43,132
Welcome Kit			\$ 8,708	\$ 7,752	\$ 2,252	\$ 332	\$ 1,828	\$ 5,100	\$ 5,880	\$ 2,744	\$ 1,242	\$ 8,478	\$ 4,854	\$ 716	\$ 48,798
Design	\$ 30,000														\$ 30,000
Research	\$ 10,000														\$ 10,000
Sub Total	\$ 40,000	\$ -	\$ 9,797	\$ 9,810	\$ 4,589	\$ 2,708	\$ 4,343	\$ 8,350	\$ 9,824	\$ 7,144	\$ 5,706	\$ 13,619	\$ 10,568	\$ 6,510	\$ 129,328
Total Acquisition Cost	\$ 40,000	\$ 203,500	\$ 328,564	\$ 382,371	\$ 84,437	\$ 10,971	\$ 54,473	\$ 204,388	\$ 237,803	\$ 98,303	\$ 42,461	\$ 217,785	\$ 184,081	\$ 29,744	\$ 2,848,177

EXHIBIT H

S/E Servicing and Charge Processing Assistance

1. BP shall ensure that Network Cards meet AMEX technical specifications for Card acceptance at S/Es. AMEX and Acquirers shall have responsibility for servicing S/Es in such matters as:
 - having the contractual relationship with the S/E and paying the S/E for Charges;
 - providing an adequate supply of Records of Charge and Summary of Charges forms;
 - ensuring proper functioning of imprinters and Point of Sale terminals provided by AMEX or Acquirers;
 - providing stand-in Authorization services or a switching facility to allow Charges to be authorized by an Issuer;
 - making chargebacks to S/Es, where appropriate;
 - soliciting on an ongoing basis selected providers of goods and services inside and outside the Country to become S/Es.

2. AMEX shall provide BP information necessary for it to be able to render monthly statements of accounts to Network Cardholders, including providing to BP the data elements (which elements may be changed from time to time) with regard to Network Card transactions as provided in the AMEX Network Business Policies and Operational Procedures Manuals.

EXHIBIT I

BP's Projected Distribution of Spending based on BP's targeting the Network Card to upscale prospective Cardholders.

<u>Industry</u>	<u>Spending Distribution</u>
Airlines	3.8%
Lodging	7.2%
Car Rental	2.2%
Restaurant	7.7%
Travel Related	5.0%
Retail Shops	22.4%
Department Stores	9.5%
Supermarkets	4.8%
Mail Order	11.8%
Oil Companies	2.1%
Other Auto Related	6.7%
Health Care	4.0%
Entertainment	0.8%
Telecommunications	0.6%
Education	0.7%
Professional & Financial Services	2.0%
Other Transportation	0.0%
All Other	8.7%
Total	100.0%

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EXHIBIT J

Issuer's Rates

Airline	1.50%
Hotel	1.30%
Restaurant	1.34%
Car Rental	1.70%
Travel	1.00%
Retail Shops	1.26%
Retail Dept. Stores	1.00%
Retail Mail Order	2.10%
Entertainment	1.89%
Oil Companies	1.00%
Supermarkets	1.00%
Communication	2.05%
Other - Auto Related	2.41%
Other - Transportation	2.30%
Other - Other	2.10%
Other - Prof/Fin	2.44%
Other Education	2.00%
Other - Health Care	2.00%
Foreign Spend	1.54%

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EXHIBIT K

- Working with BP and its processor(s) to ensure that BP can comply with the technical specifications as set forth in the Manuals.
- Assigning currency code and Issuer/Acquirer number ranges;
- Ensuring that questions regarding implementation and launch inquiries are processed accurately and in a timely manner by providing access to the necessary systems and American Express Global Network Services staff.
- Establishing procedures for submitting or transmitting Network Cardholder spend billing files;
- Working with BP staff to explain AMEX quality standards and reporting requirements for the Card Issuing Business;
- Working with BP marketing staff and advertising agency to ensure the application of plastic design, branding and communication guidelines.

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Exhibit "L"

Requirements for Co-Branded Network Cards

1. General. The parties acknowledge and agree that to be approved as a Co-Branded Partner, a Person must be able to provide special benefits and services or other value as agreed by AMEX, to Network Cardholders and to enhance the image and integrity of the American Express Brand. At the same time, since a Person which has been approved as a Co-Branded Partner is not necessarily eligible to become an Issuer, such Person will not be allowed to enjoy the benefits of being an Issuer.
2. Prior Approval. All agreements between BP and prospective Co-Branded Partners with respect to Network Cards must be approved in writing in advance by AMEX. To gain approval of a prospective Co-Branded Partner, there must be a realistic possibility in the opinion of both AMEX and BP that such proposed Co-Branded Partner can acquire a minimum of 25,000 Network Cards within 2 years of signing an agreement with BP.
3. Ownership and Control of Co-Branded Network Card Program and Portfolio. The Co-Branded Network Card program and portfolio must at all times be under the ownership and control of BP. AMEX shall have sole discretion to determine whether BP owns and controls the Co-Branded Network Card program(s) and portfolio(s) for which it is responsible, and will require, among other things, that BP sets the credit terms, has the financial risk with regard to the Co-Branded Network Cards in such portfolios and that the receivables for such Co-Branded Network Cards are owned and controlled by BP. AMEX reserves the right to require BP to submit to AMEX any and all contracts with Co-Branded Partners to ensure compliance with its obligations under this provision. BP shall ensure that the Co-Branded Partner complies with all AMEX rules, regulations and policies, and shall be liable and responsible to AMEX for all its Co-Branded Partners.
4. Advertising Standards and Card Design. BP must ensure that all marketing and advertising of the Co-Branded Network Cards complies with AMEX guidelines set out in Article 9.03 and Exhibit B of the Network Card Issuer Agreement, and in the AMEX Network Business Policies and Operational Procedures Manuals.
5. Card Acceptance. The Co-Branded Partner must accept all Cards, regardless of Issuer, and must undertake not to discriminate against or suppress the use of Cards which do not carry its name or logo.
6. Remedies and Termination. If AMEX determines that BP or its Co-Branded Partner is not in compliance with any of the above provisions, it shall have the right to require that any non-compliance is cured within 30 days of AMEX's notice to BP of any non-compliance and to impose penalties including fines and/or termination of the Co-Branded Network Card program on 60 days prior written notice if non-compliance is not cured within said time period.

Exhibit "M"

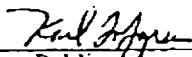
American Express Network Advisory Council

The American Express Network shall establish a Network Advisory Council (the "Advisory Council") which shall consist of senior executives from a representative group of Issuers that issue Cards on the American Express Network ("Issuers"). As necessary, AMEX will designate committees to be responsible for focusing on particular issues. The purpose of the Network Advisory Council is to provide input on marketing, operations, systems and technology matters that affect all Issuers on the Network.

1. AMEX shall determine (a) the number of members of the Advisory Council, (b) which Issuers shall be members; and (c) the period of time that an Issuer can have a representative on the Advisory Council.
2. Issuers shall be appointed by AMEX to the Advisory Council for 2 year terms. Amex may reappoint Issuers to serve on the Advisory Council for successive terms.
3. If an Issuer is a member of a board of directors or similar body within a competing card network, association or system, (a) that Issuer cannot be a member of the Advisory Council if such membership would violate the rules applicable to such other membership or would violate applicable law or the requirements of a governmental agency and (b) the same executive cannot be a member of the Advisory Council and such other board or body.
4. The Advisory Council shall provide advice and counsel (a) on significant operations and systems changes proposed by the Network that affect all Issuers, (b) on new products and services that AMEX proposes to provide or offer to all Issuers; and (c) on operations, risk, and systems issues applicable to all Issuers. AMEX shall present any proposed significant operations or systems changes or new Network products and services to the Advisory Council sufficiently in advance of any proposed implementation or introduction in order to be able to consider the Advisory Council's input prior to such implementation or introduction.
5. AMEX shall give serious consideration to all recommendations that the Advisory Council makes on operational and systems issues and on products and services that, in the Advisory Council's judgment, the Network should provide or make available to all Issuers.

UNITED STATES OF AMERICA)
STATE OF NEW YORK) SS.
COUNTY OF NEW YORK)

On this 13th day of August, 1998, before me, a duly appointed Notary Public, in and for the County of New York, State of New York, personally appeared (i) JAY B. STEVELMAN, to me known and known to me to be Senior Vice President and Treasurer of AMERICAN EXPRESS LIMITED, and duly acknowledged that he executed the foregoing Power of Attorney and that the seal affixed to such Power of Attorney is the seal of AMERICAN EXPRESS LIMITED; and (ii) MICHAEL G. KUCHS, to me known and known to me to be the Assistant Secretary of AMERICAN EXPRESS LIMITED, and duly acknowledged that he executed the foregoing Certification and that the seal affixed to such Certification is the seal of AMERICAN EXPRESS LIMITED.



Notary Public

KARL LOFGREN
NOTARY PUBLIC, State of New York
No. 31-4664097
Qualified in New York County
Commission Expires August 31, 1998

6. The Advisory Council shall meet at least once and not more than twice each year, at a time and location to be determined by AMEX. AMEX shall distribute to Issuers a proposed agenda in advance of each meeting for review and for suggestions of items that should be addressed at the meeting.
7. Each executive who serves on the Advisory Council will be required to execute a confidentiality agreement in the form attached hereto.
8. All members of the Advisory Council shall comply with guidelines for the conduct of Advisory Council meetings as may be provided by AMEX from time to time
9. As a condition of serving on the Advisory Council, all Network Card Issuers and their representatives who participate on the Advisory Council shall comply with applicable law, including, without limitation, Antitrust laws and laws relating to competition, and shall obtain the advice of their attorneys regarding compliance with such legal requirements.
10. In addition to AMEX's other rights and remedies, AMEX shall have the right to terminate an Issuer's membership on the Advisory Council immediately if the Issuer's agreement whereby it issues Cards on the American Express Network terminates or in the event that there is a breach by the Issuer or its representative of its confidentiality obligations to AMEX or an Amex Entity or a breach by the Issuer's executive serving on the Advisory Council of his/her confidentiality agreement or in the event that AMEX determines that there has been a breach of Network Advisory Council Guidelines.

Confidentiality Agreement

As a condition of serving on the American Express Network Advisory Council (the "Advisory Council") the undersigned, _____ (Name), a _____ (Title) of _____, (Name of Issuer) an issuer of cards on the American Express Network ("Issuer") agrees to hold in strict confidence and not to disclose any information or matters relating to the American Express Network, AMEX, Amex Entities (as hereinafter defined) or Other Issuers (as hereinafter defined) which are discussed with, or by, or learned from American Express Limited ("AMEX") or its subsidiaries or affiliates (collectively "Amex Entities") or other issuers of Cards on the American Express Network ("Other Issuers"), whether at meetings of the Advisory Council, or otherwise (collectively "Confidential Information"). In particular, and without limitation, the undersigned agrees not to disclose any Confidential Information to employees, officers or directors of Issuer who are responsible for, or involved in, Issuer's business relating to other cards or to any card association or network that competes with AMEX, Amex Entities or the American Express Network. Notwithstanding the foregoing, the undersigned is not precluded from disclosing Confidential Information relating to the American Express Network with employees of Issuer on a "need to know" basis as necessary for Issuer to perform its obligations under its agreement with AMEX whereby Issuer issues Cards on the American Express Network.

The undersigned agrees that money damages would not be a sufficient remedy for breach of this Confidentiality Agreement, and therefore agrees that, in addition to all of AMEX's, Amex Entities' or Other Issuers' other rights and remedies under law and equity, AMEX, Amex Entities and Other Issuers shall be entitled to injunctive relief and other appropriate equitable remedies against the undersigned's breach of this Confidentiality Agreement.

Signature

Name Printed or Typed

Title/Name of Issuer

Date

Confidentiality Agreement

As a condition of membership on the American Express Network Advisory Council (the "Advisory Council") the undersigned, _____, (Name of Issuer), an issuer of Cards on the American Express Network ("Issuer") agrees to hold in strict confidence and not to disclose any information or matters relating to the American Express Network, AMEX, Amex Entities (as hereinafter defined) or Other Issuers (as hereinafter defined) which are discussed with, or by, or learned from American Express Limited ("AMEX") or its subsidiaries or affiliates (collectively "Amex Entities") or other issuers of Cards on the American Express Network ("Other Issuers"), whether at meetings of the Advisory Council, or otherwise (collectively "Confidential Information"). In particular, and without limitation, the undersigned agrees not to disclose any Confidential Information to employees, officers or directors of Issuer who are responsible for, or involved in, Issuer's business relating to other cards or to any card association or network that competes with AMEX, Amex Entities or the American Express Network. Notwithstanding the foregoing, the undersigned is not precluded from disclosing Confidential Information relating to the American Express Network with employees of Issuer on a "need to know" basis as necessary for Issuer to perform its obligations under its agreement with AMEX whereby Issuer issues Cards on the American Express Network.

The undersigned agrees that money damages would not be a sufficient remedy for breach of this Confidentiality Agreement, and therefore agrees that, in addition to all of AMEX's, Amex Entities' or Other Issuers' other rights and remedies under law and equity, AMEX, Amex Entities and Other Issuers shall be entitled to injunctive relief and other appropriate equitable remedies against the undersigned's breach of this Confidentiality Agreement.

Signature

Name Printed or Typed

Title/Name of Issuer

Date

Appendix C
To License Agreement

1. Acceptance of the Network Card may be referred to in the following terms - "The BP American Express Card is welcomed wherever you see the familiar [Blue Box] sign" or such other language as is specified by AMEX. BP is permitted to use "Optima" only on the face of the Network Card design, and is not permitted to use "Optima" in any other way.
2. If specific named Service Establishments are mentioned in any of BP's marketing communication, AMEX will require pre-approval on these materials.
3. The American Express logo may only be reproduced in the specific pantones supplied to BP or in black.
4. The Network Card cannot be marketed as the "American Express Card". All marketing material should reflect the fact that the "American Express" adjective refers to the Network.
5. BP may not use any existing American Express sign-offs or slogans (past or present) nor can BP mimic, ridicule, copy or alter any past or present American Express sign off or slogan.
6. The Network Card may be shown in full or partially represented, but if only partially represented the name of BP must be clear and the Blue Box logo may not be shown incomplete or distorted.
7. The Blue Box may not be used by itself. Nor may it be used with the words "Cards" next to it. The Blue Box may only be used in communications where it is used to demonstrate the point that the Network Card may be used where the Blue Box welcome sign is posted.
8. The Network Card cannot be marketed in any manner that implicitly or explicitly disparages Cards issued by AMEX or Amex Entities or that states or implies that the BP Network Card has superior acceptability by S/Es.
9. The Network Card cannot be marketed in any manner that could tend to confuse consumers concerning the network on which the Network Card is Accepted. BP agrees that it will not place any AMEX Licensed Mark on any product or service other than the Network Card, and further that materials marketing or advertising the Network Card shall not contain the marks, logos or other designs or insignia of competitive cards. BP further agrees that it will not place any trademark, service mark, logo or other design or insignia of a competitive card or competitive card system on the Network Card.