

**American Express
And
Banco Popular de Puerto Rico**

Merchant Recruitment Agreement

This Agreement is made the 5th day of August, 1999.

Between:

American Express Travel Related Services Company Inc., a New York Corporation having its Latin America and Caribbean Headquarters at 14901 N.W. 791 Court, Miami Lakes, Florida 33016 ("American Express" or AMEX) and

Banco Popular de Puerto Rico, a Puerto Rico company having its registered office at Edificio Popular Center, Ave. Muñoz Rivera 208, Hato Rey, PR, 00918 (BPPR).

Witnesseth:

Whereas:

AMEX Recruits and contracts with Service Establishment's ("S/E's") for the purchase, processing and settlement of American Express Card Charges (being those incurred by cards issued by an AMEX Entity)

Whereas:

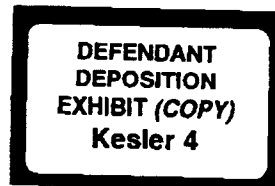
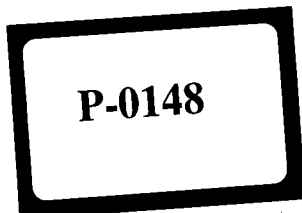
BPPR Recruits and contracts with Merchants for the purchase, processing and settlement of charges on various bank (and other) card systems and wishes to Recruit S/E's for AMEX for the acceptance of American Express cards.

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

1. Definitions

1.1 In this Agreement (including all schedules), hereinafter referred to as the "Agreement", the following initially capitalized terms shall have the following meanings:

"S/E" (Service Establishment) means any person or outlet that has entered into an AMEX S/E Agreement or a composite contract as referred to in clause 4.1.



A handwritten signature in black ink, appearing to be "A. B." or similar, written over a circular scribble.

"Active S/E" means an S/E Recruited by BPPR that has transferred or submitted to the acquiring AMEX entity or other American Express acquirer, at least one Charge within six months following completion of the requirements of sub-clause 4 2 below.

"AMEX S/E Agreement" means an Agreement in the form set out in Schedule 6 as amended by AMEX from time to time.

"AMEX Card" means any payment or access device issued to a cardholder by any AMEX Entity.

"AMEX Entity" means any of American Express Company, its subsidiaries affiliates or licensees.

"Charge" means the total price for the purchase or refund of goods or services with an AMEX Card.

The "Country" means Puerto Rico.

"Discount Rate" means the percentage and/or the portion of each Charge, which is deducted by AMEX when it pays S/E's for Charges.

"Exclusion List" means those S/E Prospects specified by AMEX from time to time in accordance with Clause 2.2 and as initially set out in Schedule 3.

✓ "Fraud" includes any use of an AMEX Card or its particulars, which is obtained by theft misrepresentation or otherwise without authority or any use of an AMEX Card, which is counterfeit or has been altered or modified.

"Launch Date" means the (date).

"Location" means each and every separate premises at which on an S/E trades or operates (not including separate headquarters offices).

"Merchant" means any Person with which BPPR shall have, from time to time, a contract for card acceptance for any card except AMEX Cards.

"Merchant Prospect" means any person falling within the Selection Criteria with which BPPR may from time to time seek to have a card acceptance agreement for cards other than AMEX Cards.

"Person" means individual, co-operation, partnership, trust or any other entity or organization.

"Point of Sale Agreement" means that agreement in the form set out in the Schedule 5.

"Recruitment" means performance of the requirements of clause 4 in respect of an S/E Prospect and "Recruited" shall be construed accordingly.

"Selection Criteria" means those criteria in Schedule 2 with in which BPPR will seek to Recruit S/Es.

"S/E Prospect" means any Person being a provider of goods and services whether a Merchant or Merchant Prospect which may in accordance herewith be solicited by BPPR to become an S/E.



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"Service Levels" means the service levels set out in Schedule 4 as amended from time to time with the prior written consent of both parties.

"Terminal" means an electronic data capture device owned by either party and installed at the point of sale of the type detailed in Schedule 5 or such modified device or other device as the parties may agree in writing from time to time. A Terminal is capable of obtaining electronic authorization for, and electronic data capture of details of, a transaction, and transmitting those details into the AMEX host system.

2. Authority

- 2.1 AMEX authorizes BPPR, or its agents to Recruit such Merchants and other Merchant Prospects carrying on their business in the Country as fit the Selection Criteria are not on the Exclusion List to become S/E's.
- 2.2 AMEX shall specify the S/E Prospects not to exceed 100 in number as at the date hereof in an Exclusion List and BPPR will not solicit or seek or Recruit such S/E Prospects for AMEX. AMEX may update the Exclusion List quarterly.
- 2 2.3 This Agreement is non-exclusive. For the avoidance of doubt, nothing in this Agreement shall prevent (a) BPPR from recruiting or seeking to recruit Merchants in respect of any card or card scheme; or (b) Amex Entities from recruiting or seeking to recruit Merchants in respect of the American Express Card service directly or through other third parties.

3. Consideration

- 3.1 In consideration of each Recruitment of an Active S/E, AMEX agrees to pay BPPR a flat fee of \$45.00 per S/E Recruited, provided that the Recruitment process is completed as set in Clause 4.
- 3.2 In order to facilitate the payment of fees hereunder AMEX agrees to pay fee via an ACH transfer to BPPR's account. BPPR will fax invoice to AMEX Puerto Rico office by third business day of each month for all applicable fees. AMEX will make payment by the tenth business day of the month to the account designated by BPPR. If payment is not received by that day, all amounts outstanding will be subject to interest at the rate of 18% per annum on a daily basis, based on a year of 360 days. The \$45 fee mentioned in the clause 3.1 can be changed anytime upon prior written agreement between BPPR and AMEX.

4. Recruitment

Recruitment shall be the performance of the following in accordance with Recruitment Service Levels provided that any errors or omissions that are immaterial or do not materially prejudice AMEX relationship with its S/E shall not be taken into account in determining whether such performances has taken place:

- 4.1 The S/E shall have signed a contract being the either an AMEX S/E Agreement or an agreed composite contract which in the latter case will create a contractual relationship between the S/E Prospect and AMEX in terms reasonably acceptable to AMEX.



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- 4.2 The S/E Prospect BPPR shall have provided the set up data specified by AMEX from time to time in accordance with the agreed Service Levels. The transfer methods shall include paper or such other P/C or other technological interfaces in place between the parties from time to time.
- 4.3 For S/E Prospects that are not Merchants BPPR shall perform its standard credit check and do (or confirm where required in accordance with clause 9) the appropriate Money Laundering screening for that type of S/E Prospect (depending on its business sector, legal entity and other appropriate considerations) in accordance with Puerto Rico regulations in force at the relevant time, so far as the relevant activities and processes for such checks and screenings are under BPPR 's direct control.
- 4.4 AMEX shall not have exercised its right of decline within the seven- (7) working days in accordance with Clause 11.3.
- 4.5 BPPR shall have initialized the Terminals installed in the S/E Prospect's premises and which where these are required to be initialized by BPPR in accordance with the appropriate Service Levels.
- 4.6 The S/E shall have transferred to AMEX at least one AMEX Card Charge within six months of completion of the requirements of sub-clause 4.1-4.5 above.
- 4.7 BPPR shall have provided training on fraud prevention to the S/E.

5. Discount Rate and Fees

- 5.1 BPPR acknowledges that AMEX has sole discretion in respect of the establishment and application of the Discount Rate, speed of pay and other financial or contractual conditions for acceptance of the AMEX Card provided that AMEX shall not discriminate against S/Es introduced by BPPR.
- 5.2 BPPR undertakes to quote only Discount Rates, speed of pay and other financial and commercial terms of AMEX Card acceptance as are supplied and approved by AMEX. The Discount Rates and speed of pay details to be applied at launch are set out in Schedule 7.
- 5.3 BPPR will not blend the AMEX Discount Rate with that of any other card or neither product nor combine separates Merchant organizations in one application to achieve a lower Discount Rate.
- 5.4 Recruitment of S/E for acceptance of the AMEX Cards is free of charge to S/E Prospects. Any fees BPPR may apply shall not be described as applying to AMEX or to AMEX Card Service.
- 5.5 Subject to the requirement of 5.4 above BPPR may choose to exercise its discretion in the charges applied in any multiple card acceptance process.



6. Recruitment Plan

- 6.1 BPPR and AMEX will meet to discuss and develop an action plan to provide appropriate approaches to the various market segments identified by both parties.
- 6.2 In order to increase market penetration of AMEX Cards in BPPR Merchant base, BPPR will allow AMEX to insert service information in BPPR Merchant statements. Said inserts will be reviewed and approved by BPPR before production of it. All expenses in the production of said inserts will be reviewed and approved by BPPR before production of same. All expenses in the production of said inserts will be borne by AMEX. The insertion of service information to BPPR Merchants will be allowed two (2) times a year subject to scheduling.
- 6.3 All information disclosed between the parties pursuant to this section shall be treated as confidential by the receiving party and any elements regarded as highly confidential or competitively sensitive may be withheld from disclosure. These action plans shall not create any commercial obligation on either party to achieve the objectives stated in the plan.

2 7. Preparation: Sales Training

- 7.1 All BPPR sales agents force(s) must complete American Express training and be so certified or validated prior to deployment for the Recruitment process.
- 7.2 AMEX shall, or at its option train BPPR trainers to, provide the basic element of American Express training. Additional training shall be agreed between the parties and provided in a like manner.
- 7.3 AMEX shall bear the cost of training. Training shall take place at premises provided by BPPR.
- 7.4 The content, duration and application of the core training shall be agreed between the parties, the consent of each party not to unreasonably withheld, and, if appropriate, shall be incorporated by BPPR into its core educational curriculum for sales and Recruitment personnel.

8. Technical Interface

The parties will work together using reasonable commercial efforts to establish within reasonable period a technical (PC based or on-line) link in a practical, efficient and economic way to enable the transfer of Recruitment data from BPPR to AMEX.

9. Risk Assessment and Money Laundering

- 9.1 If and when Amex has Risk Assessment Procedures, it will disclose, in confidence, these Risk Assessment Procedures to BPPR. Once disclosed to BPPR, they will be known as the Risk Assessment Procedures and any substantive or significant changes or adjustments must also be notified to BPPR.
- 9.2 BPPR shall apply the Risk Assessment Procedures to, and perform or confirm the appropriate Money Laundering checks for, each SE Prospect save that in respect of Merchants in place for BPPR prior to Recruitment for Amex, BPPR shall be deemed to have



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applied the relevant Risk Assessment Procedures and performed such Money Laundering checks.

9.3 BPPR hereby certifies that in respect of any Merchant Recruited by BPPR for AMEX, either:

9.3.1 BPPR has not taken action to verify the identity of the Merchant where not required for an introduced Merchant under Puerto Rico or Federal Money Laundering Regulations, if any, in force at the relevant time; or

9.3.2 BPPR has taken the steps required to verify the identity of the Merchant in accordance with Puerto Rico or Federal Money Laundering Regulations, if any, in force at the relevant time.

9.3.2.a The Merchant's name and address as shown on the AMEX Merchant application form AMEX S/E Agreement corresponds with BPPR records at the time of the AMEX application.

2 9.3.2.b On an exception basis, where properly required by regulators or other competent authority, BPPR shall provide at its own expense within 10 (ten) working days of being so requested by AMEX written confirmation (or certification as required) of its performance of relevant money laundering checks in respect of any individual S/E or S/E Prospect.

9.3.2.c Annually at its own expense and as part of its own internal audit process BPPR shall provide to AMEX a certificate of satisfactory performance of its obligations under this clause.

10. Marketing Co-operation

10.1 BPPR shall be entitled freely to maintain its existing relationship with all Merchants and AMEX shall be freely entitled to maintain its relationship with S/E's.

10.2 AMEX will offer BPPR the opportunity to join exclusive marketing campaigns aimed at promoting the acceptance of the American Express branded products among the S/E's including S/E's Recruited by BPPR being also BPPR Merchants. BPPR may in its sole discretion, join or decline to join in such campaign(s). These opportunities will be at the discretion of AMEX and may include joint marketing campaigns promoting S/E's to Cardholders.

10.3 Either party may ask and, the other party may, at its discretion agree to co-operate in the Recruitment of individual S/E's falling outside the Selection Criteria. Any such co-operation shall be agreed in writing between the parties specifying the actions of the parties and the reward and Revenue Share (if any) due to BPPR.

11. Decline and Cancellation

11.1 BPPR shall not recommend acceptance by AMEX of the application to become an S/E or an S/E Prospect that BPPR would not have approved as a Merchant in its own right for its own processing of one or more competing multinational Card system.



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- 11.2 In respect of any S/E Prospects who fail or do not meet the criteria in clause 11.1 above but which respond to BPPR solicitation for Recruitment for AMEX, BPPR shall decline the application (in terms pre-agreed with AMEX). At least monthly BPPR shall provide AMEX with a list of all declined applications specifying the applicant's name, address type of business and grounds for decline.
- 11.3 BPPR acknowledges that despite its recommendation AMEX has the right to decline, within 7 working days, any application that is recommended by BPPR. Amex will notify BPPR contemporaneously of any refusal under this clause. Absence of notification by AMEX may be taken by BPPR as confirmation of AMEX's acceptance of BPPR's recommendation.
- 11.4 Notification to the applicant of any approval shall be performed in accordance with Service Levels.
- 11.5 AMEX shall have the right to cancel contract of any S/E Recruited by BPPR. It shall notify BPPR of its intention to cancel at least seven business days before notifying the S/E. Such notification shall specify the S/E's name, address, type of business and grounds for cancellation AMEX undertakes that in any such cancellation it will accordance with its normal business practice and will not discriminate between S/E's Recruited by BPPR and S/E's Recruited by AMEX or otherwise. Nothing in any cancellation or decline of acceptance by AMEX shall affect the right of BPPR to continue its own card acceptance agreement with such Merchants.

12. Fraud

12.1

12.1.1 In view of its obligations to apply the Risk Assessment Procedures and to perform or validate money laundering checks, subject to the provisions of sub-clause 12.1.2 BPPR shall use only the standard forms provided by AMEX when collecting information about the merchants being Recruited.

12.1.2. BPPR shall only be liable to the extent that the loss in question:

12.1.2.a is not recovered or recoverable (within a reasonable time by the prompt use of normal recovery methods) from the relevant S/E; and

12.1.2.b is directly caused by BPPR 's negligent failure in each case where required to follow the Risk Assessment Procedures or to perform or validate money laundering checks or by fraud perpetrated by any employees or agents of BPPR; and

12.1.2.c arises within six months of the relevant S/E entering into an AMEX S/E Agreement. BPPR will not be liable for any losses to the extent arising as a result of the act or omission of, or with the knowledge of, an AMEX Entity.

12.1.3 BPPR will pay to AMEX any sums due under this sub-clause within 30 days of an invoice from AMEX. Amex will provide BPPR an invoice for any sums due to offset any pending fees.

12.2 In all other respects the liability for Fraud shall remain with AMEX.



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13. Reporting

- 13.1 BPPR shall provide to AMEX monthly reports of Recruitment's activity.
- 13.2 AMEX shall provide BPPR with a monthly report of Active S/E's that will be used to determine the remuneration due to BPPR each month, according set in clause 3.
- 13.3 The parties shall provide such other reports as are agreed between the parties in writing.
- 13.4 Each party shall have the right from time to time at its expense and during reasonable business hours to audit the 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 or external auditors or such firm of independent certified public accountants (or chartered accountants) that other party selects. Each party shall require its auditors to comply with the confidentiality requirements of Clause 15 of this Agreement. Each party agrees to co-operate with any such audit.

14. Licensed Marks

Nothing in this Agreement shall authorize or permit either party to use or attempt to use the Licensed Marks of the other party.

15. Confidentiality

- 15.1 Each party agrees that will not disclose to third parties or use for its own benefit or for the benefit of any third party any information learned in the course of performing its obligations hereunder but may use such information only for the purposes of performing its obligations hereunder.
- 15.2 Each party acknowledges that any breach of its respective confidentiality obligations hereunder can cause serious damage to the other and in addition to damages the injured party shall be entitled to injunctive relief in the event of any such breach.
- 15.3 Excluded from this confidentiality obligation shall be the general existence of this Agreement although neither party shall disclose information specifically related to participation or effectiveness hereof.
- 15.4 Any information or data in the possession or control of BPPR relating to Merchants or Merchant Prospects is the property of BPPR and nothing in this Agreement shall require BPPR to divulge such information or data which does not relate to S/E's to AMEX

16. Term and Termination

- 16.1 The term of this Agreement shall begin on the date hereof (the "Commencement Date"), and shall remain in effect until termination thereof by either party on ninety days prior written notice to the other party.



16.2 This agreement may be terminated by either party by written notice to the other for material breach unless such breach is cured within 30 days of written notice of the breach being received by the offending party.

16.3 This Agreement shall automatically terminate if either party ceases all or substantially all of its Merchant recruitment business; or makes an accommodation with its creditors, is unable to pay its debts as they fall due, or enters into any type of insolvency, bankruptcy or receivership proceedings voluntarily or involuntarily.

16.4 This Agreement may be terminated by either party in the event of change of beneficial control of the other party on giving 30 days prior written notice.

"Control" in this sub-clause means a holding of securities in a company conferring the right to exercise over 50 per cent of the voting power to any general meeting.

17. Consequence of Termination

✓ 17.1 On termination the contractual relationship between AMEX and the merchants shall continue unaltered. Likewise termination of the Agreement shall not affect the commercial or contractual relationship if any between BPPR and the S/E or Merchant.

17.2 Termination of this Agreement shall not affect the continuance in force of the Point of Sale Agreement between the parties.

17.3 On termination of this Agreement for any reason, clauses 1,15,17,21,25 shall continue to apply in accordance with their terms.

17.4 All sums owed by AMEX to BPPR shall be due and payable in full, immediately upon the termination of this Agreement, provided BPPR has submitted appropriate invoice in accordance with Clause 3.2.

18. Fitness to Sign

Each party represents that it is authorized to enter into this Agreement and that in so doing it does not violate any agreement it has with any other party.

19. Notices

All notices and other communications shall be in writing and may be personally delivered, sent by telefacsimile transmission or other form of telecommunication leaving a permanent visual record (provide that where telecommunications are used, the sender also sends a copy of the notice forthwith by first class registered mail), by first class registered mail or by an expedited mail courier service that yields a signed receipt of delivery. 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 Section 19.

Notices to: American Express Travel Related Services Company Inc.

Address: 14901 N.W. 79th Court, Miami Lakes, Florida 33016, USA



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HIGHLY CONFIDENTIAL BPPR SUPP. 610 SUBJECT TO PROTECTIVE ORDER

Telephone: +1 305 698-8255

Fax: +1 305 825-2322

ATT: Mr. Ricardo D. Ibarria – Vice President – Bank Alliances for LAC

Notices to: Banco Popular de Puerto Rico

Address: Edificio Popular Center, Ave. Muñoz Rivera 208, Hato Rey, PR, 00918

Telephone: +1 787 767-6290

Fax: +1 787 751-3000

Attention: Mr. Angel Colón Jr –Second- Vice President – Card Products



20. Independent Contractors

- 20.1 In performing services hereunder BPPR is an independent contractor having no authority to enter into contracts on behalf of or otherwise obligate AMEX in any manner whatsoever.
- 20.2 BPPR acknowledges and agrees that employees, officers, directors, agents, sub-contractors and vendors are not AMEX employees for any purposes whatsoever.
- 20.3 Each party assumes full and sole responsibility and liability for the acts of its employees, officers, directors, agents, subcontractors and vendors and acknowledges that the other party is free to establish its own methods and hours of work without direction or control from the other.

21. Indemnification/ Liability

- 21.1 Subject to the provisions of sub-clause 21.2 each party shall indemnify and hold harmless the other party from and against any and all losses claims, damages, law-suits or proceedings including but not limited to attorneys' fees (other than in any case loss profit and indirect, special, consequential, or punitive damages) arising from breach by the indemnifying party its employees agents independent contractors or sub-contractors of the obligations of the indemnifying party hereunder or arising from a negligent or wrongful acts or failure to act of the indemnifying party or its employees, agents, independent contractors or sub-contractors.
- 21.2 In no circumstances shall the liability of BPPR to AMEX in relation to matters arising under or in connection with this agreement exceed the "Liability Limit", whether arising from negligence, breach of contract, breach of statutory duty or otherwise. The Liability Limit shall be equal to the greatest aggregate amount paid by AMEX to BPPR in respect of fees during any period of 6 consecutive months during the term of this Agreement Provided that if this Agreement is terminated for any reason before the expire of 6 months from the date hereof, the Liability Limit shall be equal to the aggregate amount paid by AMEX to BPPR in respect of fees up to the date of termination.



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21.3 Subject to the provisions of clause 12, BPPR shall have no liability to AMEX or any other AMEX Entity arising out of any act or omission of any S/E. In particular, without limitation to the generality of the foregoing, BPPR shall have no liability to AMEX or any other AMEX Entity as a result of the failure by any S/E to pay any sums due, by way of chargeback or otherwise, to AMEX or such other AMEX Entity.

22. Assignment

22.1 Subject to 22.2 below neither party may assign all or any part of this Recruitment agreement to any person without the other's prior written consent.

22.2 Either party shall have the right to assign any or all portions of this agreement to any of its parent's subsidiaries or affiliates without prior written consent.

22.3 Prior to using any sub-contractors to perform any part of its obligations herein the sub-contracting party shall obtain the other's prior written consent (such consent not to be unreasonably withheld or delayed) and the sub-contracting party shall be fully responsible to the other for the acts and omissions of any and all of such sub-contracting party's agents and sub-contractors. Should the other reasonably so request and after notice and reasonable opportunity to cure, the sub-contracting party shall terminate the participation of any agent independent contractor or sub-contractor of the sub-contracting party in the performance of this agreement.

23. Entire Agreement

This agreement together with its schedules constitutes the entire agreement of the parties with respect to the subject matter hereof, and all prior agreements and understandings of the party are with respect thereto merged herein.

24. Variation

This Agreement cannot be amended except in writing signed by the duly authorized representatives of both parties.

25. Governing Law

This agreement shall be governed by and construed in accordance with the laws of Puerto Rico; applicable to agreements negotiated, executed and performed entirely in Puerto Rico.26.26.

26. Savings Clause

If any provision of this agreement is held to be invalid, illegal or unenforceable, its remaining provisions shall remain unimpaired and the invalid illegal or unenforceable provision shall be replaced by a mutually acceptable provision which, being valid, legal and enforceable, comes closest to the intentions of the parties underlying the invalid, illegal or unenforceable provisions.



27. Waiver

Any failure to exercise or delay in exercising 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.

28. Force Majeure

28.1 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 under the control of the party concerned (the "Claiming Party").

28.2 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.

28.3 If the Force Majeure in question prevails for a continuous period in excess of two months after the date on which the Force Majeure begins, 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 less than thirty clear 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.

29. Counterparts

This Agreement may be executed in counterparts in the English language, and each counterpart shall be deemed an original hereof.

30. Publicity

Subject to any legal or regulatory requirements, there shall be no public announcements concerning the fact or terms of this Agreement without the prior written agreement of both parties.

31. Captions/Headings

The captions and headings in this agreement are for convenience of reference only and do not affect the substance or interpretation of any provision to this Agreement.



In witness whereof the parties have caused this agreement to be executed by their authorized representatives the day and year first above written.

For and behalf of American Express
Company

For and behalf of Banco Popular de Puerto Rico

Signature:  Signature: 

Name: Sr. Ricardo D. Ibarria

Name: Sr. Angel Colón Jr.

Title: Vice-president Bank Alliances

Title: Second Vice-president Card Products

Schedule 1

Fees

US \$ 45.00 per activated recruitment, the bank has 6 months to activate the affiliation.

All fees for each calendar month shall be paid by Amex to a bank account nominated by BPPR within 30 days of the end of that calendar month in accordance with the relevant Service Level Agreement. Schedule 2

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Schedule 2

Selection Criteria

When signing an Establishment BPPR shall adhere to the following criteria:

- Discourage from signing any S/E operating from a home address or using P.O. Box number.
- Insist on seeing the business papers or license.
- Meet the decision maker (owner, manager, director, etc) to sign the agreement at the location where business will be conducted.
- Make sure that facilities, location, staff, inventory and equipment are consistent with what would be reasonable for such business.
- Do not sign contracts more than one week in advance of the anticipated opening date for those S/E's where electronic point of sale equipment is to be installed and not more than two days ahead of opening for paper submitters.
- Be suspicious of any business that does accept any other card facilities cancelled, before signing an establishment.
- Travel Agents/Tour Operators must be IATA approved and should provide us with their number when agreement is signed. If IATA approved, number will be verified by Amex at (305) 264-7772 for international accounts; (514) 844-2877 for domestic accounts. No additional approval is required. If the establishment has not yet been approved by IATA, agreement must be approved by American Express Acquisition Manager or S/E Sales Director/Vice President.
- Accounts previously cancelled for fraud must have the approval of the American Express Fraud Department before processing these agreements.
- Accounts previously cancelled for fraud must have the approval of the American Express Debit Balance Unit before processing these agreements.
- Accounts previously cancelled for debit balance must have the approval of the American Express Debit Balance before processing these agreements.



Schedule 3
Exclusion List

High Risk Industries

Industries that support 100% coverage initiative, but historically have high levels of inquiries, debit balances, write-offs, owner fraud, short business tenure.

The approval of the Fraud Department is required before processing these agreements:

- Art Galleries
- Cellular Phones
- Internet Access
- 2 • Club Membership w/ Packages
- Seminar or Consultant
- Collectibles
- Taxis
- Dating Services
- Statutory Fines and Penalties
- Timesharing
- Limousine Services
- Trade Shows
- Mail Order Establishments
- Religious Organizations



High Risk S/E's cannot be signed on an Express Set-UP Basis. They must be approved by the American Express Acquisition manager responsible for the territory.

Undesirable Industries

Defined as industries that offer little or no value utility to the cardmember population and have historically accounted for disproportionately high levels of servicing costs/write-offs. Cardmember

dissatisfaction is high with regard to quality of goods and services, billing practices, return of merchandise policies, etc.

Business in the following industries should not be signed:

- Auction
- 900 Phone Numbers
- Real Estate Property Rentals
- Internet Shopping
- Future Services
- Strippers/ Escort/ Sex/ Pornography
- 2 • Gossip Lines
- Horoscope/ Fortune Tellers
- Insurance Brokers
- In Home Business
- Jewels/ Precious Metal Investment Themes
- Massage Parlor
- Multi-Level Marketing
- Sellers of Drug Paraphernalia
- Free Gifts/ Sweepstakes
- Door to door sales
- Telemarketers/ Unsolicited Calls
- Discount Travel Clubs
- Bail Bond/ Collection Agents
- Bunjee Jumping
- Check-cashing establishments



- Church Scientology
- Club Memberships (Night-Club-Featuring adult)
- Collection Agencies
- Credit Card Protection
- Legal gambling & lotteries

Exclusion list

The following establishments shall not be affiliated by BPPR:

1. Pueblo Supermarket
2. Supermercado Amigo
3. Ticketcenter
- 2 4. Sam's Club
5. Bellas Artes
6. Caribbean Petroleum Corp. DBA Gulf
7. J. F. Montalvo/ Plaza Gigante
8. Progreso Cash & Carry
9. Me Salve
10. Marina Pto. Chico
11. Mary Lee By the sea
12. Il Perugino
13. Super Nuevo Concepto
14. La Gloria
15. Humberto Vidal
16. B&B Discount Stores
17. Cable TV of PR
18. McDonalds
19. La Defensa
20. La Gloria
21. La Casita Blanca
22. Kentucky Fried Chicken
23. La Bombonera
24. Joyeria Super Precio
25. Island wide express
26. Hacienda Margarita
27. GP Industries
28. Golden Skillet
29. Frame Art Center
30. Ferreteria Central
31. Colegio San Ignacio
32. Colegio San Antonio

33. Castell Export
34. Centro de pintula
35. Casa Rigual
36. Cruz Azul de PR
37. Universal Insurance
38. PR Telephone Co.
39. AAA
40. AEE
41. Centennial de PR
42. Rest. Buenos Aires
43. Simon Drury LTD
44. PR Computers
45. Super Gangas



Schedule 4
Service Level Agreement

- Following attached

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