

Digital Wallet US, LLC

E-Sign Act Compliance Policy

It is the policy of Digital Wallet US, LLC (the "Company") to comply with all applicable laws and regulations, including the E-SIGN Act described below.

The Electronic Signatures in Global and National Commerce Act (the **E-SIGN Act**) was enacted to give legal standing to documents having digital or electronic signatures. Generally, a document in electronic form or one verified or "signed" with a digital signature satisfies most legal requirements and is treated the same as one in writing. A key provision in the law gives financial institutions (and others) the ability to provide records (disclosures, periodic statements, **consents**, policies, change-in-terms, maturity notices, adverse action notices, etc.) to customers in electronic form, whether over the Internet or via e-mail. [Section 7001\(c\)](#)

The **E-SIGN Act** applies only to a consumer who agrees to receive records electronically. For those consumers, notification and **consent** are required. The **E-SIGN Act** does not apply to business entities (such as corporations, partnerships, associations, etc.).

Efforts to utilize the Internet for delivering disclosures for deposit and loan accounts were motivated by the unnecessary delay resulting from physically mailing paper disclosures and documents to customers. The **E-SIGN Act** facilitates performing these functions by allowing institutions to provide relevant records electronically and instantaneously, rather than sending documentation through the mail or requiring the customer to come into the institution. If certain requirements, per the Act, are met, then records required by the federal regulations, including Regulations B, E, M, P, V (Fair Credit Reporting Act), Z, X (RESPA), CC and DD, flood insurance and other pertinent regulations, may also be provided electronically instead of on paper.

There are some exceptions in the Act for state law issues. Wills and some trusts are excluded from coverage under the **E-SIGN Act**, as are laws with documents dealing with divorce, adoption, or certain family laws. Some provisions of the Uniform Commercial Code, such as the security interest provisions of Article 9, are also excluded. [Section 7003\(a\)](#) Court orders, official court documents, and cancellation notices of utility services or health benefits, and default and acceleration notices involving the primary residence of individuals must also be provided on paper. [Section 7003\(b\)](#)

Requirements

An institution cannot simply replace written disclosures with electronic ones. Paper disclosures are required unless the customer is first provided a clear and conspicuous statement informing them of certain rights, including how to withdraw **consent** and return to receiving information on paper and notice (the "Customer Notification"). We will discuss more of the content requirements about the "Customer Notification" later in this chapter.

Once the customer has received the Customer Notification, they must provide affirmative **consent** allowing the institution to provide disclosures and other information electronically. The Customer Notification must be provided and **consent** received before electronic disclosures are provided. They may be provided together on a single document or separately, in writing or electronically (meaning the institution can email them to the

customer or post them to the institution's Web site with instructions on how the customer may access them). Section 7001(c)(1) A customer's consent to receive electronic records is valid only if the customer consents and does so in such a manner that reasonably demonstrates that the customer can access the information in the same electronic form that will be used to provide the information that is the subject of the consent.

Customer Notification. Prior to obtaining the customer's consent to electronic disclosures, an institution must clearly and conspicuously inform the customer of the following:

- An explanation of whether the consent applies only to a particular transaction or to specific categories of records that may be provided electronically or made available as part of the customer relationship (such as disclosures, periodic statements, consents, policies, change-in-terms, maturity notices, adverse action notices, etc.)

- A description of the option to receive any electronic records in paper form and the procedure and any fee for requesting a paper copy. If an institution offers a product that requires electronic disclosures (such as e-statements), the customer must still consent to receiving such disclosures. If the institution offers a paper option for such product, the procedure for requesting the paper option must be explained in the notification. The procedure for requesting the paper option may be made by mail, telephone, e-mail, or any other reasonable method, at the institution's option.

- A statement of the right to withdraw consent, the procedure to withdraw such consent and the consequences of doing so. A customer may revoke authorization to receive records electronically after giving initial consent, and the institution may impose conditions upon receiving such a revocation. The institution may charge a fee for providing optional paper records or even close the account if it so chooses. Whatever conditions the institution imposes upon revocation of consent must be disclosed in the Customer Notification. The revocation itself may be provided by any reasonable method the institution chooses (mail, telephone, email), but the means chosen must be explained on the notification (by listing a physical or e-mail address, or telephone number, for example).

- The procedures the customer must follow to inform the institution of the customer's updated electronic contact information. For instance, if the customer changes his or her Internet service provider or e-mail address, the institution must tell the customer how to inform the institution of the new contact information. Again, the means by which this is accomplished are at the institution's discretion, but whatever method is chosen must be disclosed in the notification.

- A description of the hardware and software requirements to access and retain electronic records. This must detail the customer's minimum computing requirements in technical terms. For instance, the Customer Notification could state that to receive and retain electronic records, the customer must have a PC or Macintosh computer running at a speed of at least 200 MHz, with a modem, a hard drive or printer (so that disclosures can be printed or saved), and Internet browser software version

X.X or later, etc. This way, customers can determine whether their computer configurations have the capacity to receive and retain electronic disclosures from the institution. Section 7001(c)(1).

Customer Consent. After providing the Customer Notification, but before electronic records may be given in place of paper, the customer must affirmatively consent to the receipt of electronic records. There are two parts to this consent:

- The customer must affirmatively consent to receiving electronic records. This could be accomplished by placing a box on the consent form for the customer to check, next to language such as, "I request the institution to provide me with [description of the disclosures] in electronic format." Section 7001(c)(1)(A).

- Then, the customer must consent electronically or confirm his or her consent electronically in such a manner that reasonably demonstrates to the institution that the customer can access the information in the electronic form that will be used to provide the information that is the subject of the consent. This part of the consent (or a confirmation of the consent) must be provided to the institution electronically. It could be emailed or submitted to the institution's Web site by the customer, but it cannot be completed only in paper form and mailed to the institution without some form of electronic confirmation. Section 7001(c)(1)(C).

New Technology. Once notification is given and consent received, an institution may send records electronically. However, given the speed at which today's technology advances, the institution may upgrade its Internet delivery systems, with the result that the customer would need upgraded hardware and/or software from what was disclosed in the original notification. When this happens, if there is a risk that the customer would not be able to access electronic records with the older configuration, the institution must provide a notice to the customer listing the new hardware and/or software requirements needed to receive and retain records. Section 7001(c)(1)(D).

This notice must also contain a statement of the customer's right to withdraw consent to receive electronic records without being charged a fee or any other condition being imposed that was not disclosed in the original notification and consent. Section 7001(c)(1)(D).

Record Retention. The **E-SIGN** Act contains no formal record retention requirement for the notification and consent. However, it is good practice to maintain evidence that the notification was delivered and consent was received through the duration of the customer relationship or until the customer revokes their consent to receive information electronically.

As for other regulations which require record retention, the **E-SIGN** Act provides that retention of an electronic version of records satisfies existing record retention rules. Section 7001(c)(6) This means that financial institutions fulfil record retention rules under various regulations by maintaining electronic databases of the various disclosures and records they are required to retain, even if the document was originally given in paper form.

Withdrawn Consent

If a customer revokes his or her consent to receive electronic records, the institution has a "reasonable time" to implement the revocation and begin sending paper records to the customer. Records provided electronically for a reasonable time after consent is revoked, but before the time the institution implements the revocation (makes the change to paper disclosures), are valid. A "reasonable time" is not defined in the E-SIGN Act or any of the implementing regulations, but up to 30 days probably would not be unreasonable under this standard. **Section 7001(c)(4)**

E-SIGN Act and Interplay with other Regulations

The rules regarding the timing of the delivery of records that must be provided to customers under other regulations are not affected by the fact that the institution is providing them electronically. The timing requirements of records under any regulation remain the same, even in the electronic context. **Section 7001(c)(2)(A)** The **E-SIGN Act** also does not change requirements under any regulations that records must be provided in a form the customer may retain.

To facilitate e-commerce within certain regulations, the Federal Reserve issued regulatory changes to five key regulations in this regard: B, E, M, Z and DD. These are not the only regulations that permit electronic disclosures, but they are just the ones that contained some form of the 2001 interim regulations on the **E-SIGN Act** that were incorporated into the 2007 final regulations on electronic delivery of disclosures. Each of these regulations addresses the required timing for certain disclosures and identifies certain disclosures that may be provided without **consent**.

Equal Credit Opportunity Act (ECOA) Electronic Disclosures. Most of what falls under the ECOA and Regulation B's electronic disclosure rules are related to the application process. If an applicant accesses a loan application electronically, the mandatory monitoring information collection (required under certain circumstances) and the other income disclosure under Regulation B, are to be delivered to the applicant in electronic form on or with the application, without regard to the customer's E-SIGN Act consent. In addition, if the applicant accesses the loan application electronically, the notice of right to receive a copy of the appraisal may also be delivered electronically without regard to **E-SIGN Act consent**. If, however, the applicant accesses the electronic application while physically present in the institution (such as at a kiosk or terminal), the institution can provide the disclosures either in electronic or paper form. (**Section 202.4 and Commentary to 202.4**) However, other notices, like adverse action notices, require a customer's **consent** pursuant to the **E-SIGN Act** before they can be provided electronically.

Electronic Fund Transfers Act (EFTA) Electronic Disclosures. The disclosures required under Regulation E include the initial disclosures, change-in-terms notices and periodic statements. These may be provided to the customer if **consented** to under the **E-SIGN Act**. **Section 205.4** However, the overdraft opt-in notice and the corresponding confirmation may be delivered electronically without regard to the **E-SIGN Act**, so long as the customer consents to receiving these electronically pursuant to Regulation E. **Section 205.17(b)** In addition,

periodic statements for payroll cards may be provided in electronic format without regard to the **ESIGN Act consent**. Section 205.18(b)

Truth in Leasing Act Electronic Disclosures. For the disclosures required under Regulation M, a financial institution must obtain **E-SIGN Act consent** prior to delivering customer leasing disclosures electronically. The only exception to this is that if a customer accesses an advertisement electronically, the required disclosures may be delivered electronically without regard to the **E-SIGN Act**. (Sections 213.3, 213.7, and Commentary to 213.3. and 213.7)

Truth in Lending Act (TILA) Electronic Disclosures. As with all the regulations under the TILA you can provide documents electronically as long as you have consent under the **E-SIGN Act**, but there are also certain documents that can be provided electronically without obtaining the **E-SIGN consent**. The disclosures and records that may be provided without regard to the **ESIGN consent** requirements include applications, the Federal Reserve's home equity brochure, "When Your Home is on the Line: What You Should Know About Home Equity Lines of Credit" and the initial adjustable-rate mortgage and HELOC disclosures. If an applicant electronically accesses a HELOC or an adjustable-rate mortgage loan application, (except when done in person at the creditor's office), an institution must provide the records in electronic form on or with the application. If the applicant accesses the electronic application while physically present in the institution (such as at a kiosk or terminal), the institution may provide the disclosures either in electronic or paper form. To provide these disclosures electronically when the customer is physically present, an institution may have the disclosures (i) appear on the screen with the application or reply form; (ii) located on the same Web page as the application or reply form (whether or not they appear on the same initial screen) provided there is a clear and conspicuous reference to the disclosure location and it indicates that the disclosure contains rate, fee and other cost information, as applicable; (iii) linked from the application or reply form provided that the customer may not bypass the disclosure prior to hitting the 'submit' button (the customer need not scroll through entire disclosure); or (iv) located on the same page as the application or reply form between the application and the 'submit' button. Regardless of which method is used, the institution need not confirm that the customer has read the disclosures.

All other disclosures required under Regulation Z require the customer's **consent** under the **E-SIGN Act** to be delivered electronically. (Sections 226.5, 226.5a, 226.5b and Commentary to 226.5, 226.5a, and 226.5b) These include initial and subsequent disclosures, periodic statements, billing rights statement, etc. If the right to rescind notice is electronically delivered (which requires **E-SIGN consent**), you need only send one copy to each customer instead of the two copies required if mailed or provided in person.

Truth in Savings Act (TISA) Electronic Disclosures. When a customer requests account disclosures by telephone, email, or through the institution's Web site, those disclosures may be provided electronically without regard to the **consent** requirements under the **E-SIGN Act**. If a customer who is not present at the institution uses electronic means to open an account or request a service, the account disclosures must be provided electronically before the account is opened or the service provided instead of being delivered or mailed later. This requires the **E-SIGN consent** prior to delivery of disclosures during the on-line account opening process.

Every subsequent disclosure required under Regulation DD requires the customer's **consent** under the **E-SIGN Act** to receive them electronically. (Section 230.4 and Commentary to 230.4) These include change-in-terms notices, periodic statements, maturity notices, initial and disclosures, and account disclosures not requested directly by the customer.

Advertising and Electronic Disclosures. Under Regulations M, Z and DD, if an advertisement is accessed by the customer in electronic form, the required advertising disclosures (e.g., APR/APY, repayment terms, etc.) may be provided to the customer in electronic form in the advertisement without regard to the customer **consent** requirements under the **E-SIGN Act**.

Privacy. While the Federal Reserve did not amend Regulation P for **E-SIGN Act** requirements under the 2007 revisions, the privacy notice can also be provided electronically. For customers who conduct transactions electronically, the financial institution may post the notice on their Web site (or at an ATM screen for isolated transactions) and require the customer to acknowledge receipt of the notice as a necessary step of the customer obtaining the services requested. **Disclosures Requiring a Signature or Acknowledgment**

For disclosures requiring a signature or written acknowledgment of receipt (such as the Affiliated Business Arrangement disclosure under RESPA or the Notice of Special Flood Hazards), the Act states that if these disclosures are provided electronically there must be a way to provide the signature or acknowledgment electronically as well. Section 7001(c)(2)(B)

While digital signature and verification technology are developing rapidly, currently there is no standard format across the industry for providing an electronically verifiable signature or verification. Until the technology becomes more secure and accepted, financial institutions may choose to provide disclosures requiring a signature in paper form. Financial institutions should check with their technology providers for the best method of satisfying this requirement.

Internet Banking

In today's technologically advanced world, many financial institutions find that they must develop and maintain a Web site in order to remain competitive. However, when developing and maintaining a Web site, there are a number of issues and concerns that financial institutions should be aware of.

Bank Secrecy Act (BSA). The anonymity of the Internet poses a great challenge to adhering to BSA "know your customer" standards. Financial institutions that allow their customers to open new accounts on-line must have rigorous standards in place to identify the customer. In addition, financial institutions must maintain a system to identify unusual or suspicious activities and, when appropriate, file suspicious activity reports. The BSA funds transfer rules also apply to funds transfers or transmittals performed over the Internet when transactions exceed \$ 3,000.

Office of Foreign Asset Control (OFAC). Financial institutions that provide on-line banking must be particularly vigilant of the OFAC rules and prohibitions, including monitoring transactions and blocking accounts.

Advertising. The regulators have taken the conservative position that the Internet is a written medium, since the user could simply hit print and produce a hardcopy of a Web page. Therefore, any message in which the financial institution is promoting an FDIC-insured deposit product must contain either the official FDIC statement or symbol. The same logic applies in messages that advertise loans designed to be secured by residential real estate. Internet sites are considered written advertisements, and when required, they must contain the "Equal Housing Lender" message and the "outhouse" logo. Financial institutions that advertise products that are not FDIC-insured (such as insurance products and mutual funds) must not include the FDIC message or symbol on the pages that advertise such products. Rather, on the pages that advertise non-FDIC insured products the financial institution must include, in a clear and conspicuous manner, the non-deposit investment products disclosures. Further, all Regulations DD and Z advertising rules that apply to written advertisements apply to Web sites. Web sites are considered "written" media so all regulations on written advertisement apply. In connection with the ECOA and the Fair Housing Act examiners will check an institution's Web site for the types of models used in photographs. When portraying customers on a Web site, the financial institution must be sure to use diverse models.

Children's Online Privacy Protection Act (COPPA). In 1998, Congress passed COPPA. In 2000, the Federal Trade Commission's implementing regulation for the statute took effect. The key concept behind COPPA is for operators of certain Web sites to give notice to, and obtain consent from, the parent of a child age 12 or under before collecting personal information from the child. The law focuses on two kinds of Web sites: commercial sites directed at children 12 and younger that collect personal information; and general audience sites where the operators know that they collect personal information from such children. The term "collect" includes requesting the information, enabling the information to be posted publicly, and passively tracking the information. The covered information includes the child's:

- Full name
- Address
- e-mail address
- Social Security number
- Telephone number
- "Screen name" that reveals the child's e-mail address
- A persistent identifier ("cookie") combined with the information
- Any of the above tied to other personal information

The gathering of information about a child is not covered by COPPA when the information is collected from someone other than the child. So COPPA does not apply to the common situation of an adult setting up an account, such as a "pay on death" or "in trust for" account for a child as beneficiary, and supplying the financial institution with the child's name, address, Social Security Number and the like. That information is being collected from the adult, not the child, so COPPA does not apply.

Incidentally, we do not recommend that you simply put a notice on your Web site that "Children 12 and younger are not welcome here." The FTC's Frequently Asked Questions, No. 39, says that such a notice "may only encourage children to provide their information." FAQ No. 39 obviously was written by a parent!

Electronic Disclosure Consent Checklist

Before providing disclosures electronically, the Company will inform the customer in a clear and conspicuous manner the following information.

- Does the **consent**:

Apply to only a particular transaction (e.g., e-statements only)? If so, specify the transaction. Does the **consent** apply to specific categories of disclosures to be provided electronically as part of the customer relationship (e.g., e-statements, notices, change-in-terms, disclosures, etc.)? If so, list all categories of disclosures to be provided electronically. If it is not included, you will need to get a separate **consent** for anything outside the specified categories.

Include an affirmative **consent** to electronic disclosures for the customer to accept? Include a description of any right or option to receive disclosures in paper form, and the procedure (if any) for requesting a paper copy?

Include a statement of the customer's right to withdraw **consent** for electronic disclosures, the consequences of doing so, and the procedure to withdraw such **consent**?

Include the procedures the customer must follow to inform the institution of new contact information, should it change?

Include a description of the hardware and software requirements to access and retain electronic disclosures?

- Does the institution have a process in place which reasonably demonstrates, through electronic verification, that customer who has **consented** to receiving electronic can also access information in electronic form?

It is the policy of Digital Wallet US, LLC (the "Company") to require customers to electronically sign the form below as the first step in the onboarding process (immediately upon downloading the Smiles mobile app). The Company will store a record of the customer signing the Notification and Consent in a file with the customer's other information. The Company will ensure that each customer can access and view all records within the app.

E-Sign Customer Notification and Consent

Customer Notification. Digital Wallet US, LLC ("we" or "us" or "our") are informing you, our customer and user, of the following:

- This consent applies to specific categories of records that we will provide to you electronically or make available to you electronically as part of our customer relationship with you:

- o Disclosures and notices
- o ACH debit authorizations
- o Receipts o Periodic statements
- o Consents o Contracts, including terms of service
- o All communications between us and you

- You have the option to receive electronic records in paper form. To request a paper record, please send us a letter by U.S. mail to the following address and include the mailing address to which you want us to mail the paper record:

Digital Wallet US LLC
201 Spear St, Ste 1100
San Francisco, CA 94105

We do not charge a fee for requesting a paper copy. Please allow us up to 30 days to respond to your request.

- You have the right to withdraw your consent. To do so, please send us a letter by U.S. mail to the following address and include your return mailing address to which we will send documents:

Digital Wallet US LLC
201 Spear St, Ste 1100
San Francisco, CA 94105

- You agree to inform us promptly of any changes to your email address, phone number or US mailing address. Please send us your new or updated contact information to:

remitsupport.us@digitalwallet.global

Please understand that it may take us up to 30 days to process the information you send us.

- To access and retain the electronic records that we send to you or make available to you, you need an Android mobile phone or Apple iPhone that is capable of downloading the Smiles Mobile Remittance app. We will send electronic documents and notifications to your email address or through the text message function or through the message function in the Smiles Mobile Remittance app.

Customer Consent

- You affirmatively consent to receiving electronic records and to contracting with us electronically by checking the following box:

Check here to consent