

Section 1: 8-K (FORM 8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of report (Date of earliest event reported): July 2, 2019 (June 26, 2019)

OFG BANCORP

(Exact Name of Registrant as Specified in Charter)

Commonwealth of Puerto Rico
(State or Other Jurisdiction
of Incorporation)

001-12647
(Commission
File Number)

66-0538893
(I.R.S. Employer
Identification No.)

Oriental Center, 15th Floor
254 Muñoz Rivera Avenue
San Juan, Puerto Rico
(Address of Principal Executive Offices)

00918
(Zip Code)

Registrant's telephone number, including area code: (787) 771-6800

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common shares, par value \$1.00 per share	OFG	New York Stock Exchange
7.125% Noncumulative Monthly Income Preferred Stock, Series A (\$25.00 liquidation preference per share)	OFG.PRA	New York Stock Exchange

**7.0% Noncumulative Monthly Income Preferred
Stock, Series B (\$25.00 liquidation preference per
share)**

OFG.PRB

New York Stock Exchange

**7.125% Noncumulative Perpetual Preferred
Stock, Series D (\$25.00 liquidation preference per
share)**

OFG.PRD

New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On June 26, 2019, OFG Bancorp (the “Company”) and Oriental Bank, a wholly-owned subsidiary of the Company (“Oriental Bank”), entered into (i) a definitive Stock Purchase Agreement (the “Stock Purchase Agreement”) with The Bank of Nova Scotia (“BNS”), (ii) a definitive Sale and Purchase Agreement (USVI) (the “USVI Purchase Agreement”) with BNS and (iii) a definitive Sale and Purchase Agreement (PR) (the “PR Purchase Agreement” and, together with the Stock Purchase Agreement and the USVI Purchase Agreement, the “Purchase Agreements”) with BNS.

The transactions contemplated by the Purchase Agreements (the “Transactions”), which are expected to close before year end of 2019, are subject to receipt of the requisite regulatory approvals, as well as the satisfaction of other customary closing conditions.

The Stock Purchase Agreement

On the terms and subject to the conditions set forth in the Stock Purchase Agreement, Oriental Bank will acquire (i) all of the issued and outstanding shares of common stock, par value \$10.00 per share, of Scotiabank de Puerto Rico, a bank chartered under the laws of Puerto Rico (“SBPR”), and (ii) all of the issued and outstanding shares of second preferred non-cumulative redeemable stock, par value \$10.00 per share, of SBPR (the “Preferred Stock”) (excluding any shares of Preferred Stock redeemed by SBPR prior to the SBPR Closing (as defined below) ((i) and (ii), the “Stock Purchase”). In addition, the Stock Purchase Agreement contemplates that, immediately following the consummation of the Stock Purchase, SBPR will merge with and into Oriental Bank, with Oriental Bank continuing as the surviving bank (the “Bank Merger”).

The consideration payable by Oriental Bank to BNS at the closing of the Stock Purchase (the “SBPR Closing” and the date on which the SBPR Closing occurs, the “Closing Date”) will be \$550,000,000 in cash minus the amount of any Pre-Closing Secondary Dividend (as defined below) actually paid to BNS after the execution of the Stock Purchase Agreement but on or prior to the Closing Date. In addition, the Stock Purchase Agreement contemplates that, prior to the SBPR Closing, SBPR will pay BNS (a) one or more dividends in an aggregate amount equal to \$200,000,000 (subject to certain adjustments set forth in the schedules to the Stock Purchase Agreement) (the “Pre-Closing Primary Dividend”) and (b) secondarily to the Pre-Closing Primary Dividend, one or more additional dividends in an aggregate amount not to exceed \$125,000,000 (the “Pre-Closing Secondary Dividend”).

The obligations of Oriental Bank and BNS to consummate the Stock Purchase are subject to the satisfaction or waiver of certain customary closing conditions, including (a) the receipt of the requisite regulatory approvals, including the requisite regulatory approvals of the Puerto Rico Office of the Commissioner of Financial Institutions, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System (and, in the case of Oriental Bank’s obligations to consummate the Stock Purchase, without the imposition of a Burdensome Condition (as defined below)), (b) the accuracy of the other party’s representations and warranties, subject to certain timing and materiality standards, (c) compliance in all material respects by the other party with its pre-closing covenants and agreements contained in the Stock Purchase Agreement and (d) the absence of any injunction or order prohibiting the consummation of the Stock Purchase, the Bank Merger or the other transactions contemplated by the Stock Purchase

Agreement. The obligations of BNS to consummate the Stock Purchase are also subject to receiving the requisite regulatory approval for the payment of the Pre-Closing Primary Dividend. The Stock Purchase is not conditioned on the consummation of the transactions contemplated by the USVI Purchase Agreement or the PR Purchase Agreement.

Under the Stock Purchase Agreement, Oriental Bank and BNS agreed to use reasonable best efforts to obtain the requisite regulatory approvals. In addition, the Company and Oriental Bank agreed to take all actions necessary (including Remedial Actions and Capital Actions (each as defined in the Stock Purchase Agreement)) to obtain the applicable requisite regulatory approvals and consummate the Transactions as promptly as practicable, subject to an exception that provides that neither the Company nor Oriental Bank is required to take, or agree to take, any action that would constitute a Burdensome Condition. Under the Stock Purchase Agreement, the term "Remedial Action" is defined to include, among other things, divestitures, licenses or other dispositions of, or the holding separate of, deposits, loans, branches or operations of SBPR, the Company, Oriental Bank or their affiliates, and the term "Capital Action" is defined to include, among other things, capital level and capital ratio maintenance commitments, capital plan creation and capital raising transactions. The Stock Purchase Agreement defines "Burdensome Condition" as any action, restriction or condition that would reasonably be expected to be materially burdensome to the Company, Oriental Bank and their affiliates, taken as a whole, following the consummation of the Stock Purchase, the Bank Merger or the transactions contemplated by the USVI Purchase Agreement or the PR Purchase Agreement. However, the Stock Purchase Agreement provides that a Capital Action will not constitute, or be considered in determining whether any required action constitutes, a Burdensome Condition.

The Stock Purchase Agreement provides that, for three years after the Closing Date, BNS will not operate an FDIC-insured depository institution in Puerto Rico, offer retail banking or retail consumer finance products or services in Puerto Rico (excluding certain wealth management services) or accept deposits insured by the FDIC in Puerto Rico, in each case, subject to certain exceptions set forth in the Stock Purchase Agreement. In addition, from the date of the Stock Purchase Agreement and continuing for two years following the Closing Date, BNS agreed to certain restrictions on soliciting and hiring SBPR employees and soliciting SBPR customers, and Oriental Bank agreed to certain restrictions on soliciting and hiring certain BNS employees and soliciting certain BNS customers, in each case, subject to certain exceptions set forth in the Stock Purchase Agreement.

The Stock Purchase Agreement contains certain customary representations and warranties made by each party, which are qualified by confidential disclosures provided to each party by the other party in connection with the Stock Purchase Agreement. Each of Oriental Bank and BNS has agreed to various customary covenants, including, in the case of BNS, covenants regarding the conduct of SBPR's business prior to the SBPR Closing. The Stock Purchase Agreement provides for post-Closing indemnification obligations with respect to breaches of the representations, warranties and covenants of each party in the Purchase Agreements, as well as indemnification obligations with respect to certain other matters. Each party's indemnification obligations with respect to breaches of its representations and warranties generally are subject to a de minimis "per loss" requirement of \$100,000, a deductible basket equal to 1% of the aggregate purchase price under the Purchase Agreements and a cap equal to 10% of the aggregate purchase price.

under the Purchase Agreements, except for breaches of certain fundamental representations and warranties. Following the SBPR Closing, during any period in which the USVI Transaction (as defined below) or the PR Transaction (as defined below) has not been consummated, the indemnification deductible basket will be reduced by 1% of the purchase price under the USVI Purchase Agreement and 1% of the purchase price under the PR Purchase Agreement, as applicable, and the indemnification cap will be reduced by 10% of the purchase price under the USVI Purchase Agreement and 10% of the purchase price under the PR Purchase Agreement, as applicable.

Each party has the right to terminate the Stock Purchase Agreement under certain circumstances, including if the Stock Purchase has not occurred on or prior to March 26, 2020, subject to an extension by either party until June 26, 2020 if the requisite regulatory approvals have not been obtained. Upon the termination of the Stock Purchase Agreement as a result of the failure to obtain the requisite regulatory approvals as of the outside date referenced above (as extended), Oriental Bank will be required to reimburse BNS for its reasonable and documented out-of-pocket transaction expenses. The Stock Purchase Agreement also provides that the aggregate amount of reimbursable expenses under the Stock Purchase Agreement, the USVI Purchase Agreement and the PR Purchase Agreement will not exceed \$2,000,000.

USVI Purchase Agreement

On the terms and subject to the conditions set forth in the USVI Purchase Agreement, at the closing of the transactions contemplated by the USVI Purchase Agreement (the “USVI Closing” and the date on which the USVI Closing occurs the “USVI Closing Date”), Oriental Bank will acquire the U.S. Virgin Islands (the “USVIs”) banking operations of BNS through an acquisition of certain assets (including loans, ATMs and physical branch locations) and an assumption of certain liabilities (including deposits) (the “USVI Transaction”). The consideration payable in the USVI Transaction will be equal to the difference between (a) the sum of (i) cash on hand at the purchased branches and cash located in the purchased ATMs, (ii) the net book value of the purchased assets (which, in the case of the purchased loans, will be equal to the gross book value of the purchased loans minus \$6,700,000 (or, if greater, the actual amount of reserves associated with the purchase loans as of the close of business on the day immediately preceding the USVI Closing Date)), (iii) a \$10,000,000 deposit premium and (iv) the fair market value of Other Assets (as defined in the USVI Purchase Agreement) that Oriental Bank elects to include as a purchased asset and (b) the net book value of the assumed liabilities, in each case, as of the close of business on the day immediately preceding the USVI Closing Date. If the foregoing calculation produces a positive number, that amount will be payable by Oriental Bank to BNS at the USVI Closing and if the foregoing calculation produces a negative number, the absolute value of that amount will be payable by BNS to Oriental Bank at the USVI Closing.

The obligations of Oriental Bank and BNS to consummate the USVI Transaction are subject to the satisfaction or waiver of certain customary closing conditions, including (a) the receipt of the requisite regulatory approvals, including the requisite regulatory approvals of the Puerto Rico Office of the Commissioner of Financial Institutions, the Federal Deposit Insurance Corporation, the Virgin Islands Banking Board and the Lieutenant Governor of the Virgin Islands, Division of Banking, Insurance and Financial Regulation (and, in the case of Oriental Bank’s obligations to consummate the USVI Transaction, without the imposition of a Burdensome Condition), (b) the accuracy of the other party’s representations and warranties, subject to certain

timing and materiality standards, (c) compliance in all material respects by the other party with its pre-closing covenants and agreements contained in the USVI Purchase Agreement and (d) the absence of any injunction or order prohibiting the consummation of the transactions contemplated by the USVI Purchase Agreement. The consummation of the USVI Transaction is also subject to the consummation of the Stock Purchase either substantially contemporaneously with or prior to the USVI Closing.

The covenants and agreements in the Stock Purchase Agreement that address the obligations of the parties to obtain the requisite regulatory approvals, including those provisions addressing Remedial Actions, Capital Actions and Burdensome Conditions, also apply under the USVI Purchase Agreement with respect to the requisite regulatory approvals for the USVI Transactions.

The USVI Purchase Agreement provides that, for three years after the USVI Closing Date, BNS will not (a) open or operate a branch, subsidiary or depository institution that accepts deposits in the USVIs or (b) offer retail banking or retail consumer finance products or services in the USVIs (excluding certain wealth management services), in each case, subject to certain exceptions set forth in the USVI Purchase Agreement. In addition, from the date of the USVI Purchase Agreement and continuing for two years following the USVI Closing Date, BNS agreed to certain restrictions on soliciting and hiring USVI branch employees and soliciting USVI branch customers, in each case, subject to certain exceptions set forth in the USVI Purchase Agreement.

The USVI Purchase Agreement contains certain customary representations and warranties made by each party, which are qualified by confidential disclosures provided to each party by the other party in connection with the USVI Purchase Agreement. Each of Oriental Bank and BNS has agreed to various customary covenants, including, in the case of BNS, covenants regarding the conduct of the USVI branch business prior to the USVI Closing.

Each party has the right to terminate the USVI Purchase Agreement under certain circumstances, including if (i) the Stock Purchase Agreement has been terminated or (ii) the USVI Transactions have not occurred on or prior to March 26, 2020, subject to an extension by either party until June 26, 2020 if the requisite regulatory approvals have not been obtained. If the Stock Purchase has not been consummated and the USVI Purchase Agreement is terminated as a result of the failure to obtain the requisite regulatory approvals as of the outside date referenced above (as extended), Oriental Bank will be required to reimburse BNS for its reasonable and documented out-of-pocket transaction expenses. The USVI Purchase Agreement also provides that the aggregate amount of reimbursable expenses under the Stock Purchase Agreement, the USVI Purchase Agreement and the PR Purchase Agreement will not exceed \$2,000,000.

PR Purchase Agreement

On the terms and subject to the conditions set forth in the PR Purchase Agreement, at the closing of the transactions contemplated by the PR Purchase Agreement (the “PR Closing” and the date on which the PR Closing occurs, the “PR Closing Date”), Oriental Bank will acquire certain loans and other assets, and assume certain deposits and other liabilities, from BNS’s Puerto Rico branch (the “PR Transaction”). The consideration payable in the

PR Transaction will be equal to the difference between (a) the net book value of the purchased assets (which, in the case of the purchased loans, will be equal to the gross book value of the purchased loans minus \$27,700,000 (or, if greater, the actual amount of reserves associated with the purchase loans as of the PR Effective Time (as defined in the PR Purchase Agreement))) and (b) the net book value of the assumed liabilities, in each case, as of PR Effective Time. If the foregoing calculation produces a positive number, that amount will be payable by Oriental Bank to BNS at the PR Closing and if the foregoing calculation produces a negative number, the absolute value of that amount will be payable by BNS to Oriental Bank at the PR Closing.

The obligations of Oriental Bank and BNS to consummate the PR Transaction are subject to the satisfaction or waiver of certain customary closing conditions, including (a) the receipt of required regulatory approvals of the Federal Deposit Insurance Corporation (and, in the case of Oriental Bank's obligations to consummate the PR Transaction, without the imposition of a Burdensome Condition), (b) the accuracy of the other party's representations and warranties, subject to certain timing and materiality standards, (c) compliance in all material respects by the other party with its pre-closing covenants and agreements contained in the PR Purchase Agreement and (d) the absence of any injunction or order prohibiting the consummation of the transactions contemplated by the PR Purchase Agreement. The consummation of the PR Transaction is also subject to the consummation of the Stock Purchase either substantially contemporaneously with or prior to the PR Closing.

The covenants and agreements in the Stock Purchase Agreement that address the obligations of the parties to obtain the requisite regulatory approvals, including those provisions addressing Remedial Actions, Capital Actions and Burdensome Conditions, also apply under the PR Purchase Agreement with respect to the requisite regulatory approvals for the PR Transaction.

Under the PR Purchase Agreement, from the date of the PR Purchase Agreement and continuing for two years following the PR Closing Date, BNS agreed to certain restrictions on soliciting PR branch customers, subject to certain exceptions set forth in the PR Purchase Agreement.

The PR Purchase Agreement contains certain customary representations and warranties made by each party, which are qualified by confidential disclosures provided to each party by the other party in connection with the PR Purchase Agreement. Each of Oriental Bank and BNS has agreed to various customary covenants, including, in the case of BNS, covenants regarding the administration of the purchased assets and assumed liabilities of PR branch prior to the PR Closing.

Each party has the right to terminate the PR Purchase Agreement under certain circumstances, including if (i) the Stock Purchase Agreement has been terminated or (ii) the PR Transactions have not occurred on or prior to March 26, 2020, subject to an extension by either party until June 26, 2020 if the requisite regulatory approvals have not been obtained. If the Stock Purchase has not been consummated and the PR Purchase Agreement is terminated as a result of the failure to obtain the requisite regulatory approvals as of the outside date referenced above (as extended), Oriental Bank will be required to reimburse BNS for its reasonable and documented out-of-pocket transaction expenses. The PR Purchase Agreement also provides that the aggregate amount of reimbursable expenses under the Stock Purchase Agreement, the USVI Purchase Agreement and the PR Purchase Agreement will not exceed \$2,000,000.

The foregoing description of the Purchase Agreements and related transactions does not purport to be complete and is qualified in its entirety by reference to the Purchase Agreements, which are filed as Exhibit 2.1, Exhibit 2.2 and Exhibit 2.3 to this Current Report on Form 8-K, and are incorporated herein by reference. The Purchase Agreements establish and govern the legal relations between the parties with respect to the transactions contemplated thereby and are not intended to be a source of factual, business or operational information about the parties or their respective businesses. The representations and warranties set forth in the Purchase Agreements may not be accurate or complete as of any specified date, may be subject to a contractual standard of materiality different from those generally applicable to shareholders or different from what a shareholder might view as material, may have been used for purposes of allocating risk between the parties to the Purchase Agreements rather than establishing matters as facts, may have been qualified by certain disclosures not reflected in the Purchase Agreements that were made to the other party in connection with the negotiation of the Purchase Agreements and generally were solely for the benefit of the parties to the Purchase Agreements.

Accordingly, investors and security holders should not rely on such representations and warranties as characterizations of the actual state of facts or circumstances because they were only made as of the date of the Purchase Agreements and are modified by confidential disclosure schedules delivered in connection with the Purchase Agreements. Moreover, information concerning the subject matter of such representations and warranties may change after the date of the Purchase Agreements, which subsequent information may or may not be fully reflected in the Company's public disclosures.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are filed with this report:

<u>Exhibit No.</u>	<u>Description</u>
2.1	<u>Stock Purchase Agreement, dated June 26, 2019, between The Bank of Nova Scotia and Oriental Bank, and, solely for the purposes expressly provided therein, OFG Bancorp.*</u>
2.2	<u>Sale and Purchase Agreement (USVI), dated June 26, 2019, between The Bank of Nova Scotia and Oriental Bank, and, solely for the purposes expressly provided therein, OFG Bancorp.*</u>
2.3	<u>Sale and Purchase Agreement (PR), dated June 26, 2019, between The Bank of Nova Scotia and Oriental Bank, and, solely for the purposes expressly provided therein, OFG Bancorp.*</u>

* Schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish copies of any omitted schedules and exhibits upon request by the Commission.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 2, 2019

OFG BANCORP

By: /s/ Carlos O. Souffront

Name: Carlos O. Souffront

Title: General Counsel and Secretary of the Board of Directors

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Section 2: EX-2.1 (EX-2.1)

Exhibit 2.1

EXECUTION VERSION

STOCK PURCHASE AGREEMENT

BETWEEN

THE BANK OF NOVA SCOTIA

AND

ORIENTAL BANK

AND

SOLELY FOR THE PURPOSES SET FORTH HEREIN,

OFG BANCORP

JUNE 26, 2019

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Exhibits

Exhibit 1 – Transition Services Agreement Terms

Exhibit 2 – Bank Merger Agreement

Schedules

Bank Financial Statements Schedule

Purchaser Requisite Regulatory Approvals Schedule

Bank Disclosure Schedules

Purchaser Disclosure Schedules

STOCK PURCHASE AGREEMENT, dated June 26, 2019, between The Bank of Nova Scotia, a Schedule I bank existing under the laws of Canada ("Seller"), and Oriental Bank, a bank chartered under the laws of Puerto Rico ("Purchaser"), and, solely for the purposes expressly provided in this Agreement OFG Bancorp, a corporation incorporated under the laws of Puerto Rico ("Parent").

RECITALS

A. Seller directly holds 100% of (i) the issued and outstanding shares of common stock of Bank (as defined below), par value \$10.00 per share ("Bank Common Stock"), and (ii) the issued and outstanding shares of second preferred non-cumulative redeemable stock, par value \$10.00 per share ("Second Preferred Stock" and, clauses (i) and (ii) collectively, the "Shares").

B. Seller desires to sell, and Purchaser desires to purchase, the Shares (but with respect to the Second Preferred Stock only if such shares of Second Preferred Stock are not redeemed by Seller prior to the Closing) on the terms and conditions of this Agreement.

C. The board of directors of Purchaser has approved and declared advisable this Agreement and the Stock Sale (as defined below) on the terms and subject to the conditions of this Agreement and has authorized the execution and delivery of this Agreement.

D. The board of directors of Seller has approved and declared advisable this Agreement and the Stock Sale on the terms and subject to the conditions of this Agreement and has authorized the execution and delivery of this Agreement.

E. Concurrently with the execution and delivery of this Agreement, Seller and Purchaser have entered into sale and purchase agreements, dated the date hereof, in connection with the purchase and sale of certain assets and liabilities of Seller's branch in Puerto Rico (the "PR Purchase Agreement") and Seller's USVI operations (the "USVI Purchase Agreement" and, together with the PR Purchase Agreement, the "Purchase Agreements").

F. As soon as practicable following the execution and delivery of this Agreement, Purchaser and Bank shall execute the Bank Merger Agreement (as defined below) pursuant to which, on the terms and subject to the conditions set forth therein, immediately following the Closing, Bank shall merge with and into Purchaser, with Purchaser continuing as the surviving bank (the "Bank Merger").

G. Immediately following the consummation of the Stock Sale (as defined below), Purchaser shall cause Bank to merge with and into Purchaser with Purchaser as the surviving entity pursuant to the terms of the Bank Merger Agreement.

NOW, THEREFORE, the Parties agree as follows:

ARTICLE I

Definitions

1.01 Definitions. This Agreement uses the following definitions:

“Acquired Business” has the meaning set forth in Section 4.08(b).

“Action” has the meaning set forth in Section 3.02(m).

“Affiliate” means, with respect to any specified Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such specified Person. For purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have correlative meanings to the foregoing.

“Aggregate Consideration” means an amount equal to the Consideration, plus the Purchase Price (as defined in the PR Purchase Agreement) and plus the Purchase Price (as defined in the USVI Purchase Agreement).

“Agreement” means this Stock Purchase Agreement, as it may be amended or modified from time to time in accordance herewith, including all Schedules and Exhibits hereto.

“Anti-Bribery Laws” means the U.S. Foreign Corrupt Practices Act of 1977, the Corruption of Foreign Public Officials Act, the UK Bribery Act of 2010 and any other relevant Law or other legally binding measure of any jurisdiction that relates to bribery or corruption.

“Anti-Terrorism Laws” means any Laws, regulations or orders of any Governmental Authority of the United States (including Puerto Rico) or Canada relating to terrorism financing or money laundering, including the International Emergency Economic Powers Act (50 U.S.C. § 1701 et seq.), the Trading With the Enemy Act (50 U.S.C. § 5 et seq.), the International Security Development and Cooperation Act (22 U.S.C. § 2349aa-9 et seq.), Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, the U.S. Export Administration Regulations or the U.S. International Traffic in Arms Regulations, the Bank Secrecy Act (31 U.S.C. § 5311 et seq.), the Criminal Code (R.S.C. 1985, C. C-46), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (S.C. 2000, c. 17) and the United Nations Act (R.S.C. 195, c. U-2) or any similar Canadian legislation and any rules or regulations promulgated pursuant to or under the authority of any of the foregoing.

“Assumed Liabilities” means, collectively, the Assumed Liabilities (as defined in the PR Purchase Agreement) and the Assumed Liabilities (as defined in the USVI Purchase Agreement).

“Background IP” has the meaning set forth in Section 4.15(b).

“Bank” means Scotiabank de Puerto Rico, a bank chartered under the laws of Puerto Rico.

“Bank Benefit Plan” has the meaning set forth in Section 3.02(o)(2).

“Bank Common Stock” has the meaning set forth in the Recitals.

“Bank Disclosure Schedules” has the meaning set forth in Section 3.01.

“Bank Entities” means, collectively, Bank and Subsidiary.

“Bank Entities IP” has the meaning set forth in Section 3.02(s)(1).

“Bank Financial Statements” has the meaning set forth in Section 3.02(g)(1).

“Bank Insurance Policies” has the meaning set forth in Section 3.02(r).

“Bank Merger” has the meaning set forth in the Recitals.

“Bank Merger Agreement” means a merger agreement, substantially in the form attached hereto as Exhibit 2.

“Bank Retirement Plan” has the meaning set forth in Section 4.10(c).

“Books and Records” means the books and records of the Bank Entities, including, as applicable, all (a) books of account, financial, Tax (including Tax Returns), business, marketing, personnel and research information and records, equipment logs, operating guides and manuals and all other documents, files, correspondence and other information, (b) all organizational, corporate or ownership records of the Bank Entities, (c) with respect to each Business Employee, census data (including full name, job title, start date, regularly scheduled hours, regular work week, part-time or full-time status, designation of exempt or nonexempt status, annual salary, hourly rate (if applicable) and benefit plan enrollment (other than medical and dental plan enrollment to the extent Seller is prohibited from providing such information under applicable Law), work address, work phone, home address, and province or other jurisdiction of residence) and other employment records relating to the Business Employee that are kept in the normal course of business or required to be kept in the normal course of business under applicable Law and (d) any original copies of the books and records of the Bank Entities in the possession of Seller or its Affiliates.

“Branches” has the meaning set forth in the USVI Purchase Agreement.

“Burdensome Condition” has the meaning set forth in Section 4.02(d).

“Business Benefit Plan” has the meaning set forth in Section 3.02(o)(1).

“Business Day” means any day on which commercial banks in Puerto Rico are open for business, other than a Saturday or Sunday or a day on which the Federal Reserve Bank of New York is closed for business.

“Business Employee” means an employee of the Bank Entities, Seller or its Affiliates who devotes all or substantially all of his/her time to the business of the Bank Entities, other than employees of Seller or its Affiliates (other than the Bank Entities) providing services under the Transition Services Agreement.

“Capital Action” has the meaning set forth in Section 4.02(c).

“Closing” has the meaning set forth in Section 2.02(a).

“Closing Agreement Purchaser Taxes” means Closing Agreement Taxes except to the extent resulting from or attributable to (i) the settlement of the Closing Agreements at the request of Seller or Bank, or (ii) any action or inaction by Seller or its Affiliates prior to March 1, 2019.

“Closing Agreement Refunds” means any refunds attributable to the Closing Agreements.

“Closing Agreement Taxes” means any Taxes due under (A) paragraph (h) on p. 6 of the Closing Agreement listed in clause (i) of the definition thereof, (B) paragraphs 4 and 9 of the Closing Agreement listed in clause (ii) of the definition thereof, (C) paragraph 2 on pp. 7-8 of the Closing Agreement listed in clause (iv) of the definition thereof and (D) any other parts of the Closing Agreements relating thereto.

“Closing Agreements” means (i) the closing agreement between the Secretary of the Treasury of the Commonwealth of Puerto Rico and Scotiabank de Puerto Rico, entered into as of November 2, 2012, (ii) the closing agreement between the Secretary of the Treasury of the Commonwealth of Puerto Rico and Scotiabank de Puerto Rico, entered into as of October 31, 2014, (iii) the closing agreement between the Secretary of the Treasury of the Commonwealth of Puerto Rico and Scotiabank de Puerto Rico, entered into as of January 30, 2015 and (iv) the closing agreement between the Secretary of the Treasury of the Commonwealth of Puerto Rico, Scotiabank de Puerto Rico, and Scotia Insurance de Puerto Rico, Inc. entered into as of June 30, 2015.

“Closing Date” has the meaning set forth in Section 2.02(a).

“Code” means the Internal Revenue Code of 1986.

“Competitive Business” has the meaning set forth in Section 4.08(b).

“Confidential Information” has the meaning set forth in Section 4.07(a).

“Confidentiality Agreement” has the meaning set forth in Section 4.07(d).

“Consideration” means (1) \$550,000,000.00 *minus* (2) the aggregate amount of any Pre-Closing Secondary Dividends actually paid to Seller after the execution of this Agreement but on or prior to the Closing Date.

“Continuing Employee” has the meaning set forth in Section 4.10(e).

“Contract” means any written or oral agreement, contract, lease, mortgage or binding commitment or arrangement.

“Controlling Party” has the meaning set forth in Section 4.12(d)(2).

“Cooperation Parties” has the meaning set forth in Section 4.21(a).

“Credit Support Agreements” has the meaning set forth in Section 4.09(b).

“de minimis loss” has the meaning set forth in Section 6.02(b).

“Deductible” has the meaning set forth in Section 6.02(b).

“Disclosure Requirements” has the meaning set forth in Section 4.21(a).

“Environmental Laws” has the meaning set forth in Section 3.02(y).

“ERISA” means the Employee Retirement Income Security Act of 1974.

“ERISA Affiliate” means any entity, trade or business, whether or not incorporated, that, together with Bank, would be deemed a “single employer” within the meaning of Section 414 of the Code.

“Excluded Books and Records” means (1) any Books and Records that cannot be transferred under applicable Law, (2) Tax Returns of Seller (except to the extent related solely to one or more Bank Entities, the Purchased Assets or the Assumed Liabilities) (on a standalone basis), (3) records of Seller or its Affiliates (other than the Bank Entities) such as Seller customer lists or information regarding Seller’s broader regional or global operations and (4) any books, records or other data that are not otherwise included in the definition of Books and Records.

“Extensions of Credit” has the meaning set forth in Section 3.02(u)(1).

“FDIC” means the Federal Deposit Insurance Corporation.

“Federal Reserve” means the Board of Governors of the Federal Reserve System.

“Financial Statements” has the meaning set forth in Section 3.02(g)(1).

“Financing Source” means, in its capacity as such, any agent, arranger, lender, underwriter, purchaser, noteholder or other debt or equity financing source providing a commitment to provide or arrange all or part of the financing pursuant to any commitment letter, engagement letter or any definitive financing documents (whether debt or equity and whether public or private).

“First Preferred Stock” has the meaning set forth in Section 3.02(c)(1).

“Foreign Plan” has the meaning set forth in Section 3.02(o)(13).

“GAAP” means U.S. generally accepted accounting principles.

“Governmental Authority” means any (i) federal, state, commonwealth, local, provincial, territorial, municipal, foreign or supranational court or other tribunal, administrative agency or commission, (ii) any federal, state, commonwealth, local, provincial, territorial, municipal, foreign or supranational governmental or regulatory authority, entity or instrumentality, including self-regulatory organizations, and (iii) any arbitrator, arbitral body or panel or mediator.

“Guarantee” has the meaning set forth in Section 4.19(b).

“Guaranteed Obligations” has the meaning set forth in Section 4.19(b).

“Indemnified D&O” has the meaning set forth in Section 4.17(a).

“Indemnified Party” has the meaning set forth in Section 6.04(a).

“Indemnifying Party” has the meaning set forth in Section 6.04(a).

“Indemnity Cap” has the meaning set forth in Section 6.02(b).

“Information Privacy Laws” has the meaning set forth in Section 3.02(t)(1).

“Insurance Agent” has the meaning set forth in Section 3.02(x)(1).

“Intellectual Property” means all intellectual property rights of every kind and description anywhere in the world, including all U.S. and foreign: (a) Trademarks; (b) patents and invention disclosures; (c) copyrights (including copyrights in computer software) and copyrightable subject matter; (d) rights in computer programs (whether in source code, object code, or other form), algorithms, databases, compilations and data, technology supporting the foregoing, and all documentation, including user manuals and training materials, related to any of the foregoing (“Software”); (e) applications, registrations, renewals, reversions, reissues, continuations and extensions for any of the foregoing; and (f) confidential or proprietary know-how or trade secrets (“Trade Secrets”).

“Intercompany Derivative Instruments” has the meaning set forth in Section 3.02(l).

“Intercompany Payables” means all account, note or loan payables and all advances (cash or otherwise) or any other extensions of credit that are payable by Seller or any of its Affiliates (other than the Bank Entities) to the Bank Entities.

“Intercompany Receivables” means all account, note or loan payables and all advances (cash or otherwise) or any other extensions of credit that are receivable by Seller or any of its Affiliates (other than the Bank Entities) from the Bank Entities.

“Interim Financial Statements” has the meaning set forth in Section 4.04(b).

“IRS” means the Internal Revenue Service.

“Knowledge” means (a) with respect to Seller, the actual knowledge of the individuals set forth in Section 1.01(a) of the Bank Disclosure Schedules and (b) with respect to Purchaser, the actual knowledge of the individuals set forth in Section 1.01(a) of the Purchaser Disclosure Schedules.

“Law” means any law (including common law), statute, code, ordinance, rule, regulation, constitution, treaty, order, award, writ, decree, judgment, decision, ruling, directive or injunction issued, promulgated or entered into by or with any Governmental Authority.

“Lien” means any charge, mortgage, pledge, security interest, lien, easement or other similar encumbrance.

“Losses” has the meaning set forth in Section 6.02(a).

“Material Adverse Effect” means, as the case may be, any event, change, development, occurrence, or effect that:

(a) is material and adverse to the business, assets or condition (financial or otherwise) of the Bank Entities, the Purchased Assets and the Assumed Liabilities (taken as a whole together with the Bank Entities); or

(b) would materially impair the ability of Seller to perform its obligations under this Agreement or the Purchase Agreements or otherwise materially impede or delay the consummation of the Stock Sale or the other transactions contemplated by this Agreement or the Purchase Agreements;

provided that, in determining whether a Material Adverse Effect has occurred with respect to clause (a), there shall be excluded any event, change, development, occurrence or effect to the extent attributable to or resulting from (1) changes occurring after the date of this Agreement of any type in general economic conditions or in equity or debt market conditions, including trading levels and volatility in any capital market; (2) changes occurring after the date of this Agreement in the financial services industry in general and changes occurring after the date of this Agreement affecting financial institutions in Puerto Rico or the USVIs in particular; (3) changes occurring after the date of this Agreement in GAAP or regulatory accounting requirements or authoritative interpretations thereof; (4) changes occurring after the date of this Agreement in applicable Law or the interpretation or enforcement thereof by Governmental Authorities; (5) changes occurring after the date of this Agreement in economic, business, credit or financial conditions or trends generally affecting the banking sector in the United States and its territories generally, and in Puerto Rico and the USVIs in particular, including changes in the credit markets, any downgrades in the credit markets, or adverse credit events resulting in deterioration in the credit markets generally, and in Puerto Rico or the USVIs in particular, as well as changes after the date of this Agreement to any previously applied asset marks resulting therefrom; (6) the announcement or performance of this Agreement or the transactions contemplated hereby; (7) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof; (8) changes occurring after the date of this Agreement in national or international political or social conditions, including the engagement by the United States or Canada in hostilities, whether or not pursuant to the declaration of a national emergency, including in Puerto Rico or the USVIs, or war, or the escalation after the date of this Agreement of such an engagement, or the occurrence after the date of this Agreement of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States (including Puerto Rico and the USVIs); (9) actions or omissions of Seller or its Affiliates (including the Bank Entities) that are required to be taken by Seller or its Affiliates by the Transaction Documents or actions, or effects of actions, taken by Seller or any of its Affiliates or the Bank Entities that are taken at the written direction of or with the prior written consent of Purchaser or its Affiliates; or (10) natural disasters, epidemics or "acts of God," in each case, occurring after the date of this Agreement; provided that, in the case of clauses (1), (2), (3), (4), (5), (8) and (10) only, if such event, change, development, occurrence or effect is disproportionately adverse to the Bank Entities, the Purchased Assets and the Assumed Liabilities (taken as a whole together with the Bank Entities) as compared to other banking institutions operating in the business and locations in which the Bank Entities, the PR Branch or the Branches operate, as applicable, then the disproportionate aspects of such event, change, development, occurrence or effect will be taken into account in determining whether a Material Adverse Effect has occurred.

“Material Contract” means each of the following Contracts (excluding any Business Benefit Plan) to which any Bank Entity is a party, by which any Bank Entity (or such Bank Entity’s assets or property) is bound or otherwise subject as of the date of this Agreement:

(a) any lease for real property with gross annual lease payments of more than \$100,000.00;

(b) any Contract for the purchase of materials, supplies, goods, services, equipment or other tangible assets (other than those specified elsewhere in this definition) that provides for annual payments of more than \$300,000.00;

(c) any material partnership or joint venture Contract;

(d) any Contract relating to the acquisition or disposition of any material business or operations (whether by merger, sale of stock, sale of assets, or otherwise) entered into since January 1, 2016 or under which there are outstanding rights or obligations, including any continuing earnout, purchase price adjustment, indemnification or similar contingent payment rights or obligations (for the avoidance of doubt, this clause (d) will not include the acquisition of assets in the ordinary course of business consistent with past practices, such as other real estate owned);

(e) any indenture, promissory note, loan agreement, guarantee or other Contract for the borrowing of money (excluding, for the avoidance of doubt, deposits) or the deferred purchase price of property in excess of \$300,000.00 (in either case, whether incurred, assumed, guaranteed or secured by any asset);

(f) any Contract that creates future payment obligations (excluding, for the avoidance of doubt, deposits) in excess of \$300,000.00 in the aggregate and which by its terms does not terminate or is not terminable without penalty upon notice of 90 days or less;

(g) any Contract, pursuant to which a Bank Entity grants or receives any material license or other material right to Intellectual Property, other than non-exclusive licenses granted to a Bank Entity on standardized terms for the use of commercially available software or information technology services requiring annual payments of less than \$100,000.00 per year;

(h) (1) any exclusive dealing Contract, (2) any Contract that contains express non-competition or non-solicitation covenants that limit the freedom of a Bank Entity to compete in any material respect in any line of business or with any Person or in any area, (3) any other Contract that contains any rights of first refusal, rights of first negotiation or similar obligations or restrictions, or (4) any other Contract that contains a most favored nation provision that would result in granting to the counterparty any material rights;

(i) any Contract between a Bank Entity, on the one hand, and Seller or any Affiliate of Seller (other than the Bank Entities), on the other hand (each, an “Affiliate Contract”);

(j) any Contract with any Governmental Authority (other than the Closing Agreements and any loan agreement with any Governmental Authority), including any loss sharing agreement with the FDIC under which Bank or the FDIC has any continuing obligations;

(k) any Contract (1) involving commitments to others to make capital expenditures or capital asset purchases or capital asset sales in excess of \$100,000.00 individually or \$500,000.00 in the aggregate or (2) involving any expenditures or commitments to purchase relating to information technology in amounts greater than \$100,000.00 on an annual basis or \$500,000.00 in the aggregate;

(l) any Contract restricting the payment of dividends or the repurchase of stock or other equity;

(m) any Contract to refrain or forbear from acquiring assets or securities of a third party (including standstill agreements);

(n) any Contract between Subsidiary, on the one hand, and any insurer, on the other hand, under which Subsidiary has earned commissions in excess of \$300,000.00 for the 12-month period ended May 31, 2019;

(o) any Credit Support Agreement; and

(p) any Contract under which any Bank Entity has guaranteed any material liabilities of any other Person, entered into outside the ordinary course of business.

“Materials” has the meaning set forth in Section 4.15(c).

“Multiemployer Plan” has the meaning set forth in Section 3.02(o)(5).

“New Plans” has the meaning set forth in Section 4.10(g).

“Non-Controlling Party” has the meaning set forth in Section 4.12(d)(2).

“Old Plans” has the meaning set forth in Section 4.10(g).

“Outside Date” has the meaning set forth in Section 7.01(b).

“Parent” has the meaning set forth in the Preamble.

“Participants” has the meaning set forth in Section 4.10(d).

“Permits” has the meaning set forth in Section 3.02(k)(3).

“Permitted Liens” means, with respect to the Bank Entities, (a) mechanics’, materialmen’s, warehousemen’s, carriers’, workers’, landlord’s or repairmen’s liens or other similar common law or statutory Liens arising or incurred in the ordinary course of business; (b) liens for Taxes, assessments and other governmental charges not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings and for which reserves have been established on the Financial Statements to the extent required under GAAP; (c) non-exclusive licenses or similar rights with respect to Intellectual Property incurred in the ordinary course of business; (d) gaps in the chain of title that are readily apparent from the records of the applicable Governmental Authority registries; and (e) Liens that would not materially impair, as applicable, the conduct of the businesses of the Bank Entities or value of the Bank Entities.

“Person” means any individual, bank, savings association, corporation, partnership, Governmental Authority, limited liability company, association, joint-stock company, trust, unincorporated organization or other entity or organization.

“Personal Data” means information held by or on behalf the Bank Entities that can reasonably be used to identify an individual natural person, including name, street address, telephone number, email address, photograph, social security number or tax identification number, driver’s license number, passport number, credit card number, bank information, biometric identifiers, geolocation or any other piece of information, or any other information defined as “personal data,” “personally identifiable information,” “individually identifiable health information,” “protected health information” or “personal information” under any applicable Law and that is regulated by such Law.

“PR Branch” has the meaning set forth in the PR Purchase Agreement.

“PR Closing” means the closing of the sale and purchase of the Purchased Assets (as defined in the PR Purchase Agreement) and the assumption of the Assumed Liabilities (as defined in the PR Purchase Agreement) pursuant to the PR Purchase Agreement.

“PR Closing Date” means the date on which the PR Closing occurs.

“PR Code” means the Puerto Rico Internal Revenue Code of 2011.

“PRBA” means the Puerto Rico Banking Act.

“PR Purchase Agreement” has the meaning set forth in the Recitals.

“PR Tax Authority” means the Department of Treasury of Puerto Rico (Departamento de Hacienda de Puerto Rico).

“Pre-Closing Dividends” has the meaning set forth in Section 4.13.

“Pre-Closing Primary Dividend” means one or more dividends or distributions in an amount, in the aggregate, equal to two hundred million dollars (\$200,000,000), subject to the adjustments set forth in Section 1.01(b) of the Bank Disclosure Schedules.

“Pre-Closing Secondary Dividend” has the meaning set forth in Section 4.13.

“Pre-Closing Tax Period” means any Tax period ending at or prior to the Closing Date.

“Preferred Stock” means, collectively, the First Preferred Stock and the Second Preferred Stock.

“Previously Disclosed” means, in response or as an exception to any particular representation, warranty or covenant set forth in this Agreement, information set forth in the corresponding Section of the Bank Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be; it being understood that (a) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (b) the mere inclusion of an item in the Bank Disclosure Schedules or the Purchaser Disclosure Schedules, as applicable, as an exception to a representation or warranty shall not be deemed an admission by Seller or Purchaser, as applicable, that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect, (c) disclosure in any Section of the Bank Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, as an exception to, or in response to, any representation or warranty will be deemed to be a disclosure with respect to any other representation, warranty or covenant in this Agreement to the extent that the relevance of such disclosure is reasonably apparent from the face of such disclosure, (d) no reference to or disclosure of any item in the Bank Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, shall be construed as an admission that such item was required to be referenced or disclosed or is material, (e) no reference to a possible breach of contract or applicable Law shall be deemed an admission that any such breach exists or actually occurred and (f) no Person may rely on the Bank Disclosure Schedules other than Purchaser and Parent and no Person may rely on the Purchaser Disclosure Schedules other than Seller.

“Purchase Agreement Closings” means, collectively, the PR Closing and the USVI Closing.

“Purchase Agreements” has the meaning set forth in the Recitals.

“Purchased Assets” means, collectively, the Purchased Assets (as defined in the PR Purchase Agreement) and the Purchased Assets (as defined in the USVI Purchase Agreement).

“Purchaser” has the meaning set forth in the Preamble.

“Purchaser Disclosure Schedules” means the schedules delivered by Purchaser to Seller concurrently with the execution and delivery of this Agreement.

“Purchaser Fundamental Representations” has the meaning set forth in Section 6.01.

“Purchaser Premium Cap” has the meaning set forth in Section 4.17(d).

“Purchaser Retirement Plan” has the meaning set forth in Section 4.10(c).

“Purchaser Releasee” has the meaning set forth in Section 4.18.

“Regulation S-X” means Regulation S-X promulgated by the U.S. Securities and Exchange Commission under the Securities Act and the Securities Exchange Act of 1934.

“Remedial Action” has the meaning set forth in Section 4.02(c).

“Reports” has the meaning set forth in Section 3.02(k)(5).

“Representatives” of a Person means such Person’s officers, directors, employees, counsel, accountants, advisors, representatives and agents.

“Requisite Regulatory Approvals” means the (a) regulatory notices and approvals listed on the Purchaser Requisite Regulatory Approvals Schedule and (b) regulatory approvals listed in Section 5.02(d) of the Bank Disclosure Schedules.

“Restricted Activities” has the meaning set forth in Section 4.08(b).

“Restricted Employees” has the meaning set forth in Section 4.08(a).

“Restrictive Covenants” has the meaning set forth in Section 4.12(f).

“Second Preferred Stock” has the meaning set forth in the Recitals.

“Securities Act” means the Securities Act of 1933.

“Securities Laws” means the Securities Act and any applicable securities Laws of any state.

“Seller” has the meaning set forth in the Preamble.

“Seller Confidentiality Agreement” has the meaning set forth in Section 4.20.

“Seller Fundamental Representations” has the meaning set forth in Section 6.01.

“Seller Marks” has the meaning set forth in Section 4.15(a).

“Seller Plans” has the meaning set forth in Section 4.10(b).

“Seller Releasee” has the meaning set forth in Section 4.18.

“Shared-Loss Agreements” means, collectively, the Single Family Shared-Loss Agreement, among FDIC, as receiver for R-G Premier Bank of Puerto Rico, Hato Rey, Puerto Rico, FDIC and Bank, dated as of April 30, 2010 and the Commercial Shared-Loss Agreement, among FDIC, as receiver for R-G Premier Bank of Puerto Rico, Hato Rey, Puerto Rico, FDIC and Bank, dated as of April 30, 2010.

“Shares” has the meaning set forth in the Recitals.

“Software” has the meaning set forth in the definition of Intellectual Property.

“Special Retention Bonus Letter Agreements” means the Special Retention Bonus Letter Agreements listed on Section 3.02(o)(10)(A) and (B) of the Bank Disclosure Schedule.

“Specified Actions” has the meaning set forth in Section 4.24.

“Stock Sale” has the meaning set forth in Section 2.01.

“Storage Facility” has the meaning set forth in Section 4.04(c).

“Straddle Period” means a taxable period that begins on or before the Closing Date and ends after the Closing Date.

“Subsidiary” has the meaning set forth in Section 3.02(d)(1).

“Subsidiary Financial Statements” has the meaning set forth in Section 3.02(g)(1).

“Tax” and “Taxes” means all taxes, assessments, charges, duties, levies or other similar charges, in each case, in the nature of a tax, including any federal, state, commonwealth, local, provincial, territorial, municipal and foreign taxes, however denominated, and including income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, escheat, franchise, employment, capital, value added, goods and services, ad valorem, transfer, business, environmental, service, service use, payroll, unemployment, occupation, social security, stamp, customs,

and all other taxes, fees, duties, assessments, deductions, withholdings or similar charges, including any obligation to indemnify or otherwise assume or succeed to the Tax liability of any other Person and any Tax imposed by operation of law or as a successor or predecessor, together with any interest, penalties and additions to tax with respect thereto.

“Tax Contest” means any federal, state, commonwealth, local or foreign audit, examination, refund litigation, adjustment in controversy, or other administrative proceeding or court proceeding related to Taxes.

“Tax Returns” means all federal, state, commonwealth, local and foreign returns and reports filed or required to be filed with respect to any Tax, including any schedule or attachment thereto, and including any amendment thereof.

“Third-Party Claim” has the meaning set forth in Section 6.04(a).

“Third-Party Reimbursement” has the meaning set forth in Section 6.04(d).

“Third-Party Transaction” has the meaning set forth in Section 4.05.

“Trade Secrets” has the meaning set forth in the definition of Intellectual Property.

“Trademarks” means trademarks, service marks, domain names, logos, trade dress, design rights, trade names, and other similar designations of source or origin, together with all goodwill associated therewith and symbolized thereby.

“Transaction Deductions” means all Tax deductions available to Seller or its Affiliates as a result of or in connection with the transactions contemplated by this Agreement (including, without limitation, the payment of Transaction Expenses and payments of amounts that would have been Transaction Expenses but for the fact that they were paid prior to the Closing, and the payment by or on behalf of the Bank Entities of any fees or other costs and expenses associated with the transactions contemplated by this Agreement).

“Transaction Documents” means this Agreement, the Transition Services Agreement, the Purchase Agreements and the Bank Merger Agreement.

“Transaction Expenses” means (a) all expenses, including the out-of-pocket fees and expenses payable to third parties (including all fees, expenses, disbursements and other similar amounts payable to attorneys, financial advisors, brokers or accountants), incurred by Seller or any of its Affiliates (including the Bank Entities) in connection with the negotiation, documentation and consummation of the transactions contemplated by this Agreement, the Purchase Agreements and the Transition Services Agreement, including any of the foregoing that are invoiced at or following the

Closing for services performed at or prior to the Closing, (b) any change in control, sale bonus, retention or transaction payment or benefit which vest or become payable to any current or former director, officer or employee of the Bank Entities as a result of or in connection with the consummation of the transactions contemplated by this Agreement or the Purchase Agreements (excluding any of the foregoing amounts payable as a result of actions taken by Purchaser or any of its Affiliates on or following the Closing, but including any amounts payable pursuant to the Special Retention Bonus Letter Agreements regardless of whether such amounts become payable or are paid before, on or after the Closing) and (c) the employer-paid portion of any payroll Taxes (including social security and similar contributions) payable in connection with amounts payable in respect of the amounts described in clause (b); provided, however, that Transaction Expenses shall not include: (1) any obligations incurred by any Bank Entity at the written direction of Purchaser or any of its Affiliates in connection with the transactions contemplated by this Agreement; or (2) costs specifically allocated to Purchaser, such as fees and expenses under the Transition Services Agreement.

“Transfer Taxes” has the meaning set forth in Section 4.12(e).

“Transition Plan” has the meaning set forth in Section 4.14(b).

“Transition Plan Committee” has the meaning set forth in Section 4.14(b).

“Transition Services Agreement” has the meaning set forth in Section 4.14.

“Units” has the meaning set forth in Section 3.02(d)(2).

“USVI Closing” means the closing of the sale and purchase of the Purchased Assets (as defined in the USVI Purchase Agreement) and the assumption of the Assumed Liabilities (as defined in the USVI Purchase Agreement) pursuant to the USVI Purchase Agreement.

“USVI Closing Date” means the date on which the USVI Closing occurs.

“USVI Purchase Agreement” has the meaning set forth in the Recitals.

“USVIs” means the United States Virgin Islands.

1.02 Interpretation: Effect.

(a) In this Agreement, except as the context may otherwise require, references to: (1) the Preamble, Recitals, Articles, Sections, Exhibits or Schedules refer to the Preamble to, a Recital, Articles, Section of, Exhibit to or Schedule to, this Agreement; (2) the “transactions contemplated hereby” means the transactions provided for in this Agreement; (3) any Contract (including this Agreement and the Purchase Agreements) are to the Contract as amended, modified, supplemented, restated or replaced from time to time; (4) any applicable Law refer to such applicable Law as amended, modified,

supplemented or replaced from time to time (and, in the case of statutes, include any rules and regulations promulgated under such statute) and references to any section of any applicable Law or other law include any successor to such section; (5) any Governmental Authority include any successor to that Governmental Authority; (6) the terms defined in the singular have a comparable meaning when used in the plural, and vice versa; (7) any gender includes the other gender; and (8) “dollars,” “cents” and “\$” refers to U.S. Dollars and Cents.

(b) Wherever the word “include,” “includes,” or “including” is used in this Agreement, it shall be deemed to be followed by the words “without limitation.”

(c) The words “hereof,” “herein,” and “hereunder” and similar terms, when used in this Agreement, shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(d) The word “Party” is deemed to refer to, individually, Seller or Purchaser and together, the Parties.

(e) The table of contents and headings contained in this Agreement are for reference purposes only and do not limit or otherwise affect any of the provisions of this Agreement.

(f) This Agreement is the product of negotiation by the Parties, each having the assistance of counsel and other advisers. The Parties intend that this Agreement not be construed more strictly with regard to one Party than with regard to the other.

(g) No provision of this Agreement is to be construed to require, directly or indirectly, any Person to take any action, or omit to take any action, to the extent such action or omission would violate applicable Law.

(h) If the last day of the time period for the giving of any notice or the taking of any action required under this Agreement falls on a day that is not a Business Day, the time period for giving such notice or taking such action shall be extended through the next Business Day following the original expiration date of such.

(i) Any reference herein to any document being “made available” to Purchaser means that such document was posted, at least twenty-four hours prior to the date hereof, to the electronic data room maintained by Seller and to which Purchaser has access.

ARTICLE II

Purchase and Sale

2.01 Purchase and Sale. Subject to the terms and subject to the conditions set forth in this Agreement, at the Closing, (a) Seller shall transfer to Purchaser, and Purchaser shall purchase from Seller, free and clear of all Liens (other than restrictions on transfer which arise under applicable Securities Laws and Purchaser's own facts and circumstances), all of the Shares (excluding any shares of Second Preferred Stock redeemed by Bank prior to the Closing) (the "Stock Sale") and (b) Purchaser shall, in consideration of the Stock Sale, pay to Seller (or any Affiliate of Seller designated by Seller in writing), the Consideration, in cash and in the manner set forth in Section 2.02(b). For Puerto Rico income tax purposes, it is the intention of Seller to treat the Stock Sale as a sale of shares.

2.02 Closing: Deliverables.

(a) Closing. The closing of the Stock Sale (the "Closing," and the date on which the Closing occurs, the "Closing Date") will take place (1) at the offices of Sullivan & Cromwell LLP, 125 Broad Street, New York, New York at 10:00 a.m., New York City time on the third Business Day following the day on which the last of the conditions in Article V (other than conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or waiver of all such conditions) has been satisfied or waived in accordance with this Agreement, or (2) at such other place, time and date as the Parties may mutually agree in writing.

(b) Deliveries at Closing. At the Closing:

- (1) Purchaser shall pay to Seller the Consideration to one or more accounts to be designated in writing by Seller to Purchaser at least two (2) Business Days prior to the Closing Date;
- (2) Seller shall deliver to Purchaser evidence that Seller and the Bank have, in accordance with Article I, Section 3 of the Bank's By-Laws, fulfilled the formalities required to carry out the transfer of the Shares (excluding any shares of Second Preferred Stock redeemed by Bank prior to the Closing) to Purchaser;
- (3) Seller and Purchaser shall deliver the certificates referred to in Sections 5.02(c) and 5.03(c);
- (4) Seller shall deliver to Purchaser (A) copies of the Seller Confidentiality Agreements and (B) a counterpart signature page, duly executed by Seller (or its applicable Affiliates), to the Transition Services Agreement;
- (5) Purchaser shall deliver to Seller a counterpart signature page, duly executed by Purchaser, to the Transition Services Agreement; and

(6) Seller shall deliver to Purchaser written resignations of each director of each Bank Entity, effective as of the Closing.

2.03 Withholding. As of the date of this Agreement, to the Knowledge of the Parties after obtaining the advice of qualified counsel in the relevant jurisdictions, there is no requirement that any Taxes are required to be withheld by any Party from any payment under this Agreement and, to the extent that any Party becomes aware of any such requirement, it will notify the other Party of such requirement at least ten (10) Business Days prior to the Closing Date and provide a reasonable opportunity for such other Party to provide forms or evidence that would exempt such amounts from withholding. The applicable withholding Party shall promptly deliver to the other Party copies of any receipts provided to it by a taxing authority in respect of withholding Tax and any other proof reasonably requested by such other Party showing payment of any withholding Tax to the relevant taxing authority. Notwithstanding the foregoing, Parent, the Bank Entities, and any of their applicable Subsidiaries will be entitled to deduct and withhold from the Aggregate Consideration and any amounts otherwise payable pursuant to this Agreement such amounts as such entities reasonably determine are required to be deducted and withheld with respect to the making of such payment under the Code, the PR Code, or any provision of applicable Tax Law. Any amounts so withheld and paid over to an applicable Governmental Authority will be treated for all purposes of this Agreement as having been paid to the Person in respect of which such deduction and withholding was made.

ARTICLE III

Representations and Warranties

3.01 Disclosure Schedules. Concurrently with the execution and delivery of this Agreement, Seller has delivered to Purchaser schedules (the "Bank Disclosure Schedules") and Purchaser has delivered to Seller the Purchaser Disclosure Schedules.

3.02 Representations and Warranties of Seller. Except as Previously Disclosed, Seller represents and warrants to Purchaser that:

(a) Organization, Standing and Authority.

(1) Seller is a Schedule I bank, duly organized, validly existing and in good standing under the Laws of Canada. Seller has all corporate (or similar) power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(2) Bank is a bank duly organized, validly existing and in good standing under the Laws of Puerto Rico. Bank has all corporate (or similar) power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign entity in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. True, complete and correct copies of the articles of incorporation and the bylaws of Bank, each as in effect as of the date of this Agreement, have been made available to Purchaser. The deposit accounts of Bank are insured by the FDIC through the Deposit Insurance Fund to the fullest extent permitted by Law, and all premiums and assessments required to be paid in connection therewith have been paid when due and no proceedings for the termination of such insurance are pending or threatened. Bank is a member in good standing of the Federal Home Loan Bank of New York and owns the requisite amount of stock therein. Bank operates an internal banking unit established and licensed under Act 52 of August 11, 1989, as amended, known as the International Banking Center Regulatory Act.

(b) Ownership of Shares.

(1) Seller is the sole record and beneficial owner of the Shares. Seller has good and valid title to all such Shares, free and clear of all Liens (other than any transfer restrictions imposed by federal, provincial or commonwealth securities laws), and upon delivery by Seller of such Shares (excluding any shares of Second Preferred Stock redeemed by Bank prior to the Closing) at the Closing, good and valid title to such Shares (excluding any shares of Second Preferred Stock redeemed by Bank prior to the Closing) will pass to Purchaser, free and clear of all Liens (other than restrictions on transfer which arise under applicable Securities Laws). Except for such Shares, Seller does not own of record or beneficially own, or have any interest in or right to acquire, any shares of capital stock of any Bank Entity.

(2) There are no preemptive or other outstanding rights, options, warrants, agreements, arrangements or commitments of any character under which Seller is or may become obligated to sell or in any way dispose of, or giving any Person a right to acquire, any of the Shares. There are no stock appreciation, phantom stock, profit participation or similar rights with respect to Bank. Except for this Agreement and any Bank Entity's constituent documents, Seller is not a party to any Contracts with respect to the voting, purchase, dividend rights, disposition or transfer of the Shares.

(c) Capital Structure.

(1) The authorized capital stock of Bank consists of 40,000,000 shares of Bank Common Stock, 500,000 shares of First Preferred Stock and 500,000 shares Second Preferred Stock. As of the date hereof, there are (A) 22,400,000 shares of Bank Common Stock issued and outstanding, all of which are held of record and beneficially owned by Seller free and clear of all Liens other than transfer restrictions under applicable Securities Laws, (B) no shares of first preferred cumulative redeemable stock with a par value of \$10.00 per share ("First Preferred Stock") issued or outstanding, (C) 332,337 shares of Second Preferred Stock issued and outstanding, all of which are held of record and beneficially owned by Seller free and clear of all Liens other than transfer restrictions under applicable Securities Laws, and (D) no other shares of capital stock or other voting or equity securities of Bank issued, reserved for issuance or outstanding. All of the issued and outstanding shares of Bank Common Stock and Second Preferred Stock have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights.

(2) There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which stockholders of Bank may vote. No trust preferred or subordinated debt securities of Bank are issued or outstanding. There are no outstanding subscriptions, options, phantom securities, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or Contracts obligating Bank or Seller, as applicable, to issue, transfer, sell, purchase, redeem or otherwise acquire, any shares of capital stock or other voting or equity securities of Bank. There are no voting trusts, stockholder agreements, proxies or other Contracts in effect pursuant to which Bank or Seller has a contractual obligation with respect to the voting or transfer of capital stock or other voting or equity securities of Bank.

(d) Subsidiary.

(1) Scotia Insurance de Puerto Rico LLC is a wholly-owned subsidiary of Bank ("Subsidiary") and a limited liability company duly organized, validly existing and in good standing under the Laws of Puerto Rico. True, complete and correct copies of the certificate of organization and limited liability company operating agreement of Subsidiary, each as in effect as of the date of this Agreement, have been made available to Purchaser. Subsidiary has all requisite organizational power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign entity in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where the failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(2) Bank owns all right, title and interest in and to, all outstanding units of membership interest of Subsidiary (the "Units") free and clear of all Liens other than transfer restrictions under applicable Securities Laws. All the Units have been duly authorized and validly issued and are fully paid, nonassessable and free of preemptive rights. There are no bonds, debentures, notes or other indebtedness that have the right to vote on any matters on which members of Subsidiary may vote. There are no outstanding subscriptions, options, phantom securities, warrants, puts, calls, rights, exchangeable or convertible securities or other commitments or Contracts obligating Bank or Subsidiary to issue, transfer, sell, purchase, redeem or otherwise acquire, any units of membership interests or other voting or equity securities of Subsidiary. There are no voting trusts, voting agreements, proxies or other Contracts in effect pursuant to which Bank or Subsidiary has a contractual obligation with respect to the voting or transfer of Units or other voting or equity securities of Subsidiary.

(3) Except for such Units and the capital stock of Puerto Rico Value Exchange Association, Inc. owned by Bank, Bank does not own any equity interest in any other entity (other than interests held in a fiduciary capacity on behalf of a third Person in the ordinary course of business). Subsidiary does not own any equity interest in any other entity.

(e) Corporate Authorization and Binding Effect. Seller (and, with respect to the Bank Merger Agreement, Bank) has (or, in the case of Bank, will have) the power and authority to enter into and perform its obligations under this Agreement (or, in the case of Bank, the Bank Merger Agreement, when executed and delivered), and any other documents executed by it pursuant hereto, including the other Transaction Documents to which Seller or Bank, as applicable, is or as of the Closing will be a party. The execution and delivery by Seller and Bank, as applicable, of the Transaction Documents to which it is or as of the Closing will be a party, the performance by each of Seller and Bank of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action of Seller and Bank, as applicable, prior to the date of this Agreement and no further corporate approvals or authorizations are required of Seller, Bank or any of their Affiliates in connection with the foregoing. This Agreement is a valid and legally binding obligation of Seller, and the other Transaction Documents to which Seller (or an Affiliate) is or will be a party have been, or at Closing will be, duly executed and delivered by Seller (or its applicable Affiliate) and assuming due authorization, execution, and delivery of the Transaction Documents by the other parties thereto, constitute, or at Closing will constitute, valid and binding agreements of Seller (or its applicable Affiliate), enforceable against Seller (in each case, or its applicable Affiliate) in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(f) Regulatory Filings; No Defaults.

(1) No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Seller or the Bank Entities in connection with the execution, delivery or performance by Seller or Bank of the Transaction Documents to which they are, or as of the Closing, will be a party, or to effect the transactions contemplated thereby, except for (A) the Requisite Regulatory Approvals, the Requisite PR Regulatory Approvals (as defined in the PR Purchase Agreement) and the Requisite USVI Regulatory Approvals (as defined in the USVI Purchase Agreement), and (B) such other consents, approvals, filings or registrations, the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. As of the date hereof, Seller has no Knowledge of any fact, condition or circumstance with respect to Seller or the Bank Entities that would reasonably be expected to result in the material delay or denial of any of the Requisite Regulatory Approvals and consents in order to permit consummation of the Stock Sale, the Bank Merger and the transactions contemplated hereby.

(2) Subject to the receipt of the approvals and consents referred to in Section 3.02(f)(1) and the expiration of applicable waiting periods, the execution, delivery and performance by Seller and Bank, as applicable, of the Transaction Documents, the performance by each of Seller and Bank, as applicable, of its obligations thereunder and the consummation by them of the transactions contemplated thereby (including the Stock Sale and the Bank Merger) do not (A) constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Seller or the Bank Entities or to a loss of any benefits to which Seller or any Bank Entity is entitled under any provision of (i) Seller's or any Bank Entity's constituent documents; (ii) assuming compliance with the requirements referred to in Section 3.02(f)(1), any Law, regulation, judgment, injunction, order or decree binding upon Seller or the Bank Entities, other than violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or (iii) assuming compliance with the requirements referred to in Section 3.02(f)(1), any Material Contract to which Seller or the Bank Entities is a party or any license, franchise, permit or similar authorization held by Seller or the Bank Entities, in each case other than violations, breaches, defaults, rights or loss which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or (B) result in the creation or imposition of any Lien on any material portion of the assets of the Bank Entities.

(g) Financial Statements; No Material Adverse Effect; Ordinary Course.

(1) The Bank Financial Statements Schedule contains true, complete and correct copies of (i) Bank's (A) audited consolidated financial statements (including any related notes and schedules thereto) for the fiscal years ended October 31, 2017 and 2018, (B) Bank's unaudited consolidated reports of condition and income (call report) as of and for the 12-month period ended December 31, 2018 and (C) Bank's unaudited consolidated reports of condition and income (call report) as of and for the 3-month period ended March 31, 2019 (collectively, the "Bank Financial Statements") and (ii) Subsidiary's audited financial statements (including any related notes and schedules thereto) for the fiscal years ended October 31, 2017 and 2018 (collectively, the "Subsidiary Financial Statements") and, together with the Bank Financial Statements, the "Financial Statements"). Each of the consolidated balance sheets included in the Bank Financial Statements was derived from the Books and Records and fairly presents in all material respects, the consolidated financial position of Bank, as of its date, and each of the consolidated statements of income and changes in stockholder equity or equivalent statements included in the Bank Financial Statements fairly presents in all material respects, the consolidated results of operations or changes in stockholder equity, as the case may be, of Bank, for the periods set forth therein, and, in each case, were prepared in accordance with GAAP consistently applied during the periods involved and subject, in each case, to (A) any matter disclosed in the Financial Statements (or the notes thereto, if applicable), and (B) in the case of the unaudited financial statements

of Bank referenced in clause (C) of the definition of Bank Financial Statements, normal year-end adjustments and the absence of footnotes. Each of the balance sheets included in the Subsidiary Financial Statements was derived from the Books and Records and fairly presents in all material respects, the financial position of Subsidiary, as of its date, and each of the statements of income and changes in members' equity, as the case may be, of Subsidiary, fairly presents in all material respects, the results of operation or changes in member equity, as the case may be, of Subsidiary for the periods set forth therein, and in each case, were prepared in accordance with GAAP consistently applied during the periods involved and subject, in each case, to any matter disclosed in the Subsidiary Financial Statements (or the notes thereto, if applicable).

(2) Except (A) for liabilities and obligations incurred in the ordinary course of business since October 31, 2018 or (B) as reflected or reserved against in the Financial Statements (or notes thereto, if applicable), (x) since October 31, 2018 through the date of this Agreement, neither Bank nor Subsidiary has incurred any material liabilities that would be required to be reflected or reserved against in the consolidated balance sheet of Bank prepared in accordance with GAAP as applied in the preparation of the Bank Financial Statements for the fiscal year ended October 31, 2018 and (y) to Seller's Knowledge, as of the date hereof, the Bank Entities do not have any liabilities of any nature (whether absolute contingent or otherwise) that would be material to the Bank Entities taken as a whole.

(3) Since October 31, 2018, no event has occurred or circumstance arisen that, individually or taken together with all other facts, circumstances and events (described in any paragraph of this [Section 3.02](#) or otherwise), has had or would reasonably be expected to have a Material Adverse Effect.

(4) Since October 31, 2018 through the date hereof, except with respect to the transactions contemplated by the Transaction Documents, the Bank Entities have carried on their respective businesses in all material respects in the ordinary course of business consistent with past practice.

(5) Any Interim Financial Statements delivered pursuant to [Section 4.04\(b\)](#) will contain, true, complete and correct copies of Bank's Interim Financial Statements. Each consolidated balance sheet included in any Interim Financial Statement will be derived from the Books and Records and fairly present in all material respects, the consolidated financial position of Bank, as of its date, and each of the consolidated statements of income and changes in stockholder equity or equivalent statements included in any Interim Financial Statement will fairly present in all material respects, the consolidated results of operations or changes in stockholder equity, as the case may be, of Bank, for the periods set forth therein, and, in each case, will be prepared in accordance with GAAP consistently applied during the periods involved and subject, in each case, to (A) any

matter disclosed in such Interim Financial Statements (or the notes thereto, if applicable), and (B) in the case of the unaudited financial statements of Bank referenced in clause (C) of the definition of Interim Financial Statements, normal year-end adjustments and the absence of footnotes.

(h) Contracts.

(1) Seller has Previously Disclosed a true, correct and complete list of, and made available to Purchaser true, complete and correct copies of, each Material Contract.

(2) Each Material Contract is a valid and binding agreement of the applicable Bank Entity and is in full force and effect in all material respects, and, neither the applicable Bank Entity nor, to the Knowledge of Seller, the counterparty to such Contract is in material default or breach of the terms of any such Contract. To the Knowledge of Seller, no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of any Bank Entity under any Material Contract. Neither Seller nor any Bank Entity has delivered or received any notice of termination or cancellation of any such Material Contract.

(i) Property.

(1) None of the Bank Entities own any real property (other than "other real estate owned").

(2) Seller has Previously Disclosed a true, correct and complete list of all real property leased or licensed by the Bank Entities as of the date of this Agreement.

(3) All leases of real property, and all other leases material to the Bank Entities, under which such Bank Entity, as lessee, leases personal property, are in full force and effect and are valid, binding and enforceable in accordance with their respective terms. There is not under any such lease any material existing default by the Bank Entities or, to the Knowledge of Seller, any other party thereto, or any event which with notice or lapse of time would constitute such a material default and all rent and other sums and charges due and payable under such lease have been paid.

(j) Internal Controls; Books and Records. The records, systems, controls, data and information of the Bank Entities are recorded, stored, maintained and operated under means (including any electronic, mechanical or photographic process, whether computerized or not) that are under the exclusive ownership and control of Seller, the Bank Entities or any of their respective accountants in all material respects. The Bank Entities have established and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial

reporting and the preparation of financial statements in accordance with GAAP and applicable Law. In the most recent evaluation of such internal controls, no material weaknesses were identified. All Books and Records maintained by Seller or any of its Affiliates (including the Bank Entities) are maintained in accordance with applicable Law and, to the Knowledge of Seller, all other Books and Records are maintained in accordance with applicable Law.

(k) Compliance with Laws. Except as is not and would not reasonably be expected to be, individually or in the aggregate, material to the Bank Entities, taken as a whole:

(1) each Bank Entity is, and since January 1, 2016 has been, and the conduct of the business of the Bank Entities is, and since January 1, 2016, has been, in compliance with all applicable Laws, including Anti-Terrorism Laws, Anti-Bribery Laws and any Laws relating to bank secrecy, discriminatory lending, financing or leasing practices or money laundering;

(2) since January 1, 2016, no Bank Entity, or to the Knowledge of Seller, any director, officer, employee, agent or other person acting on behalf of any Bank Entity has, directly or indirectly, (A) used any funds of any Bank Entity for unlawful contributions, unlawful gifts, unlawful entertainment or other expenses relating to political activity, (B) made any unlawful payment to foreign or domestic governmental officials or employees or to foreign or domestic political parties or campaigns from funds of any Bank Entity, (C) established or maintained any unlawful fund of monies or, for an unlawful purpose, other assets of any Bank Entity, (D) made any fraudulent entry on the Books and Records or (E) made any unlawful bribe, unlawful rebate, unlawful payoff, unlawful influence payment, unlawful kickback or other unlawful payment to any Person, private or public, regardless of form, whether in money, property or services, to obtain favorable treatment in securing business or to obtain special concessions for any Bank Entity, to pay for favorable treatment for business secured or to pay for special concessions already obtained for any Bank Entity, or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department;

(3) each Bank Entity has, and at all relevant times since January 1, 2016 has had, all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities that are required in order to permit them to own or lease their properties and to conduct their businesses as conducted as of the date of this Agreement (collectively, "Permits"); since January 1, 2016, all fees and assessments due and payable with respect to such Permits have been timely paid in full; each Bank Entity is, and at all relevant times since January 1, 2016 has been, in compliance with all such Permits; all such Permits are in full force and effect and are current and no suspension or cancellation of any of them is pending or, to the Knowledge of Seller, threatened;

(4) no Bank Entity is party to or otherwise subject to or bound by any consent order, consent decree, cease and desist order, written agreement, prompt corrective action order, capital directive, memorandum of understanding, or other supervisory agreement by or with the FDIC, the Puerto Rico Office of the Commissioner of Financial Institutions, the Puerto Rico Office of the Commissioner of Insurance or any other Governmental Authority, nor has Seller or any of its Affiliates (including any Bank Entity) been advised by any such Governmental Authority that it is contemplating issuing or requesting any of the foregoing; provided, however, that no representation or warranty is made pursuant to this clause (4) as to any matter the disclosure of which would violate the confidentiality rules and regulations of the Federal Reserve, the FDIC, the Puerto Rico Office of the Commissioner of Financial Institutions, the Puerto Rico Office of the Commissioner of Insurance or any other applicable Governmental Authority; provided further that the immediately preceding proviso shall in no way be construed as a limitation on the representation in the second sentence of Section 3.02(f)(1); and

(5) since January 1, 2016, each Bank Entity has timely filed (including in accordance with applicable extensions) all reports, registrations and statements, together with any amendments required to be made with respect thereto, that were required to be filed under any applicable Law, regulation or rule, with any applicable Governmental Authority (collectively, the "Reports"). As of their respective dates (and without giving effect to any amendments or modifications filed after the date of this Agreement with respect to reports and documents filed before the date of this Agreement), the Reports complied with the applicable statutes, rules, regulations and orders enforced or promulgated by the Governmental Authority with which they were filed.

(6) For the avoidance of doubt, Purchaser acknowledges and agrees that Seller's representations and warranties under this Section 3.02(k) are not made with respect to Taxes, Tax Returns or related Tax matters.

(l) Derivative Instruments. Section 3.02(l) of the Bank Disclosure Schedules sets forth a true, correct and complete list of all swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative Contracts or transactions, (1) between Seller and Bank (the "Intercompany Derivative Instruments") or (2) between Seller and one or more of Bank's customers for the benefit of Bank. Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, all swaps, caps, floors, option agreements, futures and forward contracts and other similar derivative Contracts or transactions, whether entered into for Bank's own account, or for the account of one or more of Bank's customers, were entered into (1) in accordance with prudent business practices and all applicable Laws and (2) with counterparties

believed to be financially responsible at the time; and each such Contract constitutes the valid and legally binding obligation of Bank and, to the Knowledge of Seller, each of the counterparties thereto, is enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles), and is in full force and effect. Except as has not had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, neither Bank nor, to the Knowledge of Seller, any other party thereto, is in breach of any of its obligations under any such Contract.

(m) Litigation; Orders. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, no litigation, proceeding, investigation, action, suit, hearing or controversy (each, an "Action") dispute or claim by or before any Governmental Authority is pending against any Bank Entity, and, to the Knowledge of Seller, no such Action is threatened. There is no judgment, injunction, order, decree or regulatory restriction imposed upon or, to the Knowledge of Seller, threatened to be imposed upon any Bank Entity that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. As of the date hereof, there is no Action pending or, to the Knowledge of Seller, threatened against any of Seller or any of the Bank Entities by or before any Governmental Authority which is reasonably likely, individually or in the aggregate, to prevent or materially delay the transactions contemplated hereby.

(n) No Brokers. Except for any fees that may be due and owing to Credit Suisse Securities USA LLC, which will be paid by Seller prior to the Closing, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Seller or Bank who might be entitled to any fee or commission from Seller or any Bank Entity in connection with the transactions contemplated by this Agreement or the Purchase Agreements.

(o) Employee Benefit Plans.

(1) Seller has Previously Disclosed a true, correct and complete list of each material Business Benefit Plan. For purposes of this Agreement, "Business Benefit Plan" means any employee benefit or compensation plan, program, agreement, contract or other legally binding obligation (whether or not subject to ERISA and whether written or unwritten), in each case, (x) which is sponsored, maintained, contributed to or required to be contributed to by the Bank Entities or any ERISA Affiliate for the benefit of any current or former officer, director, employee or other service provider (or any dependent or beneficiary thereof) of the Bank Entities, or (y) with respect to which any potential liability would reasonably be expected to be borne by the Bank Entities. Business Benefit Plans include, but are not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA, employment, retention, retirement, severance, termination or change in control agreements, deferred compensation, equity-based, incentive, bonus, pension, retirement, supplemental retirement, profit sharing, insurance, medical, welfare, fringe or other employee benefits or compensation of any kind.

(2) With respect to each material Business Benefit Plan sponsored or maintained by a Bank Entity (each, a “Bank Benefit Plan”), Seller has made available to Purchaser, to the extent applicable, accurate and complete copies of (A) the Bank Benefit Plan document, including any amendments thereto (or if such Bank Benefit Plan is not in writing, a written description of such Bank Benefit Plan), (B) the two most recently prepared financial statements and actuarial or other valuation report, (C) the most recent summary plan description and summary of material modifications, (D) each trust or other funding arrangement, (E) the two most recently filed annual reports on Form 5500, (F) the most recently received IRS and/or PR Tax Authority determination letter (or opinion or advisory letter, if applicable), (G) with respect to each Foreign Plan, the jurisdictional equivalent of each of the foregoing, and (H) all material non-routine correspondence to and from any Governmental Authority within the last three years.

(3) Each Business Benefit Plan that is intended to be qualified under Section 401(a) of the Code and/or Section 1081.01(a) of the PR Code, and any trust maintained with respect thereto, has received a current determination letter from the IRS and/or the PR Tax Authority as to its qualified or tax-exempt status, and, to the Knowledge of Seller, nothing has occurred that would reasonably be expected to result in the revocation of such determination, status or opinion letters.

(4) Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Business Benefit Plan has been maintained, operated and administered in compliance with its terms and applicable Laws, including ERISA, the Code and/or the PR Code, as applicable, and complies in form to the requirements of such applicable Laws, in each case, as relates to Business Employees.

(5) Neither Bank nor any ERISA Affiliate has contributed (or had any obligation of any sort) in the last six (6) years to any employee benefit plan that is (A) subject to Section 412 of the Code or Section 302 or Title IV of ERISA, (B) a “multiple employer plan” (within the meaning of Section 413(c) of the Code), (C) a “multiple employer welfare arrangement” as defined in Section 3(40) of ERISA, or (D) a “multiemployer pension plan,” as defined in Sections 3(37) or 4001(a)(3) of ERISA (a “Multiemployer Plan”), which, in each case, could reasonably be expected to result in material liability to the Bank Entities, Purchaser or Parent.

(6) With respect to each Multiemployer Plan contributed to or required to be contributed to by the Bank Entities or any ERISA Affiliate: (A) neither the Bank Entities nor any ERISA Affiliate has incurred any withdrawal liability under Title IV of ERISA which remains unsatisfied; (B) the aggregate withdrawal liability of the Bank Entities and their ERISA Affiliates under Subtitle E of Title IV of ERISA, computed as if a complete withdrawal by the Bank Entities and the ERISA Affiliates had occurred under each Multiemployer Plan on the date hereof, would not reasonably be expected to result in a material liability to the Bank Entities, Purchaser or Parent; and (C) in the event of a partial or total withdrawal from each Multiemployer Plan (either prior to or on the Closing Date) either (x) the Bank Entities' or an ERISA Affiliate's withdrawal liability (if any) under Subtitle E of Title IV of ERISA would be determined under Section 4203(b) of ERISA or, if clause (x) does not apply, then (y) the Bank Entities or such ERISA Affiliate would have no withdrawal liability under Subtitle E of Title IV of ERISA with respect to such Multiemployer Plan.

(7) All contributions and all premiums payable by Seller or Bank with respect to each Bank Benefit Plan in respect of current or prior plan years have been or will have been made or properly accrued in all material respects.

(8) There is no material Action pending, or to the Knowledge of Seller, threatened relating to a Business Benefit Plan (other than routine claims for benefits), in each case, relating to the participation of Business Employees (or their dependents).

(9) With respect to each Business Benefit Plan, (i) none of the Bank Entities have engaged in, and to the Knowledge of Seller, no other Person has engaged in, any non-exempt "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) that could reasonably be expected to result in a material liability to the Bank Entities, and (ii) none of the Bank Entities or, to the Knowledge of the Seller, any other "fiduciary" (as defined in Section 3(21) of ERISA) has any liability for breach of fiduciary duty or any other failure to act or comply in connection with the administration or investment of the assets of such Business Benefit Plan that could reasonably be expected to result in material liability to the Bank Entities.

(10) Neither the execution of this Agreement, nor the consummation of the transactions or actions contemplated by this Agreement, could, either alone or in combination with another event, fact or circumstance (A) entitle any Business Employee or any other employee, officer, director or service provider of the Bank Entities to any severance payment, change in control payment or other payment; (B) accelerate the time of payment or vesting or increase the amount of compensation due to any Business Employee or any other employee, officer, director or service provider of the Bank Entities; (C) directly or indirectly cause the Bank Entities to transfer or set aside any assets to fund any benefits under any Business Benefit Plan; (D) otherwise give rise to any material liability under any Bank Benefit Plan; or (E) result in the payment of any amount that could, individually or in combination with any other such payment, constitute an "excess parachute payment" as defined in Section 280G(b)(1) of the Code.

(11) None of the Business Benefit Plans obligates the Bank Entities to provide any Business Employee or any other current or former employee, consultant, director or other service provider (or any beneficiary or dependent thereof) of the Bank Entities any life insurance or medical or health benefits after his or her termination of employment or service with the Bank Entities, other than as required under Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code or any similar state Law.

(12) There are no obligations to gross-up, indemnify or otherwise reimburse any Business Employee or any other employee, consultant, director or other service provider of the Bank Entities for any Tax incurred by such person, including under Code Section 409A or Code Section 4999, or any interest or penalty related thereto.

(13) Each Business Benefit Plan that is subject to any Law other than U.S. federal, state or local Law (each, a "Foreign Plan") required to be registered or approved by a non-U.S. Governmental Authority has been registered or approved and, to the Knowledge of Seller, no event has occurred since the date of the most recent approval or application therefor relating to any such Foreign Plan that would reasonably be expected to materially affect any such approval relating thereto or increase the costs relating thereto in a manner material to the Bank Entities as a whole. Each Foreign Plan that is intended to be funded and/or book-reserved is funded and book-reserved (based on reasonable actuarial assumptions) in compliance with applicable Law.

(p) Labor Matters.

(1) As of the date hereof, none of the Bank Entities is a party to or bound by any collective bargaining agreement or other agreement with a labor union or like organization, no Business Employees are represented by any labor union or like organization, and to the Knowledge of Seller, there are no, and have not been within the past three (3) years any, activities or proceedings by any individual or group of individuals, including representatives of any labor organizations or labor unions, to organize any Business Employees with respect to their employment with the Bank Entities.

(2) There is no pending or, to the Knowledge of Seller, threatened strike, lockout, slowdown, work stoppage or other labor disputes with respect to the Business Employees that could interfere in any material respect with the business activities of the Bank Entities.

(3) There are no complaints, disputes or claims (including, but not limited to, any unfair labor practice claims) against any Bank Entity pending or, to the Knowledge of Seller, threatened by or with respect to any Business Employees. In the last three (3) years, no allegations of sexual harassment have been made against any (i) officer of the Bank Entities or (ii) Business Employee at a level of Vice President or above.

(4) Each of the Bank Entities, Seller and their Affiliates is in compliance, in all material respects, with all applicable Laws governing employment and employment practices with respect to the Business Employees, including all Laws respecting terms and conditions of employment, dismissals (including, but not limited to, the Unjust Dismissal Act, Act No. 80 of May 30, 1976 and any amendments thereto), health and safety, wages and hours, worker classification, child labor, immigration, employment discrimination, harassment, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(5) To the Knowledge of Seller, no Business Employee is in any respect in violation of any term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, non-competition agreement, restrictive covenant or other obligation to any Bank Entity relating (A) to the right of any such employee to be employed by a Bank Entity or (B) to the knowledge or use of trade secrets or proprietary information.

(6) The Bank Entities are not delinquent in payments to any Business Employees or former employees of the Bank Entities for any services or amounts required to be reimbursed or otherwise paid.

(7) To the Knowledge of the Seller, each individual who is currently providing services to any Bank Entity, or who previously provided services to any Bank Entity, as an independent contractor or consultant is or was properly classified and properly treated as an independent contractor or consultant by such Bank Entity. Each individual who is currently providing services to any Bank Entity through a third-party service provider, or who previously provided services to any Bank Entity through a third-party service provider, is not or was not an employee of any Bank Entity.

(q) Taxes.

(1) (A) All income and other material Tax Returns that are required to be filed on or before the Closing Date by the Bank Entities have been or will be timely filed on or before the Closing Date, and all such Tax Returns are or will be true, correct and complete in all material respects; (B) all material Taxes of the Bank Entities (whether or not shown to be due on any Tax Return) have been or will be timely paid in full; and (C) all material deficiencies asserted in writing or assessments made in writing by the relevant taxing authority have been or will be timely paid in full on or before the Closing Date.

(2) The Bank Entities have complied with all applicable material information reporting and withholding requirements with respect to Taxes, and have withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, customer, independent contractor, creditor, stockholder, or other third party.

(3) There are no Liens on any of the Bank Entities' assets that arose in connection with any failure (or alleged failure) to pay any material Tax.

(4) No waiver of any statute of limitations with respect to any of the Bank Entities' material Taxes is in effect as of the date of this Agreement.

(5) No closing agreements, private letter rulings, technical advice memoranda or similar Contracts or rulings have been entered into with or issued by any taxing authority with respect to the Bank Entities.

(6) No Bank Entity has engaged in a trade or business or had a permanent establishment (within the meaning of an applicable income tax treaty), in a country other than the country of its formation.

(7) Neither Bank Entity is a party to, is bound by, or has any obligation under any Tax sharing or Tax indemnity agreement (i) except for any agreement only between Bank Entities and (ii) other than customary provisions in commercial contracts entered into in the ordinary course of business that do not primarily relate to Taxes.

(8) No Bank Entity (or any successor) will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of any: (A) change in method of accounting of a Bank Entity for a taxable period ending on or prior to the Closing Date; (B) use of an improper method of accounting by a Bank Entity for a taxable period ending on or prior to the Closing Date; (C) a "closing agreement" as described in Code Section 7121 (or any corresponding or similar provision of state, local, Puerto Rican, or non-U.S. income Tax Law) executed on or prior to the Closing Date; or (D) prepaid amount received on or prior to the Closing Date by a Bank Entity.

(9) None of the Bank Entities has entered into any "listed transaction" within the meaning of Treasury Regulations Section 1.6011-4(b)(2) (or any similar provision of state, local, commonwealth or foreign Tax Law).

(r) Insurance. The Bank Entities are insured with reputable insurers against such risks and in such amounts as has been determined to be prudent for the Bank Entities. Section 3.02(r) of the Bank Disclosure Schedules sets forth a true, complete and correct list of all material insurance policies held by the Bank Entities as of the date of this Agreement (the "Bank Insurance Policies"). None of the Bank Entities has received or delivered

notice of cancellation or non-renewal or to the effect that it is in material default under any Bank Insurance Policy and, to the Knowledge of Seller, no such cancellation or non-renewal is threatened. Each such Bank Insurance Policy is held by the Bank Entities and is in full force and effect. All premiums and other payments due under any such policy have been timely paid, and all material claims thereunder with respect to the Bank Entities have been filed in due and timely fashion.

(s) Intellectual Property.

(1) Section 3.02(s)(1) of the Bank Disclosure Schedules sets forth a true, correct and complete list of all (i) Intellectual Property registrations and applications, (ii) material Software, and (iii) any other material Intellectual Property, in each case which is owned or purported to be owned by the Bank Entities (collectively, "Bank Entities IP"). The material Bank Entities IP owned by the Bank Entities are owned free and clear of all Liens, other than Permitted Liens. The Bank Entities IP is subsisting and, to the Knowledge of Seller, is valid and enforceable in all material respects.

(2) The operation of the business of the Bank Entities as currently conducted, and as conducted since January 1, 2016, does not materially infringe, misappropriate or otherwise violate, and has not materially infringed, misappropriated or otherwise violated, the Intellectual Property rights of any third Person, and there has been no claim or allegation of such asserted or, to the Knowledge of Seller, threatened (including in the form of offers or invitations to obtain a license) since January 1, 2016 against the Bank Entities, or against Seller or its Affiliates (other than the Bank Entities) with respect to the business of the Bank Entities.

(3) To the Knowledge of Seller, no Person is in any material respect infringing, misappropriating or otherwise violating any Bank Entities IP. Since January 1, 2016, no claims or allegations of such infringement have been asserted or otherwise made against any Person by Seller or any of its Affiliates (including any Bank Entity) with respect to the business of the Bank Entities.

(4) Bank and Seller have taken reasonable measures to protect the confidentiality of material Trade Secrets with respect to the business of the Bank Entities, including requiring all of the employees of the Bank Entities having access thereto to execute a written acknowledgement of Seller's policies and procedures relating to the use and disclosure of confidential information. To the Seller's Knowledge (A) no such employee has violated any such policies or procedures in a manner that would be likely to result in material liability and (B) the Bank Entities have not experienced any material loss of Trade Secret rights.

(t) Information Technology.

(1) The Bank Entities and, with respect to the provision of services to the Bank Entities, Seller and its Affiliates (other than the Bank Entities), are in compliance with and, since January 1, 2016, have been in compliance with, in each case in all material respects, with all applicable Laws and with their own policies, procedures and safeguards relating to privacy, data protection, data or privacy breach notification, cybersecurity, anti-spam, commercial electronic messages and Personal Data (collectively, "Information Privacy Laws") and take and have taken commercially reasonable measures to protect and maintain in all material respects the privacy, security and integrity of their information technology software, hardware, systems and networks, and any Personal Data collected or generated by or on behalf of the Bank Entities. No policies, procedures or, to the Knowledge of Seller, any other arrangements of Seller or its Affiliates restrict the Bank Entities from using any Personal Data in connection with the business of the Bank Entities as currently conducted by the Bank Entities. Since January 1, 2016, (x) to the Knowledge of Seller, there have been no security breaches in, and no third Person has gained unauthorized access to, any information technology software, hardware, systems and networks used in the operation of the business of the Bank Entities, in any material respect, and (y) the Bank Entities have not received any material complaints from, and have not been legally required to provide (and have not provided, whether or not legally required) any notices to, any Governmental Authority, data owners or individuals with respect to Information Privacy Laws or in connection with a loss or disclosure of, or unauthorized access to, Personal Data.

(u) Extensions of Credit. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect:

(1) Each loan, revolving credit facility, letter of credit or other extension of credit or commitment to extend credit (collectively, "Extensions of Credit") made, entered into or held by Bank is evidenced by a promissory note or other evidence of indebtedness, which, together with all security agreements and guarantees, is a valid and legally binding obligation of Bank and, to the Knowledge of Seller, of the counterparty or counterparties thereto, are enforceable in accordance with their terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles) and are in full force and effect. Seller has Previously Disclosed a complete and correct list of all Extensions of Credit in excess of \$5,000,000 that, as of March 31, 2019, were classified by Bank as "Special Mention," "Substandard," "Doubtful," "Loss," "Classified," "Criticized," "Watch" or words of similar import.

(2) Each outstanding Extension of Credit originally underwritten by Bank (including Extensions of Credit held for resale or previously sold to investors) has been solicited and originated and is administered and, where applicable, serviced, and the relevant Extension of Credit files are being maintained in accordance with (a) the relevant loan or other credit or security documents, (b) in the case of Extensions of Credit originally underwritten by Bank, Bank's written underwriting standards in effect at the time such Extension of Credit was originated, (c) in the case of Extensions of Credit held for resale to investors, the underwriting standards, if any, of the applicable investors, and (d) applicable Law.

(3) None of the agreements pursuant to which Bank has sold Extensions of Credit or pools of Extensions of Credit or participations in Extensions of Credit or pools of Extensions of Credit since January 1, 2016 contains any obligation to repurchase such Extensions of Credit or interests therein, other than repurchase obligations arising upon breach of representations and warranties, covenants and other obligations.

(4) Bank is not now nor has it ever been since January 1, 2016, subject to any material fine, suspension, settlement or other administrative agreement or sanction by, or any material reduction in any loan purchase commitment from, any Governmental Authority relating to the origination, sale or servicing of mortgages or consumer loans.

(5) With respect to each Extension of Credit that is secured by collateral, Bank has a valid and enforceable security interest or lien in such collateral.

(v) Certain Loan Matters. (1) Seller has Previously Disclosed a true, complete and correct list of all Extensions of Credit as of May 31, 2019, by Bank to any directors, executive officers and principal shareholders (as such terms are defined in Part 337 of the FDIC's regulations) of Bank and (2) all such Extensions of Credit are and were made in compliance in all material respects with applicable Law. There are no outstanding Extensions of Credit made by Bank to any "executive officer" or other "insider" (as each such term is defined in Regulation O promulgated by the Federal Reserve Board) of the Bank Entities, other than Extensions of Credit that are subject to and that were made and continue to be in compliance with the PRBA and Regulation O or are exempt therefrom.

(w) Shared Contracts. Other than Affiliate Contracts (including any assets provided or made available thereunder) and any assets made available under the Transition Services Agreement, there are no material assets (including Intellectual Property and Software) owned or leased by Seller or its Affiliates (other than the Bank Entities) that (x) are necessary for the Bank Entities to conduct their respective businesses in the ordinary course of business in all material respects, and (y) will not be transferred to Purchaser or a Bank Entity as of the Closing. Other than Affiliate Contracts and

Contracts (or benefits under Contracts) made available under the Transition Services Agreement, Section 3.02(w) of the Bank Disclosure Schedules sets forth (1) a true, correct and complete list of all material Contracts, true correct and complete copies of which have been made available to Purchaser, to which Seller or its Affiliates (other than the Bank Entities) are a party; or (2) if any such Contract is not provided, a description of any material services provided by or through Seller or its Affiliates (other than the Bank Entities), in each case of (1) and (2), that (x) are necessary for the Bank Entities to conduct their respective businesses in the ordinary course of business in all material respects, and (y) will not be, as applicable, assigned or provided to Purchaser or a Bank Entity as of the Closing.

(x) Insurance Agents.

(1) Each person acting as an insurance agent or broker on behalf of Subsidiary (an "Insurance Agent"), to the extent required by applicable Law or the terms of any Contract, is duly appointed by Subsidiary to act as an insurance agent on behalf of Subsidiary.

(2) To the Knowledge of Seller, each Insurance Agent holds and maintains in full force and effect all Permits required to sell, market or solicit the insurance and financial services products of the Bank Entities sold in the jurisdictions in which such Insurance Agent sells, markets or solicits such insurance and financial services products of the Bank Entities.

(y) Environmental Matters. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, each Bank Entity is and has, since January 1, 2016, been in compliance with all Laws, regulations, orders, decrees, permits, and authorizations relating to: (1) the protection of the environment, (2) the handling, use, presence, disposal, release or threatened release of any hazardous substance, or (3) noise, odor, wetlands, pollution or contamination (collectively, "Environmental Laws"). There are no legal, administrative, arbitral or other proceedings, claims or actions pending or, to the Knowledge of Seller, threatened against any Bank Entity concerning any liability or obligation arising under any Environmental Law which liability or obligation would reasonably be expected to be material to the Bank Entities taken as a whole.

(z) Takeover Laws and Provisions. No "moratorium," "control share," "fair price," "business combination" or other antitakeover Laws of any jurisdiction is applicable to the Bank Entities in connection with the transactions contemplated by this Agreement.

3.03 Representations and Warranties of Purchaser. Except as Previously Disclosed, Purchaser represents and warrants to Seller that:

(a) Organization, Standing and Authority. Purchaser is a bank duly organized, validly existing and in good standing under the laws of Puerto Rico. Purchaser has all corporate (or similar) power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's ability to (A) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (B) obtain reasonably promptly the Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule.

(b) Corporate Authorization and Binding Effect. Purchaser has the power and authority to enter into and perform its obligations under this Agreement and any other documents executed pursuant hereto, including the other Transaction Documents to which Purchaser is or as of the Closing will be a party. The execution and delivery by Purchaser of the Transaction Documents to which Purchaser is or as of the Closing will be a party, the performance by Purchaser of its obligations thereunder and the consummation of the transactions contemplated thereby have been duly and validly authorized by all necessary corporate action of Purchaser prior to the date of this Agreement and no further approvals or authorizations are required of Purchaser or any of Purchaser's Affiliates. This Agreement is a valid and legally binding obligation of Purchaser, and the other Transaction Documents to which Purchaser is or as of the Closing will be a party have been, or at Closing will be, duly executed and delivered by Purchaser and assuming due authorization, execution, and delivery of the Transaction Documents by the other parties thereto, constitute, or at Closing will constitute, valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(c) Regulatory Filings; No Defaults.

(1) No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Purchaser or any of its Affiliates in connection with the execution, delivery or performance by Purchaser or any of its Affiliates of the Transaction Documents to which they are a party, or to effect the transactions contemplated thereby, except for (A) the filing of the applications, filings or notices in connection with obtaining the Requisite Regulatory Approvals, the Requisite PR Regulatory Approvals (as defined in the PR Purchase Agreement) and the Requisite USVI Regulatory Approvals (as defined in the USVI Purchase Agreement) and (B) such other consents,

approvals, filings or registrations the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's or its Affiliates' ability to (i) satisfy its or their obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule. As of the date hereof, Purchaser has no Knowledge of any fact, condition or circumstance with respect to Purchaser or its Affiliates that would reasonably be expected to result in the material delay or denial of any of the Requisite Regulatory Approvals and consents in order to permit consummation of the Stock Sale and the transactions contemplated hereby.

(2) Subject to the receipt of the approvals and consents referred to in Section 3.03(c)(1) and the expiration of any applicable waiting periods, the execution, delivery and performance by Purchaser or any of its Affiliates of the Transaction Documents, the performance by Purchaser or any of its Affiliates of their respective obligations thereunder and the consummation by them of the transactions contemplated thereby do not constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Purchaser or any of its Affiliates or to a loss of any benefits to which Purchaser or any of its Affiliates is entitled under any provision of (A) Purchaser's or its applicable Affiliate's constituent documents and (B) assuming compliance with the requirements referred to in Section 3.03(c)(1), any Law, regulation, judgment, injunction, order or decree binding upon Purchaser, other than violations which would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's or its Affiliates' ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule.

(3) There are no pending or, to the Knowledge of Purchaser, threatened disputes or controversies between Purchaser or any of its Affiliates, on the one hand, and any Governmental Authority, on the other hand, including with respect to capital requirements, that (A) would reasonably be expected to prevent or delay Purchaser from being able to perform its obligations under this Agreement or (B) would reasonably be expected to impair the validity or materially delay the consummation of this Agreement or the transactions contemplated hereby. As of the date hereof, neither Purchaser nor any of its Affiliates has received any indication from any Governmental Authority that such Governmental Authority would oppose or refuse to grant or issue its consent or approval, if required, with respect to the transactions contemplated hereby and has no reason to believe that, if requested, any Governmental Authority required to approve the transactions contemplated hereby would oppose or not promptly grant or issue its consent or approval without condition.

(4) As of the date hereof, Purchaser meets all capital or liquidity requirements, standards and ratios required by each Governmental Authority with jurisdiction over Purchaser (whether pursuant to Commonwealth or federal regulation or as otherwise applied to Purchaser). As of the date hereof, Purchaser has not received any indication that any Requisite Regulatory Approval listed on the Purchaser Requisite Regulatory Approvals Schedule will be conditioned on any action by Purchaser prior to Closing to increase the amount of Purchaser's capital or liquidity.

(5) As of the date hereof, Purchaser has a "Satisfactory" or better rating on its most recent Community Reinvestment Act Performance Evaluation, and, to the Knowledge of Purchaser, no fact or circumstance exists that is reasonably likely to materially negatively affect such rating.

(d) Compliance with Laws.

(1) Each of Purchaser and each of its Affiliates: (A) is in compliance with the Laws applicable to its business and (B) has conducted and is conducting its business in all material respects in compliance with all applicable Laws, except, in each case of (A) and (B), as has not had, individually or in the aggregate a material adverse effect on Purchaser's ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule.

(2) Neither Purchaser nor Parent is party to or otherwise subject to or bound by any consent order, consent decree, cease and desist order, written agreement, prompt corrective action order, capital directive, memorandum of understanding, or other supervisory agreement by or with the FDIC, the Puerto Rico Office of the Commissioner of Financial Institutions, the Puerto Rico Office of the Commissioner of Insurance or any other Governmental Authority, nor has Purchaser been advised by any such Governmental Authority that it is contemplating issuing or requesting any of the foregoing; provided, however, that no representation or warranty is made pursuant to this clause (2) as to any matter the disclosure of which would violate the confidentiality rules and regulations of the Federal Reserve, the FDIC, the Puerto Rico Office of the Commissioner of Financial Institutions, the Puerto Rico Office of the Commissioner of Insurance or any other applicable Governmental Authority; provided further that the immediately preceding proviso shall in no way be construed as a limitation on the representation in the second sentence of Section 3.03(c)(1).

(e) Litigation. No Action by or before any court, arbitrator, mediator or Governmental Authority is pending against Purchaser or its Affiliates, and, to Purchaser's Knowledge, no such Action is threatened, except as has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Purchaser's ability to (1) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (2) obtain reasonably promptly the Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule.

(f) No Brokers. Except for any fees that may be due and owing to Keefe, Bruyette & Woods, Inc., which will be paid by Purchaser (or an Affiliate of Purchaser), there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Purchaser or its Affiliates who might be entitled to any fee or commission from Purchaser or its Affiliates in connection with the transactions contemplated by this Agreement.

(g) Availability of Funds. At the Closing, Purchaser will have sufficient immediately available funds to pay when due all amounts payable by it hereunder. Purchaser acknowledges that the obligations of Purchaser under this Agreement are not contingent upon or subject to any conditions regarding Purchaser's, its Affiliates', or any other Person's ability to obtain financing for the consummation of the transactions contemplated in this Agreement.

3.04 No Other Representations or Warranties.

(a) Except for the representations and warranties of Seller contained in this Article III, none of Seller nor any other Person makes any other express or implied representation or warranty on behalf of Seller. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO PURCHASER UNDER Article VI OF THIS AGREEMENT, NEITHER SELLER NOR ANY OF ITS AFFILIATES WILL HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO PURCHASER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES, OR ANY USE BY PURCHASER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. PURCHASER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF SELLER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 3.02; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM PURCHASER MAY HAVE IN RESPECT OF FRAUD.

(b) Except for the representations and warranties of Purchaser contained in this Article III, neither Purchaser nor any other Person makes any other express or implied representation or warranty on behalf of Purchaser. SELLER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO SELLER UNDER Article VI OF THIS AGREEMENT, PURCHASER AND ITS AFFILIATES WILL NOT HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO SELLER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES, OR ANY USE BY SELLER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT. SELLER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF PURCHASER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 3.03; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM SELLER MAY HAVE IN RESPECT OF FRAUD.

ARTICLE IV

Covenants

4.01 Conduct of Business. During the period from the date of this Agreement through the Closing or earlier termination of this Agreement pursuant to Section 7.01, except as (1) otherwise expressly contemplated by this Agreement, (2) required by applicable Law, (3) Previously Disclosed or (4) otherwise authorized by the prior written consent of Purchaser, which consent, in the case of clauses (c) through (v) below (but excluding clause (q) below), shall not be unreasonably withheld, conditioned or delayed, Seller will cause each of the Bank Entities not to (and, with respect to clauses (e) (ii), (p) (to the extent applicable to any Bank Entity) and (q) below, Seller shall not and shall cause its other Affiliates not to):

(a) fail to use its reasonable best efforts to conduct its business in the ordinary course consistent with past practice;

(b) fail to use reasonable best efforts to maintain and preserve its business organization and its relationships with employees, independent contractors and other businesses;

(c) change, amend or waive any provision of its constituent documents, change the number of authorized or issued shares of Bank Common Stock, Preferred Stock or Units, or issue or grant any right, make any equity grant or equity-based award, or split, combine or reclassify any shares of Bank Common Stock, Preferred Stock or Units, or other than as contemplated by Section 4.13, make, declare or pay any dividend on, make any other distribution on, or set aside any funds for the payment of any dividend or distribution on or redeem or otherwise acquire or transfer any shares of Bank Common Stock, Preferred Stock or Units;

(d) adopt a plan of complete or partial liquidation or dissolution;

(e) enter into, renew, amend in any material respect or terminate any Contract that is a Material Contract or would be a Material Contract if entered into prior to the date of this Agreement, other than when such actions are made in the ordinary course of business consistent with past practice on terms that do not impose any additional material obligations on any Bank Entity or limit any existing material rights of any Bank Entity;

(f) make any payment or transfer to or for the benefit of Seller or any of its Affiliates (other than a Bank Entity) or waive or forgive any amounts owed by Seller or any of its Affiliates (other than a Bank Entity) to any Bank Entity, or incur or create any Intercompany Receivable or Intercompany Payable outside the ordinary course of business consistent with past practice;

(g) permit the revocation or surrender by Bank of its license or certificate of authority to maintain any branch or unit, except as may be required by any Governmental Authority;

(h) (1) sell, transfer, mortgage, encumber or otherwise dispose of any property or asset with a value greater than \$100,000.00 individually or \$300,000.00 in the aggregate, other than in the ordinary course of business consistent with past practice; (2) merge or consolidate with any other Person; (3) make any acquisition of all or any material portion of the business, securities or assets of any other Person; (4) make any acquisition of or equity investment in any Person other than Subsidiary; (5) form any joint venture or partnership; (6) enter into a purchase and assumption transaction with respect to deposits and liabilities; (7) subject any assets to a Lien other than in the ordinary course of business consistent with past practice; or (8) incur any indebtedness or liability for borrowed money (or guarantee any indebtedness for borrowed money) in excess of \$1,000,000.00 individually or \$5,000,000.00 in the aggregate, or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, in each case (in this clause (8)), other than (x) in connection with ordinary course banking transactions and (y) borrowings made in connection with liquidity management so long as any such borrowings are repaid in full prior to Closing;

(i) make, or commit to make, any capital expenditure in excess of \$500,000.00 in the aggregate;

(j) materially restructure or materially change Bank's investment securities or derivatives portfolio or its interest rate exposure outside of the ordinary course of business consistent with past practice;

(k) sell, assign, transfer, pledge, convey, lease, license, dispose of, mortgage, encumber, abandon or allow to lapse any material Bank Entities IP, other than with respect to nonmaterial Intellectual Property and nonexclusive licenses granted or received in the ordinary course of business consistent with past practice to customers and suppliers, or disclose to any Person any material Trade Secret owned by or licensed to or used by the Bank Entities not theretofore a matter of public knowledge, except pursuant to a binding non-disclosure agreement;

(l) change any method, practice or principle of accounting in any material respect, except as required from time to time by GAAP (without regard to any optional early adoption date) or any applicable regulatory authority;

(m) except as required under applicable Law or the terms of any Business Benefit Plan, (1) increase the compensation, bonus entitlement or severance or termination pay of any Business Employee, except for regular annual increases in base salary or wage rate and bonus entitlement or otherwise in the ordinary course of business (e.g., promotions), (2) pay bonuses other than for completed periods based on actual performance, (3) increase retirement, health or welfare benefits other than routine year-end changes or other changes that do not materially increase costs, (4) become a party to, establish, adopt, materially amend, commence participation in or terminate any material Business Benefit Plan or any arrangement that would have been a Business Benefit Plan had it been entered into prior to the execution of this Agreement or (5) materially change any actuarial or other assumptions used to calculate or determine funding obligations with respect to any Business Benefit Plan or change the manner in which contributions to any Business Benefit Plans are made or the basis on which such contributions are determined, except as required by GAAP or any applicable regulatory authority;

(n) (1) make any offer for the employment or engagement of any individual other than to an individual for an annual base salary or annualized wage rate of less than \$150,000, (2) terminate the employment of any Business Employee, other than, in the ordinary course of business consistent with past practice, any termination of the employment of any Business Employee with annual base salary or annualized wage rate of less than \$150,000, or (3) transfer the employment of any individual who is employed by the Bank Entities as of the date of this Agreement to any other entity, other than the individuals set forth on Sections 4.10(a)(ii) of the Bank Disclosure Schedule;

(o) enter into any collective bargaining or similar labor agreement or arrangement or recognize or certify any labor union or other labor organization as the bargaining representative for any Business Employees;

(p) except as permitted by Section 4.24 with respect to any Specified Action, pay, discharge, settle or compromise any Action (other than any payments, discharges, settlements or compromises in the ordinary course of business consistent with past practice and that do not (i) involve monetary damages or settlement amounts in an amount that exceeds (1) \$1,000,000 in the aggregate for all such Actions or (2) with respect to any individual Action, the amount of any specific reserves with respect to such Action as of December 31, 2018 by more than \$100,000 or (ii) impose any equitable relief or material restriction on any Bank Entity or, following the Closing, Purchaser or any of its Subsidiaries);

(q) knowingly take any action that would reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated by this Agreement, or materially impair any of the Bank Entities' ability to perform its obligations under this Agreement or consummate the transactions contemplated hereby;

(r) change in any material respect its lending, investment, underwriting, risk and asset liability management and other banking, operating, and servicing policies, except as required by applicable regulation or policies imposed by any Governmental Authority;

(s) enter into any new line of business, other than any new products or services offered by Seller on a bank-wide basis or within Seller's international banking division; provided that Seller shall notify Purchaser prior to offering, or taking steps to offer, any such new products and services and, if requested by Purchaser, shall use reasonable best efforts to delay the offering of such new products or services by Bank;

(t) make any new Extension of Credit that is (i) in excess of \$10,000,000, (ii) not in the ordinary course of business consistent with past practice or (iii) inconsistent with Bank's underwriting guidelines, a true, correct and complete copy of which has been made available to Purchaser; provided that Bank shall transmit any written request for a consent to make any new Extension of Credit (or a renewal) that is not covered by an exception above by e-mail to Purchaser's Chief Credit Officer that shall state the principal amount of such proposed Extension of Credit and attach the loan package (with redactions of borrower names if deemed appropriate), and if Purchaser does not respond to such request for consent within forty-eight (48) hours after delivery of such e-mail, then Bank may make such Extension of Credit (including such renewal); provided, further that nothing in this clause (t) shall prevent Bank from renewing any existing Extension of Credit in the ordinary course of business if such renewal only extends the maturity date of such Extension of Credit and does not otherwise alter the terms of the Extension of Credit; provided, further that Purchaser acknowledges and agrees to treat the information provided to Purchaser pursuant to this clause (t) confidentially and not use such information in any of Purchaser's own business or underwriting activities;

(u) other than pursuant to Section 4.25 and Section 4.25 of the Bank Disclosure Schedules, (1) make, change or rescind any material election relating to Taxes of the Bank Entities, (2) adopt, or change any material method of accounting, keeping of books of account, accounting practices, or material method of Tax accounting, unless required by GAAP or any applicable Law, (3) change any annual accounting period, (4) file any material amended Tax Return, (5) enter into any material closing agreement, (6) settle any material Tax claim or assessment or any Closing Agreement, (7) surrender any right to claim a refund for a material amount of Taxes, (8) consent to any extension or waiver of the limitations period applicable to any material Tax claim or assessment, or (9) pay any amount of Taxes with respect to a Pre-Closing Tax Period (or the pre-Closing portion of a Straddle Period) in excess of the amount of Taxes reasonably expected to be due for such period (taking into account the Closing and the Bank Merger); or

(v) agree to take, make any commitment to take, or adopt any resolutions of its Board of Directors in support of, any of the actions prohibited by this Section 4.01.

4.02 Efforts.

(a) During the period from the date of this Agreement continuing through the Closing or earlier termination of this Agreement pursuant to Section 7.01, subject to the terms and conditions of this Agreement (including Section 4.02(d) hereof), each of Seller, Purchaser and Parent agrees to, and agrees to cause its Affiliates to, use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, proper or advisable under applicable Law, so as to permit consummation of the transactions contemplated by the Transaction Documents as promptly as practicable and shall reasonably cooperate in good faith with the other Party to that end.

(b) During the period from the date hereof until the Closing, Seller, Purchaser and Parent shall, and shall cause their respective Affiliates to, cooperate and use their reasonable best efforts to prepare as promptly as practicable all documentation, to make all filings and to obtain all consents, approvals, waivers, Permits and other authorizations of all Governmental Authorities required to consummate the transactions contemplated by the Transaction Documents and shall make all necessary filings in respect of the Requisite Regulatory Approvals as promptly as reasonably practicable, but in any event within thirty (30) days of the date of this Agreement. After the date hereof, each Party shall be given the opportunity to review in advance, and shall consult with the other, in each case subject to applicable Laws relating to the exchange of information, with respect to all non-confidential, material written information submitted to any third Person (other than such Party's Representatives) or any Governmental Authority in connection with any Requisite Regulatory Approval and, subject to the foregoing, each Party shall have the opportunity to participate in any material calls and meetings with Governmental Authorities with regard to the Requisite Regulatory Approvals. In exercising the foregoing right, each Party shall, and shall cause its

respective Affiliates to, act reasonably and as promptly as reasonably practicable. Each Party agrees that it shall consult with each other with respect to obtaining all material permits, consents, approvals and authorizations of all third Persons and Governmental Authorities necessary or advisable to consummate the transactions contemplated hereby as promptly as reasonably practicable, and each Party shall keep the other Parties apprised of the status of material matters relating to the completion of the transactions contemplated hereby. Specifically, all filings made relating to competitive issues shall be prepared jointly by the Parties.

(c) Without limiting the generality of the foregoing, Purchaser and Parent agree, and shall cause their Affiliates, to take all actions necessary, including, but not limited to, those relating to a Remedial Action or a Capital Action to: (1) obtain all Requisite Regulatory Approvals listed in the Purchaser Requisite Regulatory Approvals Schedule and (2) avoid or eliminate any impediment to obtaining any Requisite Regulatory Approvals listed in the Purchaser Requisite Regulatory Approvals Schedule, in each case of (1) and (2), to cause the transactions contemplated by the Transaction Documents to occur as promptly as practicable and, in any event, prior to the Outside Date. For purposes of this Section 4.02(c), “Remedial Action” means (x) promptly complying with any request for information by any Governmental Authority; (y) offering, negotiating, committing to and effecting, by agreement, consent decree, hold separate order or otherwise, the sale, divestiture, license or other disposition of any deposits, loans, branches or operations of Bank, Parent, Purchaser or their Affiliates and any other restrictions on the activities of Bank, Parent, Purchaser and their Affiliates and (z) contesting, defending and appealing any threatened or pending preliminary or permanent injunction or other order, decree or ruling, that would affect adversely the ability of Purchaser to consummate the transactions contemplated by the Transaction Documents and taking any and all actions to prevent the entry, enactment or promulgation thereof. For purposes of this Section 4.02(c), “Capital Action” means (x) committing to any Governmental Authority with regulatory or supervisory authority over Parent, Purchaser or their applicable Affiliates to maintain capital levels and capital ratios at a level specified by such Governmental Authority, either formally or informally, and either currently or as a result of the transactions contemplated by the Transaction Documents; (y) creating a capital plan that is acceptable to any Governmental Authority with regulatory or supervisory authority over Parent, Purchaser or their applicable Affiliates, either by entering into a new capital plan or modifying an existing capital plan and (z) taking all actions reasonably necessary, including by raising capital through a public or private equity or debt offering, to satisfy fully and achieve the regulatory capital expectations of any Governmental Authority with regulatory or supervisory authority over Parent, Purchaser or their applicable Affiliates in the time frames required by such Governmental Authority.

(d) Notwithstanding the foregoing Sections 4.02(b) and (c) or anything to the contrary in this Agreement, nothing contained herein shall be deemed to require Parent or Purchaser to take any action, or commit to take any action, or agree to any condition or restriction, in connection with obtaining the Requisite Regulatory Approvals that would reasonably be expected to be materially burdensome to Parent, Purchaser and their Affiliates,

taken as a whole, following the consummation of the Stock Sale and the Bank Merger or the transactions contemplated by the Purchase Agreements (a “Burdensome Condition”); provided that any Capital Action required to be taken shall not constitute, or be considered in determining whether any required action constitutes, a Burdensome Condition.

(e) Each Party shall, upon request, furnish the other Parties all information concerning itself, its Affiliates, directors, officers, employees and shareholders and such other matters as may be reasonably necessary or advisable in connection with any filing, notice or application made by or on behalf of it or any of its Affiliates with or to any third Person or Governmental Authority in connection with the transactions contemplated by the Transaction Documents other than information containing competitively sensitive business or other proprietary information or confidential supervisory information or that is not permitted to be disclosed under applicable Law.

(f) Any Party may, as it deems advisable and necessary, designate any competitively sensitive business or other proprietary or confidential information provided to the other Party under this Section 4.02 as “outside counsel only.” Such materials and the information contained therein shall be given only to outside counsel of the recipient Party, and will not be disclosed by such outside counsel to employees, officers, or directors of the receiving Party unless express permission is obtained in advance from the source of the materials or its legal counsel.

4.03 Press Releases. From and after the date of this Agreement and continuing thereafter (including following the Closing), Seller and Parent shall consult with each other before issuing (or permitting any Affiliate to issue) any press release or public statement or making any other public disclosure (including, prior to the Closing, any broad-based employee communication that is reasonably likely to become the subject of public disclosure) related to the Transaction Documents and the transactions contemplated thereby and shall not issue any such press release or public statement or make any other such public disclosure without the prior written consent of the other, which shall not be unreasonably withheld, conditioned or delayed; provided that nothing in this Section 4.03 shall be deemed to prohibit Seller or Parent from making any disclosure necessary in order to satisfy its disclosure obligations imposed by Law or applicable public stock exchange or any other similar self-regulatory organization. In addition to the foregoing, Seller and Parent shall not issue any press release or otherwise make any public statement or disclosure concerning the other, the other’s Affiliates or the business, financial condition or results of operations of the other or the other’s Affiliates without the prior written consent of Seller or Parent, as the case may be, which consent shall not be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, without the prior written consent of the other Party (which shall not be unreasonably withheld, conditioned or delayed), each Party shall cause its respective Affiliates not to issue any press release or public statement or make any other public disclosure related to the Transaction Documents and the transactions

contemplated thereby. This Section 4.03 shall not prohibit any press release or public statement or disclosure so long as any statements contained therein concerning the Transaction Documents and the transactions contemplated thereby are consistent with and limited in all material respects to the statements contained in previous press releases or public statements or disclosures made by the applicable Party with respect to such Party has complied with the provisions of this Section 4.03.

4.04 Access; Information; Transfer of Books and Records.

(a) To the extent not prohibited by applicable Law, during the period from the date of this Agreement continuing through the Closing or termination of this Agreement pursuant to Section 7.01, Seller shall, and shall cause the Bank Entities to, afford to Purchaser, its Affiliates and its and their respective Representatives reasonable access upon reasonable prior notice and during normal business hours, to the officers, employees, properties, offices and other facilities, and to the contracts, Books and Records and other documents and data to the extent relating to the business of the Bank Entities, the Purchased Assets or the Assumed Liabilities that Purchaser, including through its Representatives, may from time to time reasonably request and Seller shall, and shall cause the Bank Entities and its and their respective Representatives to, furnish Purchaser and its Representatives all relevant financial, operating and other data and information to the extent primarily relating to the Bank Entities, the Purchased Assets or the Assumed Liabilities in any of Seller's or any of its Affiliates' (including the Bank Entities) possession or control which Purchaser, including through its Representatives, may from time to time reasonably request, provided, however, that Purchaser's access to Tax Returns and other Tax information filed by or otherwise relating to the Bank Entities shall be governed by Section 4.12; provided, further that Seller shall not be required to provide access to any information to the extent that such access: (1) would violate applicable Law; (2) would result in disclosure of (I) any confidential supervisory information, (II) any Trade Secrets or (III) any competitively sensitive information of Seller or of a third Person or Governmental Authority to whom Seller has confidentiality obligations; or (3) would jeopardize the attorney-client privilege of the Person in possession or control of such information (unless, in the case of this clause (3), Purchaser agrees to enter into a joint defense agreement or other similar agreement that would be reasonably expected to preserve such privilege); provided that, in the case of clauses (2)(III) and (3), Seller shall use reasonable best efforts to make substitute disclosure arrangements that are reasonably acceptable to Purchaser. Purchaser shall, and shall cause its Representatives to, conduct its activities permitted under this Section 4.04(a) in a manner that will not unreasonably interfere with the conduct of the business of Seller and its Affiliates. All requests for access to the Books and Records shall be made to such Representatives of Seller as Seller shall designate, who shall be solely responsible for coordinating all such requests and all access permitted hereunder. For the avoidance of doubt, to the extent a Party is otherwise entitled to "access" hereunder, "access" is understood to include the ability of such Party to obtain or retain copies of such information and to use such information for the purposes, and in accordance with, the provisions specified in this Section 4.04.

(b) During the period from the date of this Agreement continuing through the Closing or termination of this Agreement pursuant to Section 7.01, Seller shall, and shall cause the Bank Entities to, furnish to Purchaser, its Affiliates and its and their respective Representatives, Bank's (A) audited consolidated financial statements (including any related notes and schedules thereto) for any fiscal year which ends between the date of this Agreement and the Closing, (B) Bank's unaudited consolidated reports of condition and income (call report) for any fiscal year which ends between the date of this Agreement and the Closing and (C) Bank's unaudited consolidated reports of condition and income (call report) for each fiscal quarter which ends between the date of this Agreement and the Closing (clauses (A) through (C), collectively, the "Interim Financial Statements"), in each case, when such Interim Financial Statements are available in the ordinary course of business.

(c) Seller shall use reasonable best efforts to deliver or cause to be delivered, at the Closing, to the applicable Bank Entities copies of all of the Books and Records (other than Excluded Books and Records) that are not in (x) the possession or control of the Bank Entities or (y) the storage facility described in Section 4.04(c) of the Bank Disclosure Schedules (the "Storage Facility"). To the extent any Books and Records (other than Excluded Books and Records) are not in the possession or control of the Bank Entities and are not in the Storage Facility, in each case, as of the Closing, Seller shall deliver or cause to be delivered, as soon as reasonably practicable following the Closing (and in any event no later than the fifteenth day following the Closing Date), to the applicable Bank Entity copies of all of such Books and Records. With respect to the Books and Records located at the Storage Facility, Seller and Purchaser shall cooperate in good faith and use reasonable best efforts to seek to have such Books and Records transferred from Seller's agreements with the Storage Facility provider governing Seller's documents maintained at the Storage Facility to Purchaser's agreements with the Storage Facility provider governing Purchaser's documents maintained at the Storage Facility (to the extent possible without any physical movement or relocation of any such Books and Records). All costs and expenses incurred in connection with such transfer contemplated by the immediately preceding sentence shall be borne and paid by Seller, provided, that to the extent any costs and expenses are incurred in respect of the physical movement or relocation of Books and Records required by the Storage Facility provider, such costs and expenses shall be borne and paid equally by Seller and Purchaser.

(d) Purchaser shall maintain records of the Bank Entities in accordance with its document retention policies applied generally to its operations. To the extent the relevant information, data or records continues to be maintained by Purchaser or any of its Affiliates (in the case of the following clause (i)) or by Seller or any of its Affiliates (in the case of the following clause (ii)), (i) Purchaser will grant to Seller and its Representatives reasonable access upon prior notice and during Purchaser's normal business hours to all Books and Records that are in the possession or control of the

Bank Entities as of the Closing, other documents and data relating to the business of the Purchased Assets or the Assumed Liabilities and to Continuing Employees, and (ii) Seller will grant, and will cause its Affiliates to grant to, Purchaser and its Representatives reasonable access upon prior notice and during Seller's normal business hours to all Excluded Books and Records that are not transferred to the Bank Entities in accordance with Section 4.04(c) above; provided that Seller and its Representative shall only be entitled to such access under clause (i) to the extent such access is reasonably necessary in connection with (1) Seller's or its Affiliates' preparation of its financial statements or Tax Returns, (2) regulatory or compliance matters relating to Seller's prior ownership of the Bank Entities, or (3) litigation relating to Seller's prior ownership of the Bank Entities (other than any litigation between Seller or any of its post-Closing Affiliates, on the one hand, and Purchaser or any of its post-Closing Affiliates, on the other hand); provided, further, that neither Purchaser, Seller nor any of their respective Affiliates shall be required to provide access under clause (i) or (ii), as applicable, to any information to the extent that such access: (x) would violate applicable Law; (y) would result in disclosure of any (I) confidential supervisory information, (II) Trade Secrets or (III) competitively sensitive information of Purchaser, Seller or any of their respective Affiliates, as applicable, or of a third Person or Governmental Authority to whom, Purchaser, Seller or any of their respective Affiliates has confidentiality obligations; or (z) would jeopardize the attorney-client privilege of the Person in possession or control of such information (unless, in the case of this clause (z), Purchaser or Seller, as applicable, agrees to enter into a joint defense agreement or other similar agreement that would be reasonably expected to preserve such privilege); provided that, in the case of clauses (y)(III) and (z), Purchaser or Seller, as applicable, shall use reasonable best efforts to make substitute disclosure arrangements that are reasonably acceptable to the other Party. Purchaser and Seller, as the case may be, shall, and shall cause their respective Representatives to, conduct their respective activities permitted under this Section 4.04(d) in a manner that will not unreasonably interfere with the conduct of the business of the other Party and such other Party's Affiliates.

(e) Other than Purchaser's right to consent to or withhold consent with respect to the actions described in Section 4.01, nothing contained in this Agreement shall give any Party, directly or indirectly, the right to control or direct the operations of any other Party prior to the Closing and, prior to the Closing, each Party shall exercise, consistent with the terms and conditions of this Agreement, complete control and supervision over its and its subsidiaries' respective operations.

4.05 Exclusivity. Seller agrees that between the date of this Agreement and the Closing, or termination of this Agreement pursuant to Article VII, Seller shall not, and shall cause its Affiliates and instruct its and their Representatives to not, directly or indirectly, solicit, encourage or initiate the submission of proposals or offers from, provide any confidential information to, or participate in discussions or negotiations or enter into any Contract with any Person (other than Purchaser and its Affiliates) concerning (i) the sale, lease or transfer of any equity interests in the Bank Entities or

all or substantially all of the assets thereof or (ii) any merger, sale, consolidation or any similar transaction involving the Bank Entities by any Person other than the Purchaser or its Affiliates (each of (i) and (ii), a "Third-Party Transaction"). Seller shall immediately cease, and cause its Affiliates and instruct its Representative to immediately cease, any discussions, negotiations or communications with respect to any Third-Party Transaction, and Seller shall notify Purchaser as promptly as practicable of any inquiries or proposals that are received by Seller with respect to any Third-Party Transaction and of any discussions, negotiations, requests for information or other communications with respect to any Third-Party Transaction; provided, however, that this Section 4.05 shall not apply to, or limit or restrict the Parties or their respective Affiliates from providing information to any Governmental Authority with regulatory or supervisory authority over such Party or its Affiliates.

4.06 Notice of Changes.

(a) Purchaser shall promptly advise Seller, and Seller shall promptly advise Purchaser of, (1) any change or event that would or would be reasonably likely to cause or constitute a material breach of any of Purchaser's or Seller's, as applicable, representations, warranties or covenants under this Agreement or (2) to the extent permitted by applicable Law and to the Knowledge of Purchaser or Seller, as applicable, any governmental complaints, any change or event, including investigations or hearings (or communications indicating that the same may be contemplated), issues with respect to receipt of the Requisite Regulatory Approvals on a timely basis or the institution or the threat of significant litigation, that would prevent or materially delay the consummation of the transactions contemplated hereby.

(b) Notwithstanding anything to the contrary in this Agreement, a Party's failure to comply with its obligations under this Section 4.06 shall not provide the other Party with a right not to effect the transactions contemplated by this Agreement, except, in each case, to the extent that the underlying material breach of a representation, warranty or covenant would independently provide such right.

4.07 Confidentiality.

(a) Subject to Section 4.07(b) and Section 4.07(c), from and after the date hereof and continuing thereafter, each of Seller and Purchaser shall, and shall cause its Affiliates and Representatives to, keep confidential all information and data that the other (whether Seller or Purchaser or any of its Affiliates or Representatives) furnishes or otherwise makes available to Seller or Purchaser, as applicable, or its respective Affiliates or Representatives whether before, on or after the date of this Agreement (and, following the Closing, Seller shall, and shall cause its Affiliates and Representatives to, keep confidential all information and data relating to any Bank Entity, any of their respective businesses, the Purchased Assets or the Assumed Liabilities), including any technical, scientific, Trade Secret or other proprietary information of the other Party with which Seller or Purchaser, as applicable, or its respective Affiliates or Representatives may come into contact in connection with the transactions contemplated by this Agreement

or the Purchase Agreements, and whether oral, written, or electronic, or other form, together with any reports, analyses, compilations, forecasts, memoranda, notes, studies and any other written or electronic materials prepared by or for Seller or Purchaser, as applicable, or its respective Affiliates or Representatives, that contain, incorporate, reflect or are based upon or generated from such information, including all copies, electronic or otherwise, and reproductions thereof (collectively, "Confidential Information"); provided, however, that Seller or Purchaser, as applicable, may disclose Confidential Information (1) to its respective Affiliates, and to Representatives of Seller or Purchaser, as applicable, and its respective Affiliates, who need to know such information for the purpose of assisting Seller or Purchaser, as applicable, in connection with the transactions contemplated by this Agreement or the Purchase Agreements so long as Seller or Purchaser, as applicable, causes its respective Affiliates and Representatives to treat the Confidential Information in a confidential manner and in accordance with the terms hereof (it being understood that Seller or Purchaser, as applicable, will be responsible for any breach of the terms of this Section 4.07 by any of its respective Affiliates or Representatives); (2) to a Governmental Authority if required by Law or legal process, or in connection with a judicial or administrative proceeding or examination (including by oral questions, interrogatories, requests for information or documents, subpoena or similar process) as provided in Section 4.07(b); (3) to any Governmental Authority with regulatory or supervisory authority over such Party or its Affiliates; (4) to Financing Sources, subject to execution of a joinder to the Confidentiality Agreement reasonably acceptable to Seller; and (5) in a prospectus, prospectus supplement, other offering document or any public filing of Parent with the U.S. Securities and Exchange Commission, in each case of the foregoing, solely to the extent necessary to present financial information that is required to be included therein pursuant to Regulation S-X or to satisfy public reporting obligations pursuant to the Securities Exchange Act of 1934; provided that prior to the first public disclosure of any such information, Seller shall be provided a reasonable opportunity to review the inclusion of Seller or Bank Entity information and Purchaser will consider in good faith any comments from Seller in connection therewith. Notwithstanding the foregoing or anything to the contrary in this Agreement, the term "Confidential Information" will not include information that (A) is or becomes available to Seller or Purchaser, as applicable, on a non-confidential basis from a source other than Seller or Purchaser, as applicable, or its respective Affiliates or Representatives, if, to the Knowledge of Purchaser and Seller, as applicable, such other source (x) lawfully obtained possession of such information and (y) is not bound by a confidentiality obligation covering the relevant information or otherwise prohibited from disclosing the relevant information to Seller or Purchaser, as applicable or (B) is or becomes generally available to the public (other than as a result of a breach by Seller or Purchaser, as applicable, or its respective Affiliates or Representatives of this Section 4.07 or any other duty of confidentiality owed by it).

(b) If Seller or Purchaser, as applicable, or any of its respective Affiliates or Representatives is required to disclose any Confidential Information by Law or legal process, or in connection with a judicial, regulatory or administrative proceeding or examination (including by oral questions, interrogatories, requests for information or documents, subpoena, civil investigation demand or similar process), Seller or Purchaser, as applicable, will, and will cause its respective Affiliates and instruct its Representatives to, to the extent not prohibited by applicable Law (including Laws relating to the exchange of information), give the other Party prompt and prior written notice of such requirement. Such Party also agrees, to the extent not prohibited by applicable Law (including Laws relating to the exchange of information) and reasonably practicable under the circumstances, to, and to cause its Affiliates and direct its Representatives to, give the other Party, in advance of any such disclosure, a reasonable description of the Confidential Information that such Party or its respective Affiliates or Representatives intends to disclose (and, if applicable, the text of the disclosure language itself) and to reasonably cooperate with the other Party (at the other Party's expense) to the extent that the other Party seeks to limit such disclosure, including, if requested in writing by such other Party, taking all reasonable steps necessary to limit such disclosure. If and to the extent that, in the absence of a protective order, other remedy, or the receipt of a waiver from the other Party after a request in writing therefor is made by Seller or Purchaser, as applicable (such request to be made as soon as reasonably practicable to allow the other Party a reasonable amount of time to respond), Seller or Purchaser, as applicable, or its respective Affiliates or Representatives are legally required, as advised by counsel in writing, to disclose Confidential Information, such Party will, and will cause its respective Affiliates and instruct its Representatives to, limit such disclosure to that which, as advised by counsel, is legally required and will use reasonable best efforts to obtain assurances that confidential treatment will be accorded to any Confidential Information that such Party or its respective Affiliates or Representatives is so required to disclose. Without limiting the foregoing, Seller or Purchaser, as applicable, will not oppose action by the other Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded any Confidential Information.

(c) Following the Closing, any confidentiality obligations of Purchaser, including pursuant to Section 4.07(a), and any related obligations of Purchaser under Section 4.07(b), with respect to Confidential Information of the Bank Entities, their respective businesses, the Purchased Assets and the Assumed Liabilities shall terminate and be of no further force and effect (it being understood, for the avoidance of doubt, that Purchaser and its Affiliates are not acquiring and shall continue to keep confidential, in accordance with Section 4.07(a) and subject to Section 4.07(b), and not use for their own purposes, any information to the extent that it relates primarily to Seller or its Affiliates (other than the Bank Entities their respective businesses, the Purchased Assets or the Assumed Liabilities) that Purchaser or its Affiliates received in connection with the transactions contemplated by this Agreement, including through the books and records of the Bank Entities).

(d) The provisions of this Section 4.07 will supersede any conflicting provision in the mutual confidentiality and non-disclosure agreement, dated January 29, 2019, between Seller and Parent (the "Confidentiality Agreement") (but which will, for the avoidance of doubt, continue otherwise in full force and effect).

4.08 Non-Solicitation; Non-Compete.

(a) From the date hereof and continuing through the Closing and thereafter for a period of two (2) years from the Closing Date, Seller shall not, and shall cause its Affiliates not to, directly or indirectly (whether alone or jointly with another Person), (1) solicit for employment or hire (x) any person who is, as of the date hereof or as of the Closing, an employee or officer of any Bank Entity, (y) any Business Employee or (z) any person who is, as of the date hereof or as of the Closing, an employee or officer of Purchaser or any of its Affiliates who Seller became aware of in connection with its consideration and consummation of the transactions contemplated by this Agreement or the Purchase Agreements (clauses (x)-(z), the “Restricted Employees”); provided that nothing in this Section 4.08(a)(1) shall prohibit Seller or any of its Affiliates from (i) making general solicitations for employment not specifically targeted at employees of Purchaser or the Bank Entities and hiring any person who responds as a result of such general solicitations or (ii) soliciting for employment or hiring any person who is not a Restricted Employee or any Restricted Employee whose employment with Purchaser or any of its Affiliates has been terminated by Purchaser or such Affiliates (but not voluntarily by such person) any time after the Closing, (2) solicit any customers or clients of the Bank Entities resident or domiciled in Puerto Rico for retail banking or retail consumer finance products and services or (3) solicit any Person known to be a customer or client of the Bank Entities, as of any time at or prior to the Closing, on account of his, her or its status as a customer or client of the Bank Entities (e.g., through means of a customer list), to purchase products or services available from Purchaser or any of its Affiliates (including, following the Closing, any Bank Entity) from a source other than Purchaser or any of its Affiliates or to reduce or refrain from doing business with Purchaser or any of its Affiliates; provided, however, that, subject to Section 4.08(b), nothing in this Section 4.08(a)(3) shall prohibit Seller or any of its Affiliates from (x) making general solicitations for the purchase of products or services offered by Seller or any of its Affiliates (other than any Bank Entity) and doing business with any person who either responds to such general solicitations or who contacts Seller or any of its Affiliates (other than any Bank Entity) on his or her own initiative; or (y) soliciting for any products and services or providing any products and services to any person who is, at any given time after the Closing, a customer of both Purchaser or the Bank Entities, on the one hand, and Seller or any of its Affiliates, on the other hand.

(b) For a period of three (3) years from the Closing Date, except as expressly permitted by this Section 4.08(b), Seller shall not, and shall cause its Affiliates not to, directly or indirectly (whether alone or jointly with another Person), (1) engage in or carry on any Restricted Activities or (2) have any type of equity ownership in or right to acquire any equity ownership in any Person that engages in any Restricted Activities. “Restricted Activities” means (i) (x) operating an FDIC-insured depository institution in Puerto Rico, (y) offering any retail banking or retail consumer finance products or services in Puerto Rico (excluding, for the avoidance of doubt, wealth management services to high-net worth Persons conducted by Seller or its Affiliates on a global or regional basis) or (z) accepting (whether directly or through a subsidiary, branch, agency, representative office or

otherwise) deposits insured by the FDIC in Puerto Rico (clauses (x), (y) and (z), each a “Competitive Business”), or (ii) marketing any Competitive Business or soliciting any Persons in Puerto Rico for products or services offered by any Competitive Business (excluding global, national or regional marketing campaigns conducted by Seller and not specifically targeted in Puerto Rico or to Persons in Puerto Rico, including through television, radio or online marketing channels). Notwithstanding the foregoing or anything to the contrary in this Agreement, this Section 4.08(b) will not prohibit or otherwise limit Seller or any of its Affiliates from (A) owning or holding a passive investment of up to 5% of the outstanding equity securities of any entity, including those engaged in Restricted Activities; (B) owning, holding or exercising, in the ordinary course of business consistent with past practice, rights of ownership with respect to any equity security in a fiduciary or agency capacity or otherwise for the benefit of a third Person; (C) continuing to engage in commercial banking or financial activities or other non-retail banking or financial activities with any Person (1) who is a current or future customer or client of Seller, (2) whose headquarters or principal place of business is not located in Puerto Rico and (3) with whom Seller has (or with respect to future customers, will have) a broader regional or global relationship outside of Puerto Rico; (D) selling any of its assets or businesses to any Person, including any Person that engages in Restricted Activities; (E) purchasing or acquiring (through merger, stock purchase or purchase of all or substantially all of the assets or otherwise) any Person engaged in Restricted Activities (an “Acquired Business”) so long as the aggregate consolidated revenues of the Restricted Activities do not exceed ten percent (10%) of such acquired Person’s total consolidated revenue in the last completed fiscal year or (F) continuing to operate any Acquired Business that Seller or any of its Affiliates purchased or acquired in accordance with clause (E) so long as, during the term of this Section 4.08(b), the aggregate consolidated revenues of the Restricted Activities of such Acquired Business do not exceed ten percent (10%) of such Acquired Business’s total consolidated revenue during any twelve (12) month period.

(c) From the date hereof and continuing through the Closing and thereafter for a period of two (2) years from the Closing Date, Purchaser shall not, and shall cause its Affiliates not to, (1) directly or indirectly solicit for employment or hire any person who is, as of the date hereof or as of the Closing Date, an employee or officer of Seller or its Affiliates (other than the Bank Entities) and who Purchaser became aware of in connection with its consideration and consummation of the transactions contemplated by this Agreement, unless such person is a Business Employee or a USVI Branch Employee (as defined in the USVI Purchase Agreement) or (2) use any information of Seller and its Affiliates that (x) Purchaser knows is information that relates to customers solely of Seller and its Affiliates (other than any Bank Entity), other than any Branch Customer (as defined in the PR Purchase Agreement) or any customer of any of the Branches (as defined in the USVI Purchase Agreement) and (y) is retained by the Bank Entities to solicit, for banking, lending or other financial services, any such customer or client of Seller or any of its Affiliates described in clause (x) above following the Closing Date; provided that (A) nothing in this Section 4.08(c) shall prohibit Purchaser or any of its Affiliates from (i) making general solicitations for

employment not specifically targeted at employees of Seller or its Affiliates and hiring any such person who responds as a result of such general solicitations or (ii) soliciting for employment or hiring any person whose employment with Seller or any of its Affiliates has been terminated by Seller or such Affiliates (but not voluntarily by such Person) any time after the Closing, and (B) nothing in this Section 4.08(c) shall prohibit Purchaser or any of its Affiliates from (x) making general solicitations for the purchase of products or services offered by Purchaser or any of its Affiliates and doing business with any Person who either responds to such general solicitations or who contacts Purchaser or any of its Affiliates on his, her or its own initiative; or (y) soliciting for any products and services or providing any products and services to any Person who is, at any given time after the Closing, a customer of both Seller or any of its Affiliates, on the one hand, and Purchaser or the Bank Entities, on the other hand.

(d) The Parties recognize that the territorial, time and scope limitations set forth in this Section 4.08 are reasonable and are properly required for the protection of the Parties' legitimate interests in client and employee relationships, goodwill and Trade Secrets. For the avoidance of doubt, in the event of a breach or threatened breach of the obligations under this Section 4.08 by (1) Seller or any of its Affiliates, Purchaser, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 4.08 in accordance with Section 8.09 and (2) Purchaser or any of its Affiliates, Seller, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 4.08 in accordance with Section 8.09.

4.09 Intercompany Agreements; Release of Guaranties and Certain Other Obligations.

(a) Purchaser acknowledges and agrees that (1) the Bank Entities and Seller (and any of their applicable Affiliates) will enter into one or more mutual termination and release agreements, in form and substance reasonably acceptable to Purchaser, pursuant to which all Contracts between the Bank Entities, on the one hand, and Seller or an Affiliate of Seller (other than the Bank Entities), on the other hand, whether relating to products, services or support provided to or by the Bank Entities or otherwise, shall be terminated as of the Closing without any (x) continuing obligation or liability on the part of any party thereto, (y) any termination penalty or (z) any other payment of value by any Bank Entity other than, in the case of this clause (z), payments (i) in respect of services provided to the Bank prior to such termination in amounts and on terms consistent with past practice and the terms of the applicable Contracts being terminated or (ii) required to settle financial obligations existing as part of the Contracts' ongoing terms and (2) unless otherwise provided pursuant to the Transition Services Agreement, the Bank Entities shall not be entitled to receive any products, services or support covered by such Contracts following the Closing. At or prior to the Closing, all Intercompany Receivables and Intercompany Payables shall be settled or paid in accordance with their terms.

(b) Purchaser acknowledges and agrees that the Bank Entities and Seller (and any of their applicable Affiliates) may terminate, at or prior to the Closing, any guaranty, letter of credit, indemnity, performance or surety bond or similar credit support arrangement issued by or for the account of Seller or its Affiliates (other than the Bank Entities) with respect to the Bank Entities (“Credit Support Arrangements”). If any material Credit Support Agreement (other than those listed in Section 4.09(b) of the Bank Disclosure Schedule) is identified after the date of this Agreement the Parties will work in good faith to agree on a transition plan (including the posting of collateral by Purchaser with respect to its obligations to Seller in the event of Purchaser’s default), and, if required, Purchaser shall find substitute credit support as soon as reasonably practicable and, in any event, within twelve (12) months after Closing.

(c) Seller shall cooperate with Purchaser to transfer to Purchaser all of Seller’s right, title and interest in, to and under the Contract listed in Section 4.09(c) of the Bank Disclosure Schedules at the Closing. Seller shall cooperate with Purchaser for Purchaser to obtain, from the FDIC, an assignment of the power of attorney referenced in Section 3.02(f)(1) of the Bank Disclosure Schedules or an issuance by the FDIC to Purchaser of a new power of attorney conferring the same authority granted by the power of attorney referenced in Section 3.02(f)(1) of the Bank Disclosure Schedules.

4.10 Employees and Employee Benefits.

(a) Prior to the Closing, Seller shall, or shall cause its Affiliates to, transfer the employment of each active Business Employee not already employed by the Bank Entities to one of the Bank Entities, other than those individuals set forth on Section 4.10(a)(i) of the Bank Disclosure Schedule. As of the Closing, the Bank Entities will have no employee who is not a Business Employee, other than those individuals set forth on Section 4.10(a)(ii) of the Bank Disclosure Schedule.

(b) Except as otherwise specifically provided in this Agreement or as required by applicable non-U.S. Law, Purchaser shall not assume any obligations under or liabilities with respect to, or receive any right or interest in any trusts relating to, any assets of or any insurance, administration or other Contracts pertaining to any Business Benefit Plan sponsored or maintained by Seller or its Affiliates (excluding the Bank Entities) (“Seller Plans”). Seller and the applicable Seller Plans shall retain, promptly pay, and discharge all liabilities under or with respect to each Seller Plan in accordance with the terms thereof (including terms related to the amendment or termination thereof) and any other benefit or compensation plan, policy, program, agreement or arrangement at any time sponsored or maintained by Seller or any of its Affiliates (excluding than the Bank Entities), regardless of when such liabilities arise or are incurred or reported. Except as expressly provided in this Agreement or as required by applicable Law, Seller shall cause each Continuing Employee to cease participating in and accruing additional benefits or service credit under any Seller Plan, effective as of the Closing Date, and shall cause the Bank Entities to cease to be participating employers in any Seller Plan effective as of the Closing Date. Seller shall cause each participant in any Seller Plans who is not a Continuing Employee (or a beneficiary or dependent thereof) to cease participating in and accruing additional benefits or service credit under all Bank Benefit Plans except those set forth on Section 4.10(b) of the Bank Disclosure Schedules, effective as of the Closing Date.

(c) If requested by the Purchaser at least five (5) Business Days prior to the Closing Date, Seller shall cause Bank to take all actions necessary to terminate Bank's tax-qualified defined contribution retirement plan (the "Bank Retirement Plan"), or cause such plan to be terminated, effective as of no later than the day immediately preceding the Closing Date, and contingent upon the Closing, and provide that participants in the Bank Retirement Plan shall become fully vested in any unvested portion of his or her Bank Retirement Plan account as of the date such plan is terminated. Seller shall provide Purchaser with evidence reasonably acceptable to Purchaser that the Bank Retirement Plan has been terminated (effective no later than immediately prior to the Closing Date and contingent on the Closing). If the Bank Retirement Plan is terminated, then Purchaser shall designate a tax-qualified defined contribution retirement plan of the Purchaser (or an Affiliate of the Purchaser) with a qualified cash or deferred arrangement under Section 1081.01(a) of the PR Code that will cover Continuing Employees on and after the Closing Date ("Purchaser Retirement Plan") and such Purchaser Retirement Plan shall permit each Continuing Employee to make rollover contributions (including rollover of loans), in the form of cash, notes (in the case of loans) or a combination thereof, in an amount equal to the full account balance distributed or distributable to such Continuing Employee from the Bank Retirement Plan to the Purchaser Retirement Plan, to the extent permitted under the PR Code.

(d) Purchaser acknowledges that, following the Closing, certain Continuing Employees will continue to hold equity awards in Seller or an Affiliate of Seller (other than the Bank Entities) (the "Participants"), which will continue to vest in accordance with their terms contingent upon the holder's continued employment with the Bank Entities (or any successor entity thereto). Purchaser will timely notify Seller when a Participant's employment with the Bank Entities terminates. Purchaser and Seller will cooperate prior to the Closing to identify a process for timely reporting to the appropriate taxing authorities any income recognizable by any such Participant associated with the vesting, transfer or disposition of such Participant's equity awards, and timely withhold and remit any associated income or employment taxes (including the employer portion of any associated payroll taxes). Purchaser shall be fully indemnified by Seller for any taxes, fees, costs, penalties, interest or other amounts incurred by Purchaser or any of its Affiliates (including the Bank Entities) related to the Seller's equity awards.

(e) Purchaser agrees that each Business Employee of the Bank Entities at the Closing who continues to remain employed with the Bank Entities (or any successor entity thereto) immediately following the Closing (each, a "Continuing Employee") shall, during the period commencing at the Closing Date and ending on the first (1st) anniversary of the Closing Date, be provided during the term of their employment with the Bank Entities

(or any successor entity thereto) with (1) base salary or base wage and target annual cash bonus opportunities that are, in each case, no less favorable than base salary/wage and target annual cash bonus opportunities provided to each such Continuing Employee immediately prior to the Closing Date by the Bank Entities, and (2) severance benefits and retirement, health and welfare benefits (excluding any equity or equity-based plans, defined benefit plans and post-retirement health and welfare benefit plans) that are substantially comparable in the aggregate to the severance benefits and retirement, health and welfare benefits (excluding any equity or equity-based plans, defined benefit plans and post-retirement health and welfare benefit plans) provided to the Continuing Employees immediately prior to the Closing Date by the Bank Entities.

(f) The rejection by any Business Employee of the automatic transfer of employment to Purchaser by virtue of the Stock Sale shall be deemed a voluntary resignation. Such voluntary resignation will not entitle the Business Employee to severance or termination-related payments, benefits or notices from the Bank Entities, the Purchaser or any Affiliate of Purchaser, including but not limited to, statutory severance or any payments or benefits under any compensation plans, programs, agreements or arrangements that may be established or maintained by Purchaser or required to be paid under applicable Law. If the transfer of an individual to an entity other than the Bank Entities or the termination of any individual set forth in Section 4.10(a)(ii) of the Bank Disclosure Schedules entitles such individual to any notice, termination or severance payments under the existing terms of an applicable Business Benefit Plan or as required by U.S. or non-U.S. Law, then Seller shall indemnify and hold harmless Purchaser and its Affiliates for any such notice, termination and severance payments.

(g) Purchaser shall use reasonable best efforts to (1) cause any eligibility waiting periods under any group health plans of Purchaser or its Affiliates (collectively, "New Plans") to be waived with respect to the Continuing Employees and their eligible dependents, to the extent coverage under group health plan is replacing comparable coverage under a Business Benefit Plan in which such Continuing Employee participated immediately before the Closing Date (collectively, "Old Plans"), (2) cause any pre-existing conditions, exclusions or limitations under any New Plans to be waived with respect to the Continuing Employees and their eligible dependents, to the extent such conditions were inapplicable or waived under the comparable Old Plans in which such Continuing Employee participated immediately prior to the Closing Date, (3) give each Continuing Employee credit for the plan year of any New Plan in which the Closing occurs towards applicable deductibles and annual out-of-pocket limits under such New Plan in which the Continuing Employee participates for any eligible medical expenses incurred prior to the Closing during the plan year of the Old Plan in which the Closing occurs for which payment has been made, as if such amounts had been paid in accordance with such New Plan, and (4) give each Continuing Employee service credit for such Continuing Employee's employment with the Bank Entities and their Affiliates for purposes of vesting, benefit accrual and eligibility to participate under each applicable benefit plan of Purchaser and its Affiliates (including vacation accrual and severance benefit

determinations), as if such service had been performed with Purchaser or the applicable Affiliate, except under defined benefit pension plans, under retiree medical plans, for the purposes of qualifying for subsidized early retirement benefits or to the extent it would result in a duplication of benefits. Except as otherwise prohibited by applicable Law, Purchaser shall credit, and every Continuing Employee shall retain accrued but unused time-off entitlements, including vacation and sick leave balances, as applicable, accrued under Seller's policies and programs immediately prior to the Closing Date and /or accrued balances of paid time-off or similar programs with Seller as of the Closing Date, which such accruals shall be provided to Purchaser no later than ten (10) Business Days prior to the Closing Date.

(h) Prior to the Closing, before making any written or oral communications to the directors, officers or employees of the Bank Entities pertaining to compensation or benefit matters that are affected by the transactions contemplated by this Agreement, Purchaser shall provide Seller with a copy of the intended communication, Seller shall have a reasonable period of time to review and comment on the communication, and Purchaser shall consider any such comments in good faith.

(i) Nothing contained in this Agreement is intended to (1) be treated as an amendment of any particular Business Benefit Plan, (2) prevent Purchaser, the Bank Entities or any of their Affiliates from amending or terminating any of their benefit plans or, after the Closing, any Bank Benefit Plan in accordance with their terms, (3) prevent Purchaser, the Bank Entities or any of their Affiliates, after the Closing, from terminating the employment of any Continuing Employee, or (4) create any third-party beneficiary rights in any employee of the Bank Entities, any beneficiary or dependent thereof, or any collective bargaining representative thereof, with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any Continuing Employee by Purchaser, the Bank Entities or any of their Affiliates or under any benefit plan which Purchaser, the Bank Entities or any of their Affiliates may maintain. For the avoidance of doubt, Purchaser shall be responsible for any labor and employment-related liability related to the post-Closing employment of the Business Employees, including any post-Closing termination of such employees.

(j) Seller and Purchaser hereby acknowledge and agree to the covenants and agreements set forth in Section 4.10(j)-(p) of the Bank Disclosure Schedules.

4.11 Further Assurances. Before, at and after the Closing, consistent with the terms and conditions hereof, Seller and Purchaser shall and shall cause each of their respective subsidiaries to, and shall use reasonable best efforts to cause their Affiliates to, promptly execute, acknowledge and deliver such instruments, certificates and other documents and take such other action as a Party may reasonably require in order to carry out any of the transactions contemplated hereby. Following the Closing, the Parties shall cooperate with one another to prepare and file all documents and forms and amendments thereto as may be required by applicable Law with respect to the transactions contemplated by the Transaction Documents.

4.12 Tax Matters.

(a) Returns and Reports.

(1) Seller shall file or cause to be filed when due (taking into account all extensions properly obtained) all Tax Returns with respect to the Bank Entities that are required to be filed prior to the Closing Date.

(2) Following Closing, Purchaser shall file or cause to be filed when due all Tax Returns that are required to be filed by or with respect to the Bank Entities that are not Tax Returns that Seller is required to file or cause to be filed pursuant to Section 4.12(a)(1), and Purchaser shall remit or cause to be remitted any Taxes due in respect of such Tax Returns. Except for any (i) Closing Agreement Purchaser Taxes or (ii) Tax accruals on income derived in the ordinary course of business between the date hereof and the Closing Date (provided, that for the avoidance of doubt, Tax accruals on income derived in the ordinary course of business will not include (A) any Tax accruals attributable to the termination of the Shared-Loss Agreements or any other loss sharing agreement, (B) any Tax accruals attributable to a disposition of assets to fund any Pre-Closing Dividends and (C) any Tax accruals attributable to the termination or settlement of the Closing Agreements), Seller shall pay Purchaser the portion of Taxes shown to be due on a Tax Return of the Purchaser or the Bank Entities which are allocable to the Pre-Closing Tax Period or the pre-Closing portion of a Straddle Period and attributable to a Bank Entity, within fifteen (15) days of the due date for such Taxes; provided, however, that in computing the amount of Taxes (if any) for which Seller is responsible pursuant to the foregoing, Seller shall be entitled to include in the pre-Closing portion of the relevant Straddle Period all Tax benefits relating to Transaction Deductions and any deductions, credits and any other tax attributes of the Bank Entities from Tax periods (or portions thereof) ending on or before the Closing Date (other than any such deductions, credits or other tax attributes either (i) resulting from Transaction Expenses not paid in accordance with Section 4.22 or (ii) accrued or otherwise reflected as Tax receivables or prepaid Taxes on the Financial Statements), to the extent that such Tax benefits or deductions, credits or other tax attributes properly reduced Taxes reflected on the Tax Return for such Straddle Period. Purchaser shall provide Seller with a copy of a draft of each Straddle Period Tax Return for its review and comment (i) at least forty-five (45) days prior to the filing of such Tax Return or (ii) in the case of a Tax Return that is required to be filed within twenty (20) days of the Closing Date, at least 10 days prior to the date such Tax Return is required to be filed; provided that in the case of a Tax Return that is required to be filed within ten (10) days of the Closing Date, Purchaser shall afford Seller a reasonable opportunity to review such Straddle Period Tax Return prior to filing such Tax

Return. If Seller and Purchaser disagree as to any item reflected on any Straddle Period Tax Return, such items will be determined by a nationally recognized independent accounting firm selected by mutual agreement of Seller and Purchaser. For purposes of this Agreement, in the case of any Straddle Period, (A) the amount of ad valorem (real property and personal property) Taxes and other Taxes not described in clause (B) below of the Bank Entities for the portion of such Straddle Period that ends on the Closing Date shall be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of such Straddle Period ending on the Closing Date and the denominator of which is the number of days in such Straddle Period, and (B) the amount of any sales or use Taxes, value-added Taxes, employment related Taxes, withholding Taxes and Taxes based on or measured by income, receipts or profits of the Bank Entities for the portion of a Straddle Period ending on the Closing Date shall be determined based on an interim closing of the books on the Closing Date. For the avoidance of doubt, the Parties agree that Closing Agreement Purchaser Taxes are Taxes allocable to the Post-Closing Tax Period. Purchaser shall be responsible for any Closing Agreement Purchaser Taxes regardless of when such Taxes arise or are reflected on a Tax Return. For the avoidance of doubt, the Parties agree that Closing Agreement Purchaser Taxes shall not include any Taxes to the extent resulting from or attributable to (i) the settlement of the Closing Agreements at the request of Seller or Bank, or (ii) any action or inaction by Seller or its Affiliates prior to March 1, 2019.

(3) Purchaser shall cause the Bank Entities to promptly furnish information to Seller as reasonably requested by Seller to allow Seller to satisfy its obligations under this Section 4.12(a).

(b) Post-Closing Refunds; Certain Obligations of Purchaser.

(1) Except for any Closing Agreement Refunds, Purchaser shall pay Seller any Tax refund or credit in lieu of a refund (including any interest paid or credited by a taxing authority with respect thereto) relating to Taxes in respect of the Bank Entities for any Pre-Closing Tax Period or of Pre-Closing Taxes (as defined in each of the Purchase Agreements) within fifteen (15) days of the receipt of such refund; provided, however, that in computing the amount of refunds (if any) which Purchaser shall pay pursuant to the foregoing, Purchaser shall be entitled to exclude any refund or credit in lieu of a refund that is (i) attributable to, or resulting from, a carryback or other use of any item of loss, deduction, credit or other similar item arising in a taxable period after the Closing Date or (ii) accrued or otherwise reflected as Tax receivables or prepaid Taxes on the Financial Statements. Purchaser shall use commercially reasonable efforts to cause the Bank Entities or other relevant entity to file for and obtain the receipt of any refund to which Seller is entitled under this Section 4.12(b)(1). Purchaser shall promptly notify Seller in writing of the receipt or availability of any such Tax refund and shall keep Seller informed of the status of any such Tax refund. If any Tax refund or credit in

lieu of a refund (including any interest paid or credited by a taxing authority with respect thereto) paid over to Seller pursuant to this Section 4.12 (b)(1) is subsequently denied, disallowed or reduced, Seller shall promptly repay the amount so denied, reduced or disallowed to Purchaser. For the avoidance of doubt, the Parties agree that Closing Agreement Refunds are refunds allocable to the Post-Closing Tax Period. Purchaser shall be entitled to any Closing Agreement Refunds regardless of when such refunds arise.

(2) Without the prior written consent of Seller (which consent shall not be unreasonably withheld, conditioned or delayed), Purchaser shall not, and shall not cause or permit the Bank Entities or any of their other Affiliates to (A) amend any Tax Return filed with respect to any Pre-Closing Tax Period or the pre-Closing portion of a Straddle Period or (B) make any Tax election that would have retroactive effect to any Pre-Closing Tax Period or the pre-Closing portion of a Straddle Period.

(c) Mutual Assistance and Cooperation. After the Closing, Seller and Purchaser shall, subject to Section 4.04:

(1) assist (and cause their respective Affiliates to assist) the other Party in preparing any Tax Returns of the Bank Entities;

(2) cooperate fully in preparing for any audit of, or dispute with, any taxing authority regarding, any Tax Return of the Bank Entities;

(3) make available to the other Party and to any taxing authority as reasonably requested all information, records and documents relating to Taxes of the Bank Entities;

(4) provide timely notice to the other Party in writing of any pending or threatened tax audit or assessment of the Bank Entities for Taxes for which the other Party may have a liability; and

(5) furnish the other Party with copies of all correspondence received from any taxing authority in connection with any audit or information request with respect to the Bank Entities for Taxes for which the other Party may have a liability.

(d) Contest Provisions.

(1) Subject to the next sentence, with respect to any Tax Contest (except for any Tax Contests governed by Section 4.25 and Section 4.25 of the Bank Disclosure Schedules) that relates solely to a Pre-Closing Tax Period, Seller shall control, at its own expense, proceedings taken in connection with such Tax Contest (including selection of counsel) and, without limiting the foregoing, may in its sole discretion pursue or forego

any and all administrative appeals, proceedings, hearings and conferences with any taxing authority with respect thereto and may, at its own expense and in its sole discretion, either pay the Tax and sue for a refund where applicable Law permits such refund suits or contest the Tax Contest in any permissible manner. Notwithstanding the foregoing, with respect to any Tax Contest described in the preceding sentence, Seller shall not (i) settle, compromise or abandon any such Tax Contest without the prior written consent of Purchaser, which consent shall not be unreasonably withheld, conditioned or delayed, to the extent that an adverse determination in such Tax Contest would result in a material Tax liability of Purchaser, the Bank Entities or any of their Affiliates in a Tax period that ends after the Closing, or could resolve an issue that could reasonably be expected to recur in a subsequent period, the resolution of which could bind or reasonably prejudice the resolution of such issue in any subsequent period or (ii) conduct any such Tax Contest in a manner that could result in material disruptions for Purchaser or any Bank Entity (for example, by contesting a Tax prior to payment in a manner that prevents Purchaser or any Bank Entity from receiving withholding clearance certificates or other documentation from an applicable taxing authority that are necessary to conduct its operations or avoid the imposition or collection of material Taxes on an ongoing basis).

(2) Purchaser shall have the right to control the conduct of any Tax Contest that relates to a Straddle Period (except for any Tax Contests governed by Section 4.25 and Section 4.25 of the Bank Disclosure Schedules) so long as the matter does not relate to federal Taxes or state, local or foreign income Taxes applicable to the Bank Entities or Seller (or Affiliate) for any period prior to the Closing Date. If a Tax Contest (except for any Tax Contests governed by Section 4.25 and Section 4.25 of the Bank Disclosure Schedules) that relates to a Straddle Period does relate to federal Taxes or state, local or foreign income Taxes applicable to the Bank Entities or Seller, the Controlling Party shall have the right and obligation to conduct, at its own expense, such Tax Contest, provided that (i) the Controlling Party shall provide the Non-Controlling Party with a timely and reasonably detailed account of the status of such Tax Contest, (ii) the Controlling Party shall consult with the Non-Controlling Party before taking any significant action in connection with such Tax Contest, (iii) the Controlling Party shall consult with the Non-Controlling Party and offer the Non-Controlling Party an opportunity to comment before submitting any written materials prepared or furnished in connection with such Tax Contest, (iv) the Non-Controlling Party shall be entitled to participate in such Tax Contest, (v) the Controlling Party shall not settle, compromise, or abandon any such Tax Contest without obtaining the prior written consent of the Non-Controlling Party, which consent shall not be unreasonably withheld, conditioned or delayed and (vi) the Controlling Party shall not conduct any such Tax Contest in a manner that could result in material disruptions for Purchaser or any Bank Entity (for example, by contesting a Tax prior to payment in a manner that prevents Purchaser or any Bank Entity from receiving withholding clearance certificates or other documentation from an applicable Taxing authority

that are necessary to conduct its operations or avoid the imposition or collection of material Taxes on an ongoing basis). For purposes of this paragraph, “Controlling Party” shall mean Seller, unless Purchaser is reasonably expected to bear the materially greater Tax liability in connection with a Tax Contest described in this paragraph, in which case Purchaser shall be the Controlling Party; and “Non-Controlling Party” shall mean whichever Party is not the Controlling Party with respect to such Tax Contest.

(3) The failure of any Party to give any notice required under Section 4.12(c)(4) shall not relieve the other Party of any of its obligations under this Section 4.12 except to the extent that the other Party is materially prejudiced by such failure.

(e) Transfer Taxes. Purchaser and Seller shall each be liable for 50% of any transfer, stamp, documentary, registration, sales, use tax and other similar Taxes and any conveyance fee, recording charge and other fees and charges (together with any penalties and interest, “Transfer Taxes”) incurred as a result of the transfers effected pursuant to this Agreement.

(f) Restrictive Covenants. The restrictive covenants contained in Section 4.08 (the “Restrictive Covenants”) are being granted to maintain and preserve the fair market value of the Shares transferred by Seller to Purchaser pursuant to this Agreement. Seller and Purchaser acknowledge that: (i) no proceeds shall be received or receivable by Seller or any other Person for granting the Restrictive Covenants and (ii) the Restrictive Covenants are integral to this Agreement.

4.13 Pre-Closing Dividends. Prior to or at the Closing, Seller shall use its reasonable best efforts to cause Bank to make (1) the Pre-Closing Primary Dividend; and (2) secondarily to the Pre-Closing Primary Dividend, one or more dividends or distributions to Seller in an aggregate amount not to exceed \$125,000,000.00 (the “Pre-Closing Secondary Dividend” and together with the Pre-Closing Primary Dividend, the “Pre-Closing Dividends”) and to obtain the Requisite Regulatory Approvals set forth in Section 5.02(d) of the Bank Disclosure Schedules. In connection with the Pre-Closing Primary Dividend, Bank will redeem any of the shares of Second Preferred Stock that are issued and outstanding.

4.14 Transition Services Agreement.

(a) Following the date of this Agreement, Seller and Purchaser will negotiate in good faith a transition services agreement (the “Transition Services Agreement”) based on the terms set forth in Exhibit 1. Prior to or at the Closing, Seller and Purchaser shall enter into the Transition Services Agreement. Pursuant to the Transition Services Agreement, commencing at the Closing, Seller shall provide all services and applications that Seller or any of its Affiliates provided to the Bank Entities in the twelve (12)-month period prior to the Closing Date, except for those services (i) that are

expressly identified on Section 4.14 of the Bank Disclosure Schedules or (ii) which Purchaser notifies Seller in writing prior to the Closing Date that it does not require (referred to as Excluded Services in the Transition Services Agreement), provided, that, to the extent Seller's ability to provide any other services is dependent on the continuation of such services that Purchaser notifies Seller it does not require, and such dependency has been notified to Purchaser in writing reasonably promptly after receiving such notice from Purchaser that it does not require such services, then such services shall not be considered Excluded Services unless Seller also identifies such services as Excluded Services contemporaneously. Seller further agrees to provide such information and assistance as is reasonably necessary to facilitate Purchaser's review and assessment of such services. The Parties agree to take such actions contemplated by the following sections of Transition Services Agreement term sheet that are expressly required prior to the Closing Date: "Use of Third-Party Providers or Resources" and "Alternative Arrangements". Any modifications of such provisions reflected in the Transition Services Agreement shall be deemed effective as the date of this Agreement for purposes of this Section 4.14. For purposes of this Section 4.14, "Bank Entities" shall be deemed to include the PR Branch and the Branches.

(b) The Parties will in good faith develop and agree on a transition plan (the "Transition Plan") within sixty (60) days after date of this Agreement. The Transition Plan will consist of a detailed plan for (i) transitioning Bank and the Purchased Assets and Assumed Liabilities to Purchaser, including the specific tasks, activities, and projects, and the timing for each of the foregoing, to be completed by each Party prior to the Closing in order to complete such transition in an orderly and efficient manner, as well as such plans and actions as may be required to prepare for the provision of services (as defined in the Transition Services Agreement) by Seller to Purchaser under the Transition Services Agreement; and (ii) identifying and completing any activities necessary for Seller to separate or segregate Bank and the Purchased Assets and Assumed Liabilities from Seller and Seller's systems. In furtherance of the foregoing, each Party will appoint three (iii) initial representatives to serve on a transition plan committee (the "Transition Plan Committee") that will be ultimately responsible for oversight, coordination and implementation of the Transition Plan (with such governance functions as may be agreed between the Parties). Each Party shall be entitled to remove and replace representatives on the Transition Plan Committee as it deems appropriate. The Transition Plan will also identify the responsibility of each of the Parties for any costs associated with the implementation of the Transition Plan (to the extent not already specified in the Transition Services Agreement term sheet set forth in Exhibit 1, subject to the general principle that costs associated with (x) Seller's internal separation of Bank and Purchased Assets and Assumed Liabilities, including the delivery of data to Purchaser in formats currently maintained by Seller, will be at Seller's cost and (y) modifications to Seller's systems, processes and facilities, data mapping, development and other modifications to Seller's or Bank's data requested by Purchaser in order to be received by Purchaser will be at Purchaser's cost.

4.15 Intellectual Property; Seller Marks.

(a) Except as otherwise expressly agreed in writing between the Parties, to the extent that any of the know-how, trade secrets, methods or processes owned by the Bank Entities immediately after the Closing was used by Seller or any Affiliate of Seller (other than the Bank Entities) before the Closing, Purchaser hereby grants to Seller and its Affiliates, effective as of the Closing, a non-exclusive, non-transferable, non-sublicensable (other than to Seller's Affiliates and service providers, in each case, acting in their capacity as such), perpetual, irrevocable, worldwide, royalty-free, fully paid-up right and license in, to and under such know-how, trade secrets, methods and processes, including the right to (x) make, have made, use, import, offer for sale, lease, sell and/or otherwise transfer or dispose of any products or services for use in its and its Affiliates' business, and (y) use, reproduce, display (publicly or otherwise), perform, transmit, distribute, modify, prepare derivative works based on and otherwise exploit any and all of such know-how, trade secrets, methods or processes.

(b) Except as otherwise expressly agreed in writing between the Parties, to the extent that any of the know-how, trade secrets, methods or processes owned by Seller or any Affiliate of Seller (other than the Bank Entities) immediately after the Closing was used by any Bank Entity as of the Closing, but excluding (i) any Trademarks; (ii) Intellectual Property subject to the Transition Services Agreement; (iii) Intellectual Property related to the Bank Entities' general business infrastructure and operations (e.g., Intellectual Property related to human resources, internal accounts payable, policies and procedures, handbooks, internal guidelines, management policies, internal management governance and internal treasury services and similar Intellectual Property); and (iv) Excluded Books and Records (such know-how, trade secrets, methods and processes, excluding the exclusions set forth in (i)-(iv), "Background IP"), Seller and its Affiliates hereby grant to the Bank Entities, effective as of the Closing, a non-exclusive, non-transferable, non-sublicensable (other than to Purchaser's Affiliates and service providers, in each case, acting in their capacity as such), perpetual, irrevocable, worldwide, royalty-free, fully paid-up right and license in, to and under such Background IP, solely to continue to conduct the businesses of the Bank Entities, including the right to (A) make, have made, use, import, offer for sale, lease, sell and/or otherwise transfer or dispose of any products or services for use in its and its Affiliates' business, and (B) use, reproduce, display (publicly or otherwise), perform, transmit, distribute, modify, prepare derivative works based on and otherwise exploit any and all of such Intellectual Property. To the extent that rights in or to any Background IP is necessary for Purchaser's or its Affiliates' internal use of the Books and Records, Seller and its Affiliates hereby grant, effective as of the applicable Purchase Agreement Closing, a non-exclusive, non-transferable, non-sublicensable (other than to Purchaser's Affiliates and service providers acting in their capacity as such), perpetual, irrevocable, worldwide, royalty-free, fully paid-up right and license under such necessary Background IP contained in the Books and Records (as defined in the applicable Purchase Agreement). Notwithstanding anything to the contrary in this Agreement, Purchaser, for

itself and its Affiliates, acknowledges and agrees that Purchaser is not purchasing, acquiring or otherwise obtaining ownership in or to any of the Trademarks set forth in Section 4.15(c) of the Bank Disclosure Schedules or any derivative thereof, or any other Trademark incorporating the word “Scotiabank” or “Scotia” or “The Bank of Nova Scotia” (collectively, the “Seller Marks”), and, except as provided in Section 4.15(c), following the Closing, neither Purchaser nor any of its Affiliates (including the Bank Entities) shall (1) use, display, apply for or register in any jurisdiction any of the Seller Marks or any other Trademarks that are confusingly similar thereto, in each case except as expressly permitted under this Section 4.15 or as permitted by applicable Law, or (2) contest or deny the validity or enforceability of, seek to cancel, or contest Seller or its Affiliates’ interest or rights in, any of the Seller Marks.

(c) Following the Closing, Seller grants Purchaser a limited, royalty-free, non-sublicensable, non-transferrable, non-exclusive right and license for the Bank Entities to use and display the Seller Marks, solely in connection with the conduct of the business of the Bank Entities in a substantially similar manner as used and displayed by the Bank Entities immediately prior to the Closing, (1) in respect of exterior signage, for a period not to exceed thirty (30) days and (2) for all other usage, for a period not to exceed ninety (90) days. For the avoidance of doubt, Purchaser’s right and license under the Seller Marks shall automatically expire upon the expiration of such periods, and Purchaser and its subsidiaries shall cease all customer- or public-facing use and display of the Seller Marks. On or prior to the expiration of such period, Purchaser shall (i) replace or destroy all materials bearing or incorporating the Seller Marks, including signage, advertising, promotional materials, software, packaging, inventory, electronic materials, collateral goods, stationery, business cards and websites (the “Materials”) or remove, destroy or strike over all Seller Marks from the Bank Entities’ Materials, provided, that, Purchaser shall not be responsible for making any necessary changes in accordance with this section on systems controlled by Seller, including without limitation any systems used to provide services under the Transition Services Agreement. Neither Purchaser nor any of its Affiliates shall use or display any Seller Marks (which, for the avoidance of doubt, shall include the use of Seller Marks for marketing or other mailings) except as expressly permitted under this Agreement.

(d) For purposes of Section 4.15(b), (c) and (d), “Bank Entities” shall be deemed to include the PR Branch and the Branches.

4.16 Insurance. Purchaser acknowledges and agrees that following the Closing Date, the Bank Entities will not be insured under any insurance policy of Seller or any of its Affiliates (other than those policies held directly by the Bank Entities). Purchaser will not, and will cause the Bank Entities and any other of its Affiliates not to, make or attempt to make any claim under any insurance policy of Seller or its Affiliates that is not held directly by the Bank Entities whether in respect of matters relating to the period before or after the Closing. Following the Closing, neither Seller nor any of its Affiliates will be obligated to make any claim under any insurance policy on behalf of the Bank Entities, Purchaser or any of their respective Affiliates.

4.17 Indemnification of Directors and Officers; D&O Insurance.

(a) All rights to indemnification for and exculpation from liabilities for acts or omissions occurring at or prior to the Closing now existing in favor of the current or former directors or officers of the Bank Entities or those individuals who become prior to the Closing a director or officer of the Bank Entities (each such director or officer, an “Indemnified D&O”) as provided in the constituent documents of the Bank Entities, or in any indemnification agreement between the Bank Entities and any Indemnified D&O (in each case, as in effect on the date of this Agreement and Previously Disclosed), will survive the Closing and will continue in full force and effect in accordance with their respective terms for a period of six (6) years from the Closing; provided, however, that all rights to indemnification in respect of any civil, criminal or administrative action, against an Indemnified D&O asserted or made prior to the Closing or within such six-year period will continue until the final disposition of such civil, criminal or administrative action.

(b) From and after the Closing until the sixth (6th) anniversary thereof, all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the Closing and rights to advancement of expenses relating thereto now existing in favor of any Indemnified D&O as provided in the Bank Entities’ respective constituent documents (or the constituent document of any successor to the Bank Entities) as in effect on the date of this Agreement, shall not be amended, restated, amended and restated, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such Indemnified D&O.

(c) Notwithstanding anything in this Section 4.17 to the contrary, no Indemnified D&O shall have any right to contribution, indemnification, exculpation or right of advancement of expenses from Purchaser or any of its successors, with respect to any indemnification claims made by Purchaser under Article VI.

(d) For a period of not less than six (6) years after the Closing, Purchaser shall or shall cause Bank and any successor of the Bank to continuously maintain in effect, at its own expense, directors’ and officers’ liability and fiduciary liability insurance, covering each Indemnified D&O for acts and omissions, in their capacity as directors and/or officers of the Bank Entities, occurring on or prior to the Closing Date (including with respect to the transactions contemplated hereby) on terms no less favorable to such Indemnified D&Os than those of the Previously Disclosed insurance policies providing such coverage in effect on the date of this Agreement (including with respect to coverage, insurance limits and retention) and with an insurer or insurers with the same or higher A.M. Best rating as the Bank Entities’ current primary directors’ and officers’ liability and fiduciary liability insurer; provided, however, that in complying with its obligations pursuant to this Section 4.17(d), Purchaser shall not be required to expend annually in the aggregate an amount in excess of the amount set forth in Section 4.17(d) of the Bank Disclosure Schedules (the “Purchaser Premium Cap”) and, if Purchaser cannot obtain the insurance coverage required under this Section 4.17(d) without paying in excess of the Purchaser Premium Cap, Purchaser

shall purchase such insurance with the maximum coverage reasonably available for the Purchaser Premium Cap; provided, further, this Section 4.17(d) may be satisfied if Purchaser obtains one or more prepaid policies (i.e., “tail coverage”) which, in the aggregate, provide the Indemnified D&Os with the coverage described in this Section 4.17(d) for an aggregate period of not less than six (6) years following the Closing with respect to claims arising from acts or omissions that occurred on or prior to the Closing Date.

(e) In the event that, after the Closing, other than pursuant to the Bank Merger Agreement, Purchaser, Bank or any of their respective successors or assigns (1) consolidates with or merges into any other Person and is not the continuing or surviving entity or entity of such consolidation or merger or (2) transfers or conveys all or a substantial portion of its properties and other assets to any Person, then, and in each such case, Purchaser shall, or shall cause Bank, as applicable, to make proper provision so that such successors and assigns expressly assume the obligations set forth in this Section 4.17.

(f) The provisions of this Section 4.17 are intended to be for the benefit of, and will be enforceable by, each Indemnified D&O, his or her heirs and his or her representatives and are in addition to, and not in substitution for, any other rights to indemnification or contribution that any such person may have from the Bank Entities or any other person by contract or otherwise except as expressly provided herein.

4.18 Release . Effective at the Closing, (a) Seller, on behalf of itself and its post-Closing Affiliates (and each of its and their respective heirs, successors and assigns), hereby releases, remises and forever discharges any and all rights, claims and Losses of any type that it or any of its Affiliates has had, now has or might now or hereafter have against the Bank Entities and each of their respective individual, joint or mutual, past, present and future Representatives, Affiliates, stockholders, successors and assigns (each, a “Purchaser Releasee”) and (b) Purchaser, solely on behalf of the Bank Entities and itself as a successor to Bank or any Affiliate that is a successor to Subsidiary (and each of its and their respective heirs, successors and assigns) following the Closing hereby releases, remises and forever discharges any and all rights, claims and Losses of any type that it has had, now has or might now or hereafter have against Seller, and each of their respective individual, joint or mutual, past, present and future Representatives, Affiliates, stockholders, successors and assigns (each, a “Seller Releasee”), in each case of (a) and (b), in respect of, relating to or arising in connection with the Bank Entities and in respect of facts, circumstances or occurrences prior to the Closing, except, in each case, for (1) rights, claims and Losses arising under the Transaction Documents, (2) in the case of Persons who are or were directors, officers or employees of the Bank Entities, rights under indemnification provisions of the articles of incorporation or the bylaws of the Bank Entities, as applicable, and rights under any employment, stock option, bonus or other employment or compensation agreements or plans and (3) rights, claims and Losses of Seller against any individual who was a director, officer or employee of the Bank Entities prior to the Closing and who is not continuing as a director, officer or employee of Purchaser or any

of its Affiliates immediately following the Closing. Each Party, for itself, and on behalf of its Affiliates, hereby irrevocably covenants to refrain from, directly or indirectly, asserting any claim or demand, or commencing, instituting or causing to be commenced or voluntarily aiding, any proceeding of any kind against any Purchaser Releasee or Seller Releasee, based upon any matter purported to be released hereby. The Parties acknowledge that this Section 4.18 is not an admission of liability or of the accuracy of any alleged fact or claim. The Parties expressly agree that this Section 4.18 shall not be construed as an admission in any proceeding as evidence of or an admission by any Party of any violation or wrongdoing. Without limiting the effectiveness of the foregoing, upon written request from any Purchaser Releasee or Seller Releasee made promptly after the Closing, as applicable, Seller or Purchaser shall confirm (or cause their applicable controlled Affiliates to confirm) in writing the scope of the foregoing release.

4.19 Parent Guarantee.

(a) Parent shall cause Purchaser to perform all of its respective agreements, covenants and obligations under this Agreement and the Purchase Agreements in accordance with their respective terms.

(b) Without limiting its direct obligations under this Agreement, Parent fully and irrevocably guarantees (the "Guarantee") the obligations of Purchaser under the Agreement and the Purchase Agreements (the "Guaranteed Obligations"). The Guarantee is a full, unconditional, irrevocable, absolute and continuing guaranty of performance and payment when due and not merely of collection, and Parent shall remain liable for the Guaranteed Obligations hereunder and under the Purchase Agreements until the performance or payment, as the case may be, of the Guaranteed Obligations. Seller shall not be obligated to file any claim relating to the Guaranteed Obligations in the event that Purchaser becomes subject to an insolvency, bankruptcy, reorganization or similar proceeding, and the failure of Seller to so file shall not affect Parent's obligations hereunder. In the event that any payment to Seller or other performance in respect of the Guaranteed Obligations must be returned or is rescinded, for any reason whatsoever, Parent shall remain liable hereunder with respect to the Guaranteed Obligations as if such payment or performance had not been returned or rescinded. Parent's obligations hereunder may not be revoked or terminated and shall remain in full force and effect and shall be binding on Parent, its successors and permitted assigns until the Guaranteed Obligations have been paid and performed in full.

(c) Parent agrees that its obligations hereunder shall not be discharged, released, diminished or impaired, in whole or in part, by any set-off, counterclaim, defense, act or occurrence which Parent may have against Seller as a result of or arising out of this Agreement or the Purchase Agreements or any other transaction. Subject to the provisions of this Section 4.19, Parent shall have the rights, remedies and legal or equitable defenses that are available to Purchaser under the terms of this Agreement, the Purchase Agreements or applicable Law with respect to the Guaranteed Obligations.

(d) Parent represents and warrants for and as to itself that it has received, or will receive, direct or indirect benefit from the making of the Guarantee.

4.20 Seller Confidentiality Agreements . At the Closing, Seller shall assign to Purchaser Seller's rights under any Seller Confidentiality Agreement relating to confidentiality or use obligations or restrictions of any Person (and related remedies in the event such Person breaches such obligations or restrictions) with respect to any confidential information related to any Bank Entity or the business of any Bank Entity and any applicable non-solicitation and non-hire provisions with respect to the Business Employees, except to the extent such assignment is prohibited by the terms of such Seller Confidentiality Agreement. As used herein, "Seller Confidentiality Agreement" means each confidentiality or similar agreement (other than the Confidentiality Agreement) entered into by Seller or any of its Affiliates (other than a Bank Entity) in connection with the consideration of a possible sale of any Bank Entity or their respective businesses.

4.21 Disclosure Cooperation.

(a) Prior to the Closing, Seller shall and shall cause each of the Bank Entities, the PR Branch and the Branches (collectively, the "Cooperation Parties") to use reasonable best efforts to cause its and their respective Representatives to, on a timely basis, upon the reasonable request of Purchaser, provide reasonable cooperation in connection with the financial statement disclosure requirements (the "Disclosure Requirements") under applicable accounting and U.S. Securities and Exchange Commission regulations relating to the transactions contemplated hereunder which may be applicable to filings with the U.S. Securities and Exchange Commission or equivalent, but not more burdensome, disclosure made on a private basis prior to and/or following the Closing (including in connection with any debt and/or equity financing to be made by Purchaser or Parent, whether prior to or following the Closing, and the diligence and marketing efforts in connection therewith) (provided that such requested cooperation does not unreasonably interfere with the ongoing business or operations of Seller or the Bank Entities), including, but not limited to, the following:

(1) upon reasonable prior written notice, furnishing, or causing to be furnished, to Purchaser, (A) the Bank Financial Statements and additional audited financial statements of Bank for such further Bank Entity fiscal years ended at least seventy five (75) days prior to the Closing Date, and audited statements of income and cash flows for the three most recently completed fiscal years of the Bank Entities and the Bank Entities' further fiscal years ended at least seventy five (75) days prior to the Closing Date; and (B) unaudited balance sheets and related statements of income and cash flows for each Bank Entity fiscal quarter ended after the close of its most recent Bank Entity fiscal year which are no more than one hundred and twenty nine (129) days old at Closing and the corresponding Bank Entity fiscal quarter for the preceding Bank Entity fiscal year and prepared in accordance with GAAP and, at the request of Purchaser, reviewed (SAS 100) by accountants retained by

Purchaser (or by the Bank Entities' at the request of Purchaser) (with such review (x) including a review of the financial statements for the corresponding period in the previous Bank Entity fiscal year and (y) being conducted in accordance with applicable accounting standards, including Regulation S-X), in the case of each of (A) and (B), that would be required to be included in a registration statement required to be filed by Parent pursuant to Rule 3-05 of Regulation S-X in connection with the Disclosure Requirements (it being understood that reasonable prior written notice shall not be required for the furnishing of financial statements or other financial information ordinarily prepared with respect to the Bank Entities (but, for the avoidance doubt, Seller and the Bank Entities will not be required to furnish such financial statements earlier than prepared in the ordinary course consistent with past practice) and that quarterly statements of income and cash flows are not ordinarily prepared and SAS 100 reviews are not ordinary conducted with respect to the Bank Entities' financial statements);

(2) providing reasonable cooperation in the mutual preparation by Parent, Purchaser, Seller and the Cooperation Parties of financial statements or other financial information in respect of the Purchased Assets and the Assumed Liabilities that would be required to be included in a registration statement on Form S-1 filed by Parent pursuant to Rule 3-05 of Regulation S-X in connection with the Disclosure Requirements, it being understood that such financial statements or other information may be required to be prepared prior to the Closing; provided that Parent shall use reasonable best efforts to seek to minimize the financial statements or other financial information required to be delivered under this Section 4.21(a)(2) in connection with the Purchased Assets and the Assumed Liabilities, including by making a request to the staff of the SEC's Division of Corporation Finance (including, if applicable, the Office of the Chief Accountant) for a waiver of any requirement to present financial statements including the Purchased Assets and the Assumed Liabilities or to substitute abbreviated financial statements in lieu of carve-out financial statements;

(3) providing reasonable assistance to Purchaser, its Affiliates and its and their respective Representatives in their preparation of pro forma financial information and projections required under, or in connection with, the Disclosure Requirements or to comply with applicable Law;

(4) using reasonable best efforts to secure the consent of the independent accountants of each of Seller and the Cooperation Parties related to the financial statements described in this Section 4.21;

(5) requesting that each of Seller's and the Cooperation Parties' independent accountants reasonably participate in drafting sessions and accounting due diligence sessions in connection with the Disclosure Requirements, including requesting that they provide customary comfort

letters (including “negative assurance” comfort) with respect to financial information related to the Bank Entities and, to the extent required pursuant to clause (a)(2) above, the Purchased Assets and the Assumed Liabilities, and provide reasonable cooperation in connection with the preparation of carve-out financial statements in respect of the PR Branch and the Branches;

(6) using reasonable best efforts to deliver to Purchaser, no later than three (3) Business Days prior to the Closing Date, any materials and documentation about the Bank Entities, the Purchased Assets and the Assumed Liabilities reasonably required by Purchaser’s committed financing sources under applicable “know your customer,” Anti-Bribery Laws or Anti-Terrorism Laws;

(7) informing Purchaser promptly in writing if the board of directors of Bank or a committee thereof, the board of directors of Seller or a committee thereof, Seller’s chief financial officer, Bank’s chief financial officer or any other executive officer of Seller or Bank concludes that any previously issued financial statements or financial information included or intended to be used in connection with the Disclosure Requirements should no longer be relied upon in any material respect; and

(8) (A) providing customary authorization letters to committed financing sources; (B) providing customary authorizations for the use of the Cooperation Parties’ logos; and (C) subject to execution by any such financing sources of a joinder to the Confidentiality Agreement in a form reasonably satisfactory to Seller, providing access to customary documents and other information reasonably requested by Purchaser’s financing sources in connection with continuing due diligence investigations and causing each of the Cooperation Parties’ respective management teams, with appropriate seniority and expertise, to participate in such continuing diligence investigations related to the Disclosure Requirements;

provided that (1) any cooperation provided by Seller or the Cooperation Parties pursuant to this Section 4.21(a) (including, for the avoidance of doubt, the mutual preparation of any carve-out financial statements or other financial information with respect to the Purchased Assets or Assumed Liabilities pursuant to Section 4.21(a)(2)) shall be at Purchaser’s sole cost and expense (and upon presentment of an invoice for reimbursement, with reasonable supporting details, Purchaser shall promptly reimburse Seller for its costs and expenses incurred in compliance with this Section 4.21), except for costs and expenses incurred by Seller or the Cooperation Parties in the ordinary course of business, which for the avoidance of doubt will not include the costs of incremental reviews or preparation of reports not completed or prepared in the ordinary course), (2) neither Seller nor the Cooperation Parties shall be required to pay any commitment or other fee or amounts in connection with any financing to be obtained by Purchaser or any of Purchaser’s Affiliates in connection with the transactions contemplated by this Agreement, (3) the effectiveness of any documentation executed by the Bank Entities

with respect thereto, and the attachment of any Lien to any assets of the Bank Entities or the Purchased Assets, shall not occur until at and after the consummation of the Closing, (4) no director or officer of Seller or the Cooperation Parties shall be required to execute any agreement, certificate, document or instrument with respect to such Disclosure Requirements that would be effective prior to the Closing (other than certifications of the financial statements) and (5) Seller and the Bank Entities and their respective Representatives shall be indemnified and held harmless by Purchaser from and against any and all liabilities, losses, damages, claims, costs, reasonable and documented out-of-pocket expenses, interest, awards, judgments and penalties suffered or incurred by them in connection with claims asserted by a Financing Source or any other Person in connection with the Disclosure Requirements to the fullest extent permitted by Law and with appropriate contribution to the extent such indemnification is not available, other than to the extent any such liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments or penalties are the result of the gross negligence, fraud or willful misconduct of Seller, the Bank Entities or their respective Representatives. The indemnification and reimbursement provisions of this Section 4.21 shall survive the termination of this Agreement.

(b) Purchaser acknowledges and agrees that the debt and/or equity financing is not a condition to the Closing. In the event that the debt and/or equity financing has not been obtained, Purchaser will continue to be obligated, subject to the satisfaction or waiver of the conditions set forth in Article V, to consummate the transactions contemplated by this Agreement.

4.22 Transaction Expenses. Seller (and not the Bank Entities) shall be responsible and liable for all Transaction Expenses, and neither Purchaser nor any of Purchaser's Affiliates shall have any responsibility or liability for Transaction Expenses. In furtherance of the foregoing, Seller (and not the Bank Entities) shall, prior to the Closing, pay in full all then invoiced or otherwise known and due Transaction Expenses and shall, following the Closing, pay in full all Transaction Expenses that are invoiced (including to Bank) or become known and payable following the Closing. Without limiting the foregoing, in the event the Bank Entities or Purchaser become responsible for paying any amounts under the Special Retention Bonus Letter Agreements after the Closing, Seller shall reimburse the paying Bank Entity or Purchaser for such amount (including the employer-paid portion of any payroll Taxes (including social security and similar contributions) payable in connection with such amounts).

4.23 Bank Merger. As soon as practicable after the execution and delivery of this Agreement, Purchaser shall, and Seller shall cause Bank to, execute and deliver the Bank Merger Agreement in the form attached hereto as Exhibit 2. The Parties shall, and shall cause their Affiliates and Representatives to, obtain such corporate, shareholder and board consents and approvals and make such filings (and deliver customary certificates as required by such filings) as are reasonably necessary to effect the Bank Merger immediately following the Stock Sale.

4.24 Defense of Certain Litigation Matters. Notwithstanding any other provision in this Agreement to the contrary, from and after the Closing Date, Seller shall continue to conduct the defense (including on behalf of the Bank) of the Actions set forth on Section 4.24 of the Bank Disclosure Schedules (such Actions, the “Specified Actions”); provided, however, that Seller will not consent to the entry of any judgment or enter into any settlement with respect to any such Specified Action without the prior written consent of Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), unless the judgment or proposed settlement (1) involves only the payment of money damages that are paid and borne in full by Seller and its Affiliates, (2) does not impose an injunction or other equitable relief upon Bank or any successor entity thereto (unless such relief is solely and immaterially ministerial in nature) and (3) does not involve a finding or admission of any violation of Law or other wrongdoing by Bank or any successor entity thereto. Following the Closing, until advised otherwise by Seller, Purchaser shall, and shall cause its Affiliates, to comply with any litigation holds in place as of the Closing in respect of any Specified Action. Any payments made or incurred at or prior to the Closing in settlement of, or pursuant to a judgment resulting from, any of the Specified Actions shall be paid by Seller or its Affiliates (and not by any Bank Entity). Any payments made or incurred following the Closing in settlement of, or pursuant to a judgment resulting from, any of the Specified Actions shall be paid by Seller or its Affiliates unless Purchaser does not consent to the entry of any such judgment or settlement for which Purchaser’s consent is required pursuant to the foregoing provisions.

4.25 Certain Agreed Matters. Seller and Purchaser hereby acknowledge and agree to the covenants and agreements set forth in Section 4.25 of the Bank Disclosure Schedules.

4.26 Specified Loan and Insurance Policy. Seller and Purchaser hereby acknowledge and agree to the covenants and agreements set forth in Section 4.26 of the Bank Disclosure Schedules.

ARTICLE V

Closing Conditions

5.01 Conditions to Each Party’s Obligations under this Agreement. The respective obligations of each of Purchaser and Seller to effect the transactions contemplated hereby shall be subject to the fulfillment or, if permitted by applicable Law, written waiver by Purchaser and Seller prior to the Closing of each of the following conditions:

(a) Governmental and Regulatory Consents. All Requisite Regulatory Approvals listed on the Purchaser Requisite Regulatory Approvals Schedule shall have been obtained and shall be in full force and effect and all related waiting periods required by applicable Law shall have expired or been terminated early.

(b) No Injunction. No relevant Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and prohibits consummation of the Stock Sale or the Bank Merger or the other transactions contemplated hereby.

5.02 Conditions to Obligations of Seller. The obligation of Seller to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Seller, prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Purchaser set forth in Sections 3.03(a), 3.03(b), 3.03(c)(2)(A) and 3.03(f) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Purchaser set forth in Article III shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the Purchase Agreement Closings are to occur substantially contemporaneously with the Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 9.2(a) of the USVI Purchase Agreement and Section 8.2(a) of the PR Purchase Agreement to be so true and correct as of the Closing) has not had, and would not reasonably be expected to have, a material adverse effect on Purchaser's ability to satisfy its obligations hereunder and to consummate the transactions contemplated hereby (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or material adverse effect).

(b) Performance of Obligations of Purchaser. Purchaser shall have complied with or performed in all material respects all covenants, obligations and agreements required to be complied with or performed by it under this Agreement at or prior to the Closing.

(c) Purchaser Officer's Certificate. Seller shall have received a certificate dated as of the Closing Date and validly executed on behalf of Purchaser by an appropriate senior officer of Purchaser certifying that the conditions specified in Sections 5.02(a) and 5.02(b) have been satisfied.

(d) Pre-Closing Primary Dividend. Seller shall have received any Requisite Regulatory Approval listed in Section 5.02(d) of the Bank Disclosure Schedules for, and such Requisite Regulatory Approval listed in Section 5.02(d) of the Bank Disclosure Schedules shall remain in effect until, the declaration and payment of the Pre-Closing Primary Dividend.

5.03 Conditions to Obligation of Purchaser. The obligation of Purchaser to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Purchaser, prior to the Closing, of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of Seller set forth in Sections 3.02(a), 3.02(b), 3.02(c), 3.02(d), 3.02(e), 3.02(f)(2)(A)(i), 3.02(g)(3) and 3.02(n) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Seller set forth in Article III shall be true and correct as of the date of this Agreement and as of the Closing Date as though made on and as of the Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the Purchase Agreement Closings are to occur substantially contemporaneously with the Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 9.3(a) of the USVI Purchase Agreement and Section 8.3(a) of the PR Purchase Agreement to be so true and correct as of the Closing) has not had, and would not reasonably be expected to have, a Material Adverse Effect (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or Material Adverse Effect).

(b) Performance of Obligations of Seller. Seller shall have complied with or performed in all material respects all covenants, obligations and agreements required to be complied with or performed by it under this Agreement at or prior to the Closing.

(c) Seller Officer Certificate. Purchaser shall have received a certificate dated as of the Closing Date and validly executed on behalf of Seller by an appropriate senior officer of Seller certifying that the conditions specified in Sections 5.03(a) and 5.03(b) have been satisfied.

(d) No Burdensome Condition. No Governmental Authority shall have imposed or conditioned any Requisite Regulatory Approval upon any Burdensome Condition.

ARTICLE VI

Survival and Indemnification

6.01 Survival. Subject to the following sentence, the representations and warranties made by any Party in Article III will survive the Closing Date until the first (1st) anniversary thereof. The Seller Fundamental Representations and Purchaser Fundamental Representations will survive the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable, until the expiration of the applicable statute of limitations, plus sixty (60) days in the case of the representations and warranties set forth in Section 3.02(q), Section 5.1(u) of the USVI Purchase Agreement and Section 5.1(m) of the PR Purchase Agreement. Except as provided in the preceding sentence with respect to the survival of Seller Fundamental Representations and Purchaser Fundamental Representations, the representations and warranties made by any Party (i) in the PR Purchase Agreement (other than any Seller Fundamental Representations or Purchaser Fundamental Representations) will survive the PR Closing Date until twelve (12) months after the PR Closing Date and (ii) in the USVI Purchase Agreement (other than any Seller Fundamental Representations or Purchaser Fundamental Representations) will survive the USVI Closing Date until twelve (12) months after the USVI Closing Date. Any agreements and covenants of Seller, Purchaser or Parent in this Agreement or either of the Purchase Agreements that are to be performed in full at or prior to the Closing, the PR Closing or the USVI Closing, as applicable (other than the covenants contained in Section 4.01(u), which will survive until sixty (60) days following the expiration of the applicable statute of limitations) will survive the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable, until the six (6) month anniversary of the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable, and the agreements and covenants contained in this Agreement, the PR Purchase Agreement or the USVI Purchase Agreement that by their terms contemplate performance in whole or in part after the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable, will survive the Closing, the PR Closing or the USVI Closing, as applicable, in accordance with their terms. As used herein, (x) “Seller Fundamental Representations” means the representations and warranties set forth in (1) Sections 3.02(a), 3.02(b), 3.02(c), 3.02(d), 3.02(e), 3.02(f)(2)(A)(i), 3.02(n) and 3.02(q), (2) Sections 5.1(a), 5.1(b), 5.1(d)(1) and 5.1(g) of each of the Purchase Agreements, (3) Sections 5.1(q) and 5.1(u) of the USVI Purchase Agreement and (4) Sections 5.1(l) and 5.1(m) of the PR Purchase Agreement and (y) “Purchaser Fundamental Representations” means the representations and warranties set forth in (1) Sections 3.03(a), 3.03(b), 3.03(c)(2)(A) and 3.03(f) and (2) Sections 5.2(a), 5.2(b), 5.2(d)(1) and 5.2(g) of each of the Purchase Agreements.

6.02 Indemnification by Seller.

(a) From and after the Closing (in the case of clauses (1), (2), (3), (4)(A), (B) and (C) and (6) below) and from and after the applicable Purchase Agreement Closing (in the case of clauses (4)(D), (4)(E) and (5) below), Seller shall indemnify, defend and hold harmless Purchaser from, against and in respect of any damages, losses, Taxes, charges, actions, suits, proceedings, judgments, settlements, interest, penalties, and costs and

expenses (including reasonable attorneys' fees) (collectively, "Losses") imposed on, sustained, incurred or suffered by Purchaser or any of its Affiliates (including Bank and Subsidiary following the Closing), or its or their respective directors, officers, employees, and their heirs, successors and permitted assigns, each in their capacity as such in respect of:

(1) (A) any breach of or inaccuracy in any of the Seller Fundamental Representations, (B) any breach of or inaccuracy in any of the other representations or warranties made by Seller in Article III or in the certificate delivered by Seller pursuant to Section 5.03(c) (it being understood that for purposes of this Section 6.02(a)(1), any qualification as to materiality in the text of any representation or warranty set forth in this Agreement or in the Purchase Agreements (whether by reference to "material," "Material Adverse Effect" or otherwise) (other than in the representations and warranties contained in the following Sections: 3.02(f)(1) (the reference to "material" set forth in the last sentence thereof), 3.02(f)(2)(A)(iii) (only the reference to "Material" in the defined term "Material Contract"), 3.02(g)(2), 3.02(g)(3), 3.02(h) (each reference to the word "Material" in the defined term "Material Contract"), 3.02(j) (second instance of "material"), 3.02(m) (reference to "materially"), 3.02(o)(1)-(2), 3.02(r) (only the instance of "material" set forth in the second sentence thereof), 3.02(s)(1) ((ii) and (iii)), 3.02(w) (the first instance of "material" in the first sentence and second sentence) and Sections 5.1(c) (the reference to "material" set forth in the last sentence thereof) and 5.1(f) (last instance of "material") of the Purchase Agreements and Sections 5.1(r)(2) (first instance of "material"), 5.1(r)(3) (first instance of "material"), 5.1(v) (last instance of "material") and 5.1(w) (last instance of "material") of the USVI Purchase Agreement), will be disregarded for purposes of determining whether any such representation or warranty was breached or is inaccurate) and (C) any breach of or inaccuracy in any of the representations or warranties made by Seller in Section 5.1 of each of the Purchase Agreements (other than any such representations and warranties set forth in Section 5.1 of either of the Purchase Agreements that are Seller Fundamental Representations) or in the certificate delivered by Seller pursuant to the Section 8.3(c) of the PR Purchase Agreement and Section 9.3(c) of the USVI Purchase Agreement, as applicable;

(2) any breach of any covenant contained in Section 4.01 of this Agreement or Section 6.2 of each of the Purchase Agreements;

(3) any failure by Seller to perform any of its covenants contained in this Agreement (other than the breach of any covenant contained in Section 4.01) or the Purchase Agreements (other than the breach of any covenant contained in Section 6.2 of the Purchase Agreements);

(4) (A) except to the extent described in Section 6.03(a)(2)(A), any Taxes relating to a Pre-Closing Tax Period of Seller, Bank, or any Subsidiary of Bank, and any Taxes of Seller, Bank, or any Subsidiary of Bank relating to a Straddle Period allocable, pursuant to Section 4.12(a)(2), to the pre-Closing portion of such Straddle Period, (B) any Taxes imposed as a result of any Pre-Closing Dividend, (C) any Transfer Taxes for which Seller is responsible pursuant to Section 4.12(e), (D) Pre-Closing Taxes (as defined in each of the Purchase Agreements), and (E) any Taxes and other reasonable out-of-pocket costs and expenses, imposed on or incurred by Purchaser or its Affiliates as a result of any action taken pursuant to Section 8.4 of the USVI Purchase Agreement and Section 7.4 of the PR Purchase Agreement, other than, in the case of clause (E), any Taxes that would not have been imposed but for a present or former connection between Purchaser or any of its Affiliates and Canada (or any department, agency, political subdivision or taxing authority thereof or therein) other than a connection arising solely from Purchaser having taken any action pursuant to Section 8.4 of the USVI Purchase Agreement and Section 7.4 of the PR Purchase Agreement;

(5) any (A) Excluded Liabilities (as defined in each of the Purchase Agreements), other than any Pre-Closing Taxes (as defined in each of the Purchase Agreements) or (B) Losses relating to Seller's ownership and operation of the Excluded Assets (as defined in each of the Purchase Agreements), whether before or after the Closing; and

(6) the matter described in Section 6.02(a)(6) of the Bank Disclosure Schedules.

(b) Seller will not have any liability under Sections 6.02(a)(1)(B) or (C) (1) for Losses for any individual claim (or group of directly related claims) if the amount of such Loss (together with the amount of Losses from all directly related claims) is less than \$100,000 (each, a "de minimis loss") and (2) unless and until the aggregate amount of the indemnifiable Losses (excluding any de minimis loss) under such Sections taken together exceeds one percent (1%) of the Aggregate Consideration, and then only for Losses in excess of that amount (such amount, the "Deductible"); provided that in no event will the aggregate indemnification to be paid by Seller (A) pursuant to Sections 6.02(a)(1)(B) or (C) exceed ten percent (10%) of the Aggregate Consideration (such amount, the "Indemnity Cap") and (B) under this Agreement and the Purchase Agreements combined exceed the Aggregate Consideration. Notwithstanding the foregoing, for purposes of the Deductible will be reduced by (A) one percent (1%) of the Purchase Price (as defined in the USVI Purchase Agreement) unless and until the USVI Closing has occurred; and (B) one percent (1%) of the Purchase Price (as defined in the PR Purchase Agreement) unless and until the PR Closing has occurred; and (2) the Indemnity Cap will be reduced by (A) ten percent (10%) of the Purchase Price (as defined in the USVI Purchase Agreement) unless and until the USVI Closing has occurred; and (B) ten percent (10%) of the Purchase Price (as defined in the PR Purchase Agreement) unless and until the PR Closing has occurred.

(c) Seller and Purchaser hereby acknowledge and agree to the provisions set forth in Section 6.02(c) of the Bank Disclosure Schedules.

6.03 Indemnification by Purchaser.

(a) From and after the Closing (in the case of clauses (1), (2) and (3) below) and from and after the applicable Purchase Agreement Closing (in the case of clause (4) below), Purchaser shall indemnify, defend and hold harmless Seller from, against and in respect of any Losses imposed on, sustained, incurred or suffered by Seller or any of its Affiliates, or its or their respective directors, officers, employees, and their heirs, successors and permitted assigns, each in their capacity as such in respect of:

(1) (A) any breach of or inaccuracy in any of the Purchaser Fundamental Representations, (B) any breach of or inaccuracy in any of the other representations or warranties made by Purchaser in Article III or in the certificate delivered by Purchaser pursuant to Section 5.02(c), it being understood that for purposes of this Section 6.03(a)(1), any qualification as to materiality in the text of any representation or warranty set forth in this Agreement or in the Purchase Agreements (whether by reference to “material,” “material adverse effect” or otherwise) (other than in the representations and warranties contained in Section 3.03(c)(1) (the reference to “material” set forth in the last sentence thereof) and Section 5.2(c) (1) of the Purchase Agreements (the reference to “material” set forth in the last sentence thereof)) will be disregarded for purposes of determining whether any such representation or warranty was breached or is inaccurate and (C) any breach of or inaccuracy in, as of the date hereof or as of the PR Closing Date or the USVI Closing Date, as applicable, any of the representations or warranties made by Purchaser in Section 5.2 of each of the Purchase Agreements (other than any such representations and warranties set forth in Section 5.2 of either of the Purchase Agreements that are Purchaser Fundamental Representations) or the certificate delivered by Purchaser pursuant to Section 8.2(c) of the PR Purchase Agreement and Section 9.2(c) of the USVI Purchase Agreement;

(2) (A) any Tax owed by the Bank Entities resulting from any transaction outside the ordinary course of business engaged in by the Bank Entities occurring on the Closing Date, after the Bank Merger, and (B) any Transfer Taxes for which Purchaser is responsible pursuant to Section 4.12(e);

(3) any failure by Purchaser to perform any of its covenants contained in this Agreement or the Purchase Agreements; and

(4) Purchaser’s or its Affiliate’s operation of the Bank Entities or their respective businesses or assets and liabilities following the Closing or Purchaser’s or its Affiliate’s ownership or operation of the Purchased Assets or the Assumed Liabilities.

(b) Purchaser will not have any liability under Sections 6.03(a)(1)(B) or (C) (1) for any Loss for any individual claim (or group of directly related claims) if the amount of such Loss (together with the amount of Losses from all directly related claims) is a de minimis loss and (2) unless and until the aggregate amount of the indemnifiable Losses (excluding any de minimis loss) under such Sections taken together exceeds the Deductible, and then only for Losses in excess of the Deductible; provided that in no event will the aggregate indemnification to be paid by Purchaser (A) pursuant to Sections 6.03(a)(1)(B) or (C) exceed the Indemnity Cap and (B) under this Agreement and the Purchase Agreements combined exceed the Aggregate Consideration.

6.04 Matters Involving Third Parties Claims.

(a) Except with respect to Tax Contests, which are covered by Section 4.12(d), each of Purchaser or Seller, as the case may be, making a claim for indemnification under this Article VI (the “Indemnified Party”) shall give notice to the Party that may be required to provide indemnification hereunder (the “Indemnifying Party”) promptly, but not later than ten (10) Business Days, after such Indemnified Party (1) receives written notice of any claim, action, suit, proceeding or demand asserted by any Person who is not a Party hereto (or a successor to a Party hereto) to this Agreement or (2) subject to Section 6.06, has actual knowledge of any other claim, event or matter as to which indemnity may be sought (a “Third-Party Claim”), in either of case (1) or (2), setting forth, to the extent practicable under the circumstances, in reasonable detail the facts and circumstances pertaining thereto, including the amount or an estimate of the amount of damages sought to the extent then ascertainable, after reasonable inquiry, by the Indemnified Party, and the basis for the Indemnified Party’s right to indemnification; it being understood that the failure by an Indemnified Party to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent (and only to the extent) that the Indemnifying Party is prejudiced by such failure. Thereafter, the Indemnified Party shall, to the extent permitted by applicable Law, deliver to the Indemnifying Party copies of all notices and documents (including court papers) received by the Indemnified Party relating to the Third-Party Claim.

(b) Except with respect to Tax Contests, which are covered by Section 4.12(d), the Indemnifying Party will have the right at any time, by delivering written notice to the Indemnified Party, to assume and thereafter (at the sole expense of the Indemnifying Party unless expressly provided otherwise in this Section 6.04(b)) conduct the defense of the Third-Party Claim in its sole discretion with counsel of its choice; provided, however, that the Indemnifying Party will not consent to the entry of any judgment or enter into any settlement with respect to the Third-Party Claim without the prior written consent of the Indemnified Party (not to be unreasonably withheld, conditioned or delayed), unless the judgment or proposed settlement (1) involves only the payment of money damages against which the Indemnified Party is indemnified by the Indemnifying Party, (2) does not impose an injunction or other equitable relief upon the Indemnified Party (unless such relief is ministerial in nature) and (3) does not involve a finding or admission of any violation of Law or other wrongdoing by the Indemnified Party. If the Indemnifying Party elects to assume the defense of a

Third-Party Claim, the Indemnified Party will have the right, but not the obligation, to participate in any such defense and to employ separate counsel of its choosing at its own expense (the cost of which, for the avoidance of doubt, will not be indemnifiable Losses); provided that if the Indemnified Party is advised in writing by outside counsel that an actual or potential conflict of interest (including one or more legal defenses or counterclaims being available to such Indemnified Party or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party) would make it inappropriate under applicable ethical rules for the same counsel to represent both the Indemnifying Party and the Indemnified Party with respect to the Third-Party Claim, then the Indemnifying Party shall be liable for the reasonable and documented fees, costs and expenses of counsel employed by the Indemnified Party. Provided that an Indemnified Party has given the Indemnifying Party notice of a Third-Party Claim as required hereunder, if the Indemnifying Party does not assume the defense of the Third-Party Claim, (x) the Indemnified Party shall defend against the Third-Party Claim, (y) the Indemnifying Party shall be liable for the reasonable and documented fees, costs and expenses of counsel employed by the Indemnified Party during any period in which the Indemnifying Party has not elected to assume the defense of a Third-Party Claim and (z) the Indemnifying Party shall be bound by any final determination with respect to such Third-Party Claim prior to its assumption; provided, however, that the Indemnified Party may not agree to any settlement without the consent of the Indemnifying Party (which consent shall not be unreasonably withheld, conditioned or delayed). Each Party shall reasonably cooperate with the other Party by providing records and information on a timely basis that are reasonably relevant to any Third-Party Claim and shall in good faith consult with counsel for the other Party; provided that no Party shall be required to take any such action to the extent doing so would jeopardize any applicable attorney-client or work product privileges.

(c) If Purchaser is the Indemnified Party, Purchaser shall use reasonable best efforts to seek recovery under all Bank Insurance Policies that are in effect during any period of coverage prepaid by Bank prior to Closing covering the applicable Loss.

(d) The amount of any Losses of any Indemnified Party under this Article VI shall be reduced by the amount, if any, (1) received by the Indemnified Party from any third Person (including, without limitation, any insurance company or other insurance provider (such amount being referred to herein as a "Third-Party Reimbursement")), in respect of the Losses suffered thereby net of all documented costs and expenses reasonably incurred by the Indemnified Party in recovering such Third-Party Reimbursement and (2) of any reduction in Taxes actually realized by the Indemnified Party, in the taxable year in which such Loss is paid. If, after receipt by an Indemnified Party of any indemnification payment hereunder, such Person receives a Third-Party Reimbursement in respect of the same Losses (whether in whole or in part) for which indemnification was made and such Third-Party Reimbursement was not taken into account in assessing the amount of indemnification, then the Indemnified Party shall promptly turn over all or the relevant portion of such Third-Party Reimbursement (net of all documented costs and expenses reasonably incurred by the Indemnified Party in recovering such Third-Party Reimbursement) to the Indemnifying Party up to the amount of the indemnification paid pursuant hereto.

6.05 Damages. For the avoidance of doubt, in calculating any Losses or alleged Losses with respect to any item or matter, an Indemnified Party will not be entitled to include in Losses any amount for which there was a reserve on Bank's consolidated balance sheet of December 31, 2018 that is directly attributable to such item or matter. No Party shall be liable under this Agreement or the Purchase Agreements for (1) any consequential damages unless such damages were reasonably foreseeable or (2) without limiting the foregoing, any punitive, special, incidental, exemplary or indirect damages, or any lost revenue, lost profits, loss of business reputation or loss of opportunity, or for any damages that are speculative or not reasonably determinable, except, in each case of clauses (1) and (2), to the extent such Losses are awarded by a Governmental Authority of competent jurisdiction in connection with a Third-Party Claim. Any Indemnified Party that becomes aware of a Loss for which it seeks indemnification under this Article VI shall be required to mitigate the Loss as and to the extent required under applicable Law.

6.06 Direct Claims. If an Indemnified Party has a claim against an Indemnifying Party under this Agreement that does not involve a Third-Party Claim, the Indemnified Party shall deliver notice of such a claim with reasonable promptness to the Indemnifying Party. The failure by an Indemnified Party to so notify the Indemnifying Party shall not relieve the Indemnifying Party of its obligations hereunder except to the extent (and only to the extent) that the Indemnifying Party is prejudiced by such failure.

6.07 No Contribution; Termination of Indemnification; Exclusive Remedy; No Double Recovery.

(a) From and after the Closing, neither Seller nor any of its Affiliates shall have or make any claim for indemnification, contribution, set off or similar rights of recovery from Bank, Subsidiary or any of their respective officers, directors or employees with respect to any Losses indemnifiable by Seller hereunder, including on the basis of any breach of or inaccuracy in any representation or warranty set forth in Section 3.02 or any representation or warranty set forth in Section 5.1 of the Purchase Agreements, or any breach by, default or non-performance by, Seller under this Agreement occurring prior to the Closing.

(b) (1) With respect to the representations and warranties made by any Party in Article III or the Purchase Agreements that survive the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable, until the first (1st) anniversary thereof pursuant to Section 6.01, the obligation to indemnify and hold harmless any Indemnified Party will terminate on the first (1st) anniversary of the Closing, the PR Closing or the USVI Closing, as applicable; (2) with respect to all other representations and warranties made by any Party in Article III or the Purchase Agreements, the

obligation to indemnify and hold harmless any Indemnified Party will terminate upon the expiration of the applicable statute of limitations, plus sixty (60) days in the case of the representations and warranties set forth in Section 3.02(q), Section 5.1(u) of the USVI Purchase Agreement and Section 5.1(m) of the PR Purchase Agreement; and (3) with respect to any other obligation to indemnify or hold harmless any Indemnified Party (other than pursuant to Sections 6.02(a)(4), 6.02(c) (including the matters set forth on Section 6.02(c) of the Bank Disclosure Schedules), 6.03(a)(2) and 6.03(a)(4), which shall survive until the relevant statute of limitations plus sixty (60) days), such obligation will terminate on the fifth (5th) anniversary of the Closing Date, the PR Closing Date or the USVI Closing Date, as applicable; provided, however, that in the case of clauses (1), (2) and (3), such obligations to indemnify and hold harmless will not terminate with respect to any item as to which the Indemnified Party shall have, before the expiration, previously made a claim by delivering a notice of such claim pursuant to, and in accordance with the terms of, Section 4.12(c)(4) or this Article VI.

(c) This Article VI (i) with respect to this Agreement will not be effective until after the Closing, (ii) with respect to the PR Purchase Agreement will not become effective until after the PR Closing and (iii) with respect to the USVI Purchase Agreement will not become effective until after the USVI Closing.

(d) From and after the Closing, Purchaser and Seller hereby acknowledge and agree that, except in the case of fraud, their respective sole and exclusive remedy for monetary damages with respect to any and all claims against any other Party and any indemnification for breach of any covenant, agreement, representation or warranty contained in this Agreement or the Purchase Agreements, or in connection with this Agreement or the Purchase Agreements, shall be pursuant to the indemnification provisions contained in this Article VI and shall be in lieu of any rights the Parties may have under Law with respect to monetary damages.

(e) Notwithstanding any other provision in this Agreement to the contrary, the rights of any Indemnified Party under this Article VI shall not be affected by any knowledge acquired, at any time; provided, however, that no Indemnifying Party shall be liable in respect of any claim under Sections 6.02(a)(1), 6.02(a)(2), 6.02(a)(3), 6.03(a)(1) or 6.03(a)(3), as applicable, to the extent the facts, matters or circumstances giving rise to such claim (i) were known by the Indemnified Party prior to the execution and delivery of this Agreement and the Purchase Agreements or (ii) became known by the Indemnified Party after the execution and delivery of this Agreement and the Purchase Agreements but prior to Closing, the PR Closing or the USVI Closing, as applicable, if (x) such facts, matters or circumstances would have (1) in the case of Seller as the Indemnified Party caused any of the conditions set forth in Section 5.02(a) or 5.02(b), Section 8.2(a) of the PR Purchase Agreement (if applicable) or Section 9.2(a) of the USVI Purchase Agreement (if applicable) not to be satisfied or (2) in the case of Purchaser as the Indemnified Party cause any of the conditions set forth in Section 5.03(a) or 5.03(b), 8.3(a) of the PR Purchase Agreement (if applicable) or Section 9.3(a) of the USVI Purchase Agreement (if applicable) not

to be satisfied, (y) the Indemnified Party consummated the transactions contemplated by this Agreement or the applicable Purchase Agreement, as applicable, and (z) the Indemnifying Party was not aware of such facts, matters or circumstances at any time prior to the Closing, the PR Closing or the USVI Closing, as applicable.

(f) Unless otherwise required by applicable Law, all amounts paid by Seller or Purchaser pursuant to this Article VI shall be treated for all Tax purposes as adjustments to the Consideration.

(g) Neither Seller nor Purchaser shall be entitled to receive indemnification from the other in respect of all or any portion of any Loss more than once (notwithstanding that such Loss may result from breaches of multiple provisions of this Agreement or the Purchase Agreements).

ARTICLE VII

Termination

7.01 Termination. This Agreement may be terminated at any time prior to the Closing as follows:

(a) by written agreement of Purchaser and Seller;

(b) by either Purchaser or Seller, by giving written notice of such termination to the other Party, if any condition to such terminating Party's obligations hereunder has not been satisfied or waived and the Closing shall not have occurred on or prior to March 26, 2020 (the "Outside Date"); provided that the terminating Party pursuant to this Section 7.01(b) is not then in material breach of its representations, warranties, covenants or obligations under this Agreement or the Purchase Agreements; provided, further that if the Closing shall not have occurred prior to such date and all the conditions to Closing, other than one or more of the conditions set forth in Section 5.01(a), Section 5.02(d) and in Section 5.03(d), shall have been satisfied or shall be capable of being satisfied at such time and the extending Party is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the Purchase Agreements, the Outside Date may be extended on one occasion by Seller or Purchaser by written notice to the other Party to June 26, 2020 and such date, if and as so extended, shall be the Outside Date;

(c) by Purchaser (provided Purchaser is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the Purchase Agreements), if Seller has breached any representation or warranty set forth in this Agreement or any such representation or warranty becomes untrue or inaccurate, or breached or failed to perform any covenant or agreement contained in this Agreement, which breach, failure to be true, inaccuracy or failure to perform (in the case of any representation or warranty, taken together with all breaches, failures to be true or

inaccuracies with respect to any representation or warranty of Seller set forth in the Purchase Agreements) would give rise to a failure of any condition set forth in Sections 5.03(a) or 5.03(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice thereof is given by Purchaser to Seller and (2) the Outside Date (as such date may be extended in accordance with the terms of this Agreement); or

(d) by Seller (provided Seller is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the Purchase Agreements), if Purchaser has breached any representation or warranty set forth in this Agreement or any such representation or warranty becomes untrue or inaccurate, or breached or failed to perform any covenant or agreement contained in this Agreement, which breach, failure to be true, inaccuracy or failure to perform (in the case of any representation or warranty, taken together with all breaches, failures to be true or inaccuracies with respect to any representation or warranty of Purchaser set forth in the Purchase Agreements) would give rise to a failure of any condition set forth in Sections 5.02(a) or 5.02(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice is given by Seller to Purchaser and (2) the Outside Date (as such date may be extended in accordance with the terms of this Agreement).

7.02 Effect of Termination.

(a) Except as provided in paragraph (b) below, if this Agreement is terminated in accordance with this Article VII, this Agreement shall thereafter become void and have no effect, and none of Parent, Purchaser or Seller shall have any liability to each other or their respective Affiliates, directors, officers, shareholders, partners, agents or employees in connection with this Agreement, except that (a) the obligations of the Parties contained in Section 4.07, the last sentence of Section 4.21(a) and this Section 7.02 and Article VIII and any relevant definitions shall survive any termination of this Agreement and (b) termination will not relieve any Party from liability or damages arising out of its fraud or intentional breach of any provision of this Agreement occurring prior to termination.

(b) If this Agreement is terminated by Purchaser or Seller pursuant to Section 7.01(b) and, at the time of such termination, (A) the condition to Closing set forth in Section 5.01(a) or Section 5.03(d) has not been satisfied or waived in writing, (B) all the other conditions to Closing set forth in Section 5.01 and Section 5.03 shall have been satisfied (or are capable of being satisfied) or waived in writing, then Purchaser shall promptly, but in no event later than two (2) days after the date of such termination, reimburse Seller for all reasonable and documented out-of-pocket fees, expenses and costs expended or incurred by it and its Affiliates in connection with the transactions contemplated by this Agreement and the Purchase Agreements or the termination of this Agreement and the Purchase Agreements, including in respect of counsel and financial advisors; provided that Purchaser shall not be required to reimburse Seller more than \$2,000,000.00 in the aggregate, including any amount reimbursable by Purchaser under Section 9.2(b) of the PR Purchase Agreement or Section 10.2(b) of the USVI Purchase Agreement.

ARTICLE VIII

Miscellaneous

8.01 Waiver: Amendment. Any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by the Parties, or in the case of a waiver, by the Party or Parties against whom the waiver is to be effective. No failure or delay by any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

8.02 Counterparts. This Agreement may be executed in two (2) or more counterparts (including by facsimile or other electronic means such as “.pdf” or “.jpg” files), each of which shall be deemed to constitute an original, but all of which together shall be deemed to constitute one and the same instrument, it being understood that all Parties need not sign the same counterpart. This Agreement will become effective when each Party hereto shall receive counterparts hereof signed by all of the Parties.

8.03 GOVERNING LAW. THIS AGREEMENT WILL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND WHOLLY TO BE PERFORMED IN SUCH STATE.

8.04 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH SUCH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHTS SUCH PARTY MAY HAVE TO A JURY TRIAL WITH RESPECT TO ANY DISPUTE DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (A) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) EACH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF THIS WAIVER, (C) EACH PARTY MAKES THIS WAIVER VOLUNTARILY AND (D) EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.04.

8.05 Assignment. No Party to this Agreement may assign any of its rights or obligations under this Agreement (whether by operation of law or otherwise) without the prior written consent of the other Party hereto; provided, however, that this Agreement may be assigned by a Party hereto by operation of any consolidation or merger of that Party or any of its permitted assigns. Any attempted or purported assignment in contravention of this provision shall be null and void.

8.06 Expenses. Except as otherwise provided herein, each Party hereto will bear all expenses incurred by it in connection with this Agreement and the transactions contemplated hereby.

8.07 Notices. All notices or other communications hereunder to a Party shall be deemed to have been duly given and made if in writing and if served by personal delivery, if delivered by registered or certified mail (return receipt requested), or by a national courier service, or by email so long as such email states it is a notice delivered pursuant to this Section 8.07 and is confirmed with a telephone call to the recipient.

If to Seller to:

The Bank of Nova Scotia
40 King Street West, 8th Floor
Toronto, Ontario, Canada M5H1
Attention: Anita Mackey, Senior Vice President and Associate
General Counsel
Telephone: (416) 866-3456
Email: anita.mackey@scotiabank.com

With a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: H. Rodgin Cohen
Stephen M. Salley
Telephone: (212) 558-4000
Email: cohenhr@sullcrom.com
salleys@sullcrom.com

If to Parent or Purchaser to:

OFG Bancorp
PO Box 195115
San Juan, PR 00919-5115
Attention: Ganesh Kumar
Telephone: (787) 771-6800
Email: gkumar@ofgbancorp.com

With a copy (which shall not constitute notice) to:

Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Attention: David C. Ingles
Telephone: (212) 735-2697
Email: david.ingles@skadden.com

8.08 Entire Understanding. All Exhibits (attached hereto and as executed), Schedules and the Bank Disclosure Schedules hereto shall be deemed to be incorporated into and made part of this Agreement. This Agreement and the other Transaction Documents, together with the Exhibits, Schedules and the Bank Disclosure Schedules hereto and thereto, contain the entire agreement and understanding among the Parties with respect to the subject matter hereof (and supersede any prior agreements, arrangements or understandings among the Parties with respect to the subject matter hereof).

8.09 Specific Performance. The Parties agree that if any of the provisions of this Agreement or the Purchase Agreements were not to be performed as required by their specific terms or were to be otherwise breached, irreparable damage will occur, no adequate remedy at law would exist and damages would be difficult to determine, and that such Party shall be entitled to an injunction or injunctions to prevent breaches, and to specific performance of the terms, of this Agreement or the Purchase Agreements, as applicable, in addition to any other remedy at law or equity. The Parties agree to not seek, and agree to waive, any requirement for securing or posting of a bond in connection with the Party's seeking or obtaining any relief pursuant to this Section 8.09.

8.10 Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof. If any provision of this Agreement, or the application thereof to any Person or entity or any circumstance, is found by a court or other Governmental Authority of competent jurisdiction to be invalid or unenforceable, (a) a suitable and equitable provision shall be substituted therefore in order to carry out, so far as may be valid and enforceable, the intent and purpose of such invalid or unenforceable provision and (b) the remainder of this Agreement and the application of such provision to other Persons, entities or circumstances shall not be affected by such invalidity or unenforceability, nor shall such invalidity or unenforceability affect the validity or enforceability, of such provision, or the application thereof, in any other jurisdiction.

8.11 Parties in Interest. This Agreement will be binding upon, inure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns. Except for any Purchaser Releasee or Seller Releasee, in each case, pursuant to Section 4.18 (and only with respect to matters expressly contemplated by Section 4.18), nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement upon any Person other than the Parties and their successors or permitted assigns.

8.12 Venue for Resolution of Disputes. Each Party hereto agrees that it shall bring any action or proceeding in respect of any claim arising out of or related to the Transaction Documents and the transactions contemplated thereby, whether in tort or contract or at law or in equity, exclusively, in the United States District Court for the Southern District of New York (or, if such court does not have jurisdiction over such action or proceeding, the Supreme Court of the State of New York for the County of New York), and (1) irrevocably submits to the exclusive jurisdiction of such courts, (2) waives any objection to laying venue in any such action or proceeding in such courts and (3) waives any objection that such courts are an inconvenient forum or do not have jurisdiction over any Party hereto. Each Party hereto further hereby irrevocably and unconditionally waives any objection to the laying of venue of any action, suit or proceeding arising out of the Transaction Documents or the transactions contemplated thereby in such courts, and hereby irrevocably and unconditionally waives and agrees not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum or that such Party is not subject to personal jurisdiction in such court.

8.13 Payments. All payments made pursuant to this Agreement, unless otherwise indicated, will be made by wire transfer of dollars in immediately available funds.

8.14 Purchase Agreement Closings. If either of the Purchase Agreement Closings does not occur substantially contemporaneously with the Closing, then the references in this Agreement to such Purchase Agreement, Purchased Assets and Assumed Liabilities (as defined in such Purchase Agreement) and, if the USVI Closing has not occurred, the USVIs in the definition of "Material Adverse Effect" will be deemed to be deleted. If either of the Purchase Agreements is terminated in accordance with its terms, then references in this Agreement to such Purchase Agreement, the Purchased Assets and the Assumed Liabilities (as defined in such Purchase Agreement), the USVIs (if the USVI Purchase Agreement is terminated) and other matters expressly addressed in such Purchase Agreement will be deemed to be deleted and read out, except in the case of the Recitals, Section 1.02 and this Section 8.14. If the USVI Closing does not occur substantially contemporaneously with the Closing, then the Parties will cooperate with each other in good faith to negotiate and enter into appropriate arrangements for Bank (or its successor) to continue to provide services to Seller in connection with its USVIs operations so that the Branches can continue to operate in the ordinary course of business consistent with past practice.

8.15 Cooperation. Prior to Closing, Seller shall and shall cause Bank to take the actions specified in Section 8.15 of the Bank Disclosure Schedules.

[Next page is a signature page.]

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

THE BANK OF NOVA SCOTIA

By: /s/ Ignacio Deschamps

Name: Ignacio Deschamps

Title: Group Head, International Banking & Digital
Information

ORIENTAL BANK

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

OFG BANCORP

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

[Signature Page to Stock Purchase Agreement]

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Section 3: EX-2.2 (EX-2.2)

Exhibit 2.2

EXECUTION VERSION

SALE AND PURCHASE AGREEMENT (USVI)

BETWEEN

THE BANK OF NOVA SCOTIA

AND

ORIENTAL BANK

AND

SOLELY FOR THE PURPOSES SET FORTH HEREIN

OFG BANCORP

JUNE 26, 2019

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Exhibits

Exhibit 4.1(b)(2) Form of Bill of Sale and Assignment and Assumption Agreement

SALE AND PURCHASE AGREEMENT (USVI), dated June 26, 2019, between The Bank of Nova Scotia, a Schedule I bank existing under the laws of Canada ("Seller"), and Oriental Bank, a bank chartered under the laws of Puerto Rico ("Purchaser") and, solely for the purposes expressly provided in this USVI Purchase Agreement, OFG Bancorp, a corporation incorporated under the laws of Puerto Rico ("Parent").

RECITALS

A. Concurrently with the execution of this USVI Purchase Agreement (as defined below), (1) Seller, Purchaser and Parent have entered into the SPA (as defined below); and (2) Seller, Purchaser and Parent have entered into the PR Purchase Agreement (as defined below).

B. Seller desires to sell, and Purchaser desires to acquire, the Purchased Assets (as defined below) subject to the terms and conditions of this USVI Purchase Agreement; and

C. Seller desires to transfer to Purchaser, and Purchaser desires to assume from Seller, the Assumed Liabilities (as defined below) subject to the terms and conditions of this USVI Purchase Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1 Definitions. This USVI Purchase Agreement uses the following definitions:

"Accounting Firm" has the meaning specified in Section 3.3(c).

"Accrued Interest and Fees" means (1) with respect to the Assumed Deposits, the interest, fees and other charges (whether billed or unbilled) that have been accrued but not yet posted to the Assumed Deposits; and (2) with respect to the Purchased Loans, Assumed Letters of Credit, Purchased Overdrafts and Purchased Credit Card Accounts and Receivables, the interest, fees and other charges (whether billed or unbilled) that have been accrued but not yet paid, credited or charged to the Purchased Loans, Assumed Letters of Credit, Purchased Overdrafts and Purchased Credit Card Accounts and Receivables, as applicable, and, in the case of each of the foregoing items described in clauses (1) and (2), as calculated by Seller on its systems of record maintained in the ordinary course of business consistent with past practice and in accordance with the terms of the applicable Purchased Asset or Assumed Liability.

"Acquired Business" has the meaning specified in Section 6.8(b).

“Alien Employees” has the meaning specified in Section 7.1(k).

“Assignment of Mortgage” has the meaning specified in Section 6.16.

“Assumed Contracts” means (1) the account agreements and other instruments governing the Assumed Deposits and the Purchased Loans; (2) the account agreements governing the Purchased Credit Card Accounts and Receivables; (3) the Safe Deposit Agreements and (4) the other Contracts listed on the Assumed Contracts Schedule (as updated pursuant to Section 3.6).

“Assumed Deposits” means the deposits that are booked by Seller at the Branches in the ordinary course of business consistent with past practice, in each case, as set forth in the Assumed Deposits Schedule (as updated pursuant to Section 3.6).

“Assumed Letters of Credit” means the letters of credit, including any standby letter of credit, issued by Seller or any of its Affiliates (other than any Bank Entity) for the account of a Branch Customer, in each case, as set forth in the Assumed Letters of Credit Schedule (as updated pursuant to Section 3.6).

“Assumed Liabilities” means each of the following liabilities: (1) the Assumed Deposits (including any Accrued Interest and Fees with respect thereto); (2) all liabilities and obligations under, and the obligation to perform at and after the USVI Effective Time, the Assumed Contracts, the Assumed Letters of Credit and the ATM Real Property Leases; (3) all liabilities and obligations in respect of Purchaser’s or its Affiliates’ employment of the Transferred Branch Employees or the termination of any Transferred Branch Employee’s employment with Purchaser or any of its Affiliates, in each case, following the USVI Effective Time; (4) the liabilities and obligations expressly assumed by Purchaser under Section 7.1(b) (relating to accrued paid time off) and Section 7.1(d) (relating to severance in the event Purchaser fails to make a Comparable Job Offer); and (5) all other liabilities and obligations of every kind to the extent relating to or arising from (A) the foregoing liabilities and obligations to be assumed or performed by Purchaser at or after the USVI Effective Time or (B) Purchaser’s operation of the Branches or administration of the Purchased Assets or Assumed Liabilities following the USVI Effective Time, in each case of clauses (1)-(5), other than the Excluded Liabilities, provided, however, that Assumed Liabilities shall not include any Tax liabilities with respect to Pre-Closing Periods.

“ATM” means an automated teller machine.

“ATM Real Property Leases” means the leases, subleases, licenses or other contracts pursuant to which Seller or any of its Affiliates (other than any Bank Entity) leases real property on which ATMs are located, in connection with the Branches, a list of which is set forth on the ATM Real Property Leases Schedule.

“Authorization” means: (1) any consent required to (i) assign, novate or sell or permit assignment, novation or sale to Purchaser of any Assumed Contract or Purchased Asset as contemplated by Section 2.1; or (ii) cause Purchaser to assume the Assumed Liabilities as contemplated by Section 2.2; and (2) any authorization for the assignment, novation, sale or transfer of any Assumed Contract or Purchased Asset under applicable Law, the relevant contract or otherwise that does not involve a consent described in clause (1) above.

“Bill of Sale and Assignment and Assumption Agreement” has the meaning specified in Section 4.1(b)(2).

“Books and Records” means, other than the Loan Documents, the books and records of Seller relating primarily to the Business, the Branches, the Purchased Assets or the Assumed Liabilities, including, as applicable, all (1) segregated books of account, financial and Tax (including Tax Returns) records; (2) equipment logs, operating guides and manuals and all other documents, files, correspondence and other information; and (3) with respect to each Branch Employee, name, job title, annual salary, hourly rate (if applicable) benefit plan enrollment (other than medical and dental plan enrollment to the extent Seller is prohibited from providing such information under applicable Law), start date, regularly scheduled hours, regular work week, work address and work phone.

“Branch Customers” means, individually and collectively, (1) the Persons named as the owners of the deposit accounts relating to the Assumed Deposits, (2) the obligors under the Purchased Loans and (3) the Persons named as the account holders under the Purchased Credit Card Accounts and Receivables.

“Branch Employees” means the persons employed by Seller or any Affiliate of Seller (other than any Bank Entity), who provide services primarily in connection with the Business (including any who are absent from work on account of vacation, jury duty, funeral leave, personal day, sickness, short- or long-term disability, workers compensation leave, military leave, leave under the Family Medical Leave Act or other approved leave of absence), and who are listed on the Branch Employees Schedule.

“Branches” means the branch offices of Seller in the USVIs located at the following locations: (1) 214C Altona and Welgunst, Charlotte Amalie, VI 00802 and (2) 4500 Estate Diamond Christiansted, VI 00820.

“Business” means the business conducted at or out of the Branches, including banking, deposit-taking, and lending activities.

“Cash on Hand” means all U.S. and non-U.S. (with non-U.S. cash being valued on a U.S.-dollar equivalent basis based on the applicable exchange rate as of the USVI Effective Time) cash on hand at the Branches or in the Purchased ATMs as of the close of business on the day immediately preceding the USVI Closing Date, including vault cash, petty cash, tellers’ cash, prepaid postage and cash equivalents (exclusive of the contents of any safe deposit boxes) located at the Branches or in the Purchased ATMs, as determined by a cash count to be mutually conducted by Seller and Purchaser.

“Closing Payment” has the meaning specified in Section 3.2(b).

“Comparable Job Offer” has the meaning specified in Section 7.1(a).

“Competitive Business” has the meaning specified in Section 6.8(b).

“Dispute Notice” has the meaning specified in Section 3.3(c).

“Disputed Items” has the meaning specified in Section 3.3(c).

“Draft Allocation Statement” has the meaning specified in Section 3.4(a).

“Employee Plan” has the meaning specified in Section 5.1(r)(2).

“Environment” means any soil, surface waters, wetlands, groundwaters, sediments, surface or subsurface strata, ambient air and any other environmental medium.

“Estimated Closing Statement” has the meaning specified in Section 3.2(a).

“Estimated Purchase Price” has the meaning specified in Section 3.2(a).

“Excluded Assets” means all assets, rights, contracts and claims of Seller and its Affiliates that are not Purchased Assets, including, for the avoidance of doubt, (1) all real property or real property interests of Seller and its Affiliates, other than the Owned Real Property and the ATM Real Property Leases; (2) any Intellectual Property of Seller and its Affiliates, including all right, title and interest in and to all proprietary or licensed software, systems or programs or computer software agreements of Seller and its Affiliates and any rights (owned, licensed or otherwise) to any Seller Marks and any other Trademarks of Seller or its Affiliates but excluding the Purchased IT and Intellectual Property licensed pursuant to any Assumed Contracts; (3) all assets related to the Employee Plans; (4) all claims or rights of Seller or its Affiliates to Tax refunds, credits, overpayments, prepayments and benefits (including interest) for any Pre-Closing Period; and (5) all insurance policies of Seller and its Affiliates and claims accrued thereunder.

“Excluded Books and Records” means (1) any Books and Records that cannot be transferred under applicable Law; (2) Tax Returns of Seller (except to the extent related solely to the Business, the Purchased Assets or the Assumed Liabilities (on a standalone basis)); (3) corporate minute books of Seller or any of its Affiliates; (4) records of Seller or its Affiliates (other than the Bank Entities) such as Seller customer lists (other than Branch Customer lists) or other information regarding Seller’s broader regional or global operations and (5) any books, records, or other data that are not otherwise included in the definition of Books and Records.

“Excluded Liabilities” has the meaning specified in Section 2.2(b).

“Final Allocation Statement” has the meaning specified in Section 3.4(a).

“Final Closing Statement” has the meaning specified in Section 3.3(a).

“Final Purchase Price” has the meaning specified in Section 3.3(a).

“Final Schedules” has the meaning specified in Section 3.6(b).

“FIRPTA Withholding Certificate” has the meaning specified in Section 3.5(a).

“Form of Allocation Statement” has the meaning specified in Section 3.4(a).

“Hazardous Material” means any pollutant, contaminant, hazardous substance, hazardous material or hazardous waste as defined under any Environmental Law, including any petroleum product, asbestos-containing material, polychlorinated biphenyl or radon.

“Hire Date” has the meaning specified in Section 7.1(a).

“Inactive Branch Employee” has the meaning specified in Section 7.1(a).

“Loan Documents” means Seller’s loan file for, and all other documents maintained by or on behalf of Seller in respect of, the Purchased Loans, the Purchased Credit Card Accounts and Receivables and the Assumed Letters of Credit, including each of the following, as applicable to any individual Purchased Loan, Purchased Credit Card Account and Receivables or Assumed Letters of Credit: (1) Contracts evidencing or entered into in connection with the Purchased Loans, the Purchased Credit Card Accounts and Receivables or the Assumed Letters of Credit, including commitment letters, loan agreements, participation agreements, guarantees, sureties, reimbursement agreements, pledge agreements, intercreditor agreements, security and collateral agreements, mortgages and deeds of trust; (2) all original promissory notes (or a “lost note affidavit and indemnity” executed by Seller); (3) all loan applications, appraisals, credit reports, disclosures, certificates, titles to collateral (titles to cars, boats, etc.) and other documents evidencing interests in collateral securing any Purchased Loan (e.g., original stock certificates); (4) all verifications (including employment verification, deposit verification, etc.); (5) financial statements of borrowers and guarantors, other financial information, Tax returns, insurance information, credit approval memoranda, taxpayer identification number certifications and records relating thereto; (6) title insurance policies with respect to Purchased Loans secured by real property; (7) foreclosure documents in respect of any “other real estate owned” and (8) all modifications, waivers and consents relating to any of the foregoing.

“Multiemployer Plan” has the meaning specified in Section 5.1(r)(5).

“Net Book Value” means (1) in the case of the Purchased Loans, (A) the gross book value of the Purchased Loans as of the close of business on the day immediately preceding the USVI Closing Date *minus* (B) the greater of (x) \$6,700,000.00 or (y) the amount of any associated allowance, reserve or other contra-asset account as of the close of business on the day immediately preceding the USVI Closing Date; provided that the amount set forth in clause (x) shall be reduced by the total amount of any reserves or contra-asset account in respect of Purchased Loans that are sold, charged off in full or otherwise removed from the portfolio of loans comprising the Purchased Loans; (2) in the case of any other Purchased Assets, the book value of such Purchased Assets as of the close of business on the day immediately preceding the USVI Closing Date net of any associated allowance, reserve or other contra-asset account as of the close of business on the day immediately preceding the USVI Closing Date and (3) in the case of any Assumed Liabilities, the book value of such Assumed Liabilities as of the close of business on the day immediately preceding the USVI Closing Date, in the case of clauses (1) through (3), subject to the following sentence, as reflected in Seller’s systems of record maintained in the ordinary course of business consistent with past practice. Net Book Value, and each component thereof, will be calculated in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures that are described in the Sample Closing Statement Schedule and used in the calculations set forth in therein).

“New Plan” has the meaning specified in Section 7.1(f).

“Old Plan” has the meaning specified in Section 7.1(f).

“Other Assets” has the meaning specified in the definition of “Purchased Assets”.

“Owned Real Property” means the real property listed on the Owned Real Property Schedule and related improvements and fixtures (including, without duplication of any Purchased ATMs, any ATMs located on such real property), together with all real property rights, benefits and appurtenances pertaining thereto.

“Parent” has the meaning specified in the Preamble.

“Permits” has the meaning specified in Section 5.1(e).

“Permitted Liens” means (a) mechanics’, materialmen’s, warehousemen’s, carriers’, workers’, landlord’s or repairmen’s liens or other similar common law or statutory Liens arising or incurred in the ordinary course of business; (b) liens for Taxes, assessments and other governmental charges not yet due and payable or due but not delinquent or being contested in good faith by appropriate proceedings and for which reserves have been established on the financial statements related to the Business, the Branches, the Purchased Assets or the Assumed Liabilities to the extent required under GAAP; (c) non-exclusive licenses or similar rights with respect to Intellectual Property incurred in the ordinary course of business; and (d) gaps in the chain of title with respect to Owned Real Property that are readily apparent from the records of the applicable Governmental Authority registries.

“Permitted Objection” has the meaning specified in Section 3.3(c).

“Personal Data” means information held by or on behalf of Seller in connection with the Purchased IT that can reasonably be used to identify an individual natural person, including name, street address, telephone number, email address, photograph, social security number or tax identification number, driver’s license number, passport number, credit card number, bank information, biometric identifiers, geolocation or any other piece of information, or any other information defined as “personal data,” “personally identifiable information,” “individually identifiable health information,” “protected health information” or “personal information” under any applicable Law and that is regulated by such Law.

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the USVI Closing Date.

“PR Purchase Agreement” means the Sale and Purchase Agreement (PR), dated the date hereof, between Seller and Purchaser and, solely for the purposes expressly provided therein, Parent, including the Schedules and Exhibits thereto, as may be amended or restated from time to time.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or prior to the USVI Closing Date.

“Pre-Closing Taxes” means (1) Taxes of Seller or the Branches for any Pre-Closing Period, including Taxes allocable to the pre-Closing portion of any Straddle Period pursuant to Section 8.7, (2) Transfer Taxes allocated to the Seller pursuant to Section 8.3, (3) any Taxes imposed as a result of any action taken pursuant to Section 6.12 and (4) withholding Taxes imposed under Section 1445 of the Code or analogous provision of United States Virgin Islands Tax Law on the purchase of real property interests (including the Owned Real Property) hereunder.

“Prepaid Charges” means all prepaid charges and fees of Seller and its Affiliates to the extent arising in the Branches or otherwise relating to the Business and existing as of the USVI Effective Time.

“Previously Disclosed” means, in response or as an exception to any particular representation, warranty or covenant set forth in this USVI Purchase Agreement, information set forth in the corresponding Section of the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be; it being understood that (a) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (b) the mere inclusion of an item in the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as applicable, as an exception to a representation or warranty shall not be deemed an admission by Seller or Purchaser, as applicable, that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect, (c) disclosure in any Section of the Seller Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, as an

exception to, or in response to, any representation or warranty will be deemed to be a disclosure with respect to any other representation, warranty or covenant in this USVI Purchase Agreement to the extent that the relevance of such disclosure is reasonably apparent from the face of such disclosure, (d) no reference to or disclosure of any item in the Seller Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, shall be construed as an admission that such item was required to be referenced or disclosed or is material, (e) no reference to a possible breach of contract or applicable Law shall be deemed an admission that any such breach exists or actually occurred and (f) no Person may rely on the Seller Disclosure Schedules other than Purchaser and Parent and no Person may rely on the Purchaser Disclosure Schedules other than Seller.

“Prorated Items” has the meaning specified in Section 3.3(b).

“PR Closing” means the closing of the sale and purchase of the Purchased Assets (as defined in the PR Purchase Agreement) and the assumption of the Assumed Liabilities (as defined in the PR Purchase Agreement) pursuant to the PR Purchase Agreement.

“Purchase Price” has the meaning specified in Section 3.1.

“Purchased Assets” means all right, title, interest and obligations of Seller and its Affiliates (other than the Bank Entities) in, to, and under the following assets: (1) the Purchased Loans; (2) the Assumed Contracts (including any accounts receivable owing by third parties related thereto); (3) the Assumed Letters of Credit; (4) Transferred Business Relationship Information; (5) the Loan Documents; (6) the Purchased IT; (7) the ATM Real Property Leases; (8) the Purchased ATMs; (9) the Owned Real Property; (10) the Purchased Personal Property; (11) the Purchased Credit Card Accounts and Receivables; (12) the Purchased Overdrafts; (13) the Prepaid Charges; (14) Cash on Hand; (15) the Books and Records (other than any Excluded Books and Records) and (16) all other assets used exclusively in connection with, or exclusively related to, the Business (this clause (16), “Other Assets”).

“Purchased ATMs” means the ATM units that are owned by Seller or its subsidiaries in connection with the Business, a list of which, as of the date hereof, is set forth on the Purchased ATMs Schedule.

“Purchased Credit Card Accounts and Receivables” means the accounts and Receivables related to the general purpose credit cards issued by Seller or an Affiliate of Seller to Branch Customers, including those accounts and Receivables that are listed on the Purchased Credit Card Accounts and Receivables Schedule (as updated pursuant to Section 3.6), together with Accrued Interest and Fees with respect thereto.

“Purchased IT” means the computers, software, firmware, middleware, servers, workstations, routers, hubs, switches, data communications lines and all other information technology-related assets, and all associated documentation located at the Branches or otherwise used exclusively at the Branches; provided that, for the avoidance of doubt, Purchased IT shall not include any proprietary or global software, applications, programs or systems of Seller or any of its Affiliates.

“Purchased Loans” means (1) the loans made or purchased by Seller or its Affiliates (other than any Bank Entity) that are (x) (A) booked as of the date hereof or (B) booked after the date hereof in the ordinary course of business consistent with past practice, in each case at the Branches, and (y) listed on the Purchased Loans Schedule (as updated pursuant to Section 3.6), (2) all right, title, interest and obligations of Seller and its Affiliates (other than any Bank Entity) in, to, and under all security interests, mortgages or credit support in respect of any loan contemplated by clause (1) and (3) all Accrued Interest and Fees with respect to any loan contemplated by clause (1).

“Purchased Overdrafts” means overdrafts (whether specifically extended or courtesy) of the book balance of any Assumed Deposits, together with Accrued Interest and Fees with respect thereto.

“Purchased Personal Property” means the furniture, equipment, materials and supplies owned or purported to be owned by Seller or any of its Affiliates (other than any Bank Entity) as of the USVI Effective Time and located at the Branches.

“Purchaser” has the meaning specified in the Preamble.

“Purchaser 401(k) Plan” has the meaning specified in Section 7.1(h).

“Purchaser Disclosure Schedules” means the schedules delivered by Purchaser to Seller in accordance with the terms and conditions of this USVI Purchase Agreement on or prior to the date of this USVI Purchase Agreement.

“Receivables” means any amount posted as owing by an obligor under any credit card account, including any amounts owing for the payment of goods and services, cash advances, cash advance fees, access check fees, annual card membership fees, accrued interest and any other fee, expense or charge of every nature, kind and description whatsoever, less any amount owed by Seller or any of its Affiliates to the obligor as a credit balance, but only to the extent that such amounts owed by the obligor are owned by Seller or its Affiliates.

“Release” shall mean any release, migration, seepage, discharge, or disposal into the Environment, including as any of the foregoing may be defined in or pursuant to any Environmental Laws.

“Requisite USVI Regulatory Approvals” means the regulatory notices and approvals listed on the Requisite USVI Regulatory Approvals Schedule.

“Restricted Activities” has the meaning specified in Section 6.8(b).

“Restricted Period” has the meaning specified in Section 6.8(b).

“Restrictive Covenants” has the meaning specified in Section 8.4(a).

“Review Period” has the meaning specified in Section 3.3(c).

“Safe Deposit Agreements” means all safe deposit Contracts and leases for safe deposit boxes located at the Branches.

“Seller” has the meaning specified in the Preamble.

“Seller 401(k) Plan” means any Employee Plan of Seller that is a tax-qualified defined contribution retirement plan within the meaning of Section 401 (k) of the Code.

“Seller Disclosure Schedules” means the schedules delivered by Seller to Purchaser in accordance with the terms and conditions of this USVI Purchase Agreement on or prior to the date of this USVI Purchase Agreement.

“SPA” means the Stock Purchase Agreement, dated the date hereof, between Seller and Purchaser and, solely for the purposes expressly provided therein, Parent, including the Schedules and Exhibits thereto, as may be amended or restated from time to time.

“Taxing Authority” means any Governmental Authority having or purporting to exercise jurisdiction or collection or management functions with respect to any Tax (including the Canada Revenue Agency).

“Transferred Branch Employees” has the meaning specified in Section 7.1(a).

“Transferred Business Relationship Information” means, with respect to the Purchased Assets or the Assumed Liabilities, and to the extent held or controlled by or on behalf of Seller or any of Seller’s Affiliates, (1) all applicable customer identifying information with respect to each Branch Customer, (2) all account information and transaction information relating to the Purchased Assets and Assumed Liabilities and (3) all account signature cards.

“Unreplaced Letter of Credit” has the meaning specified in Section 6.14(b).

“USVI Closing” means the consummation of the (1) transfer of the Branches and the Purchased Assets, (2) assumption of the Assumed Liabilities and (3) payment of the Closing Payment, in each case, as contemplated by this USVI Purchase Agreement.

“USVI Closing Date” means the date on which the USVI Closing under this USVI Purchase Agreement takes place.

“USVI Effective Time” means 12:01 AM New York time on the USVI Closing Date.

“USVI Outside Date” has the meaning specified in Section 10.1(c).

“USVI Purchase Agreement” means this Sale and Purchase Agreement (USVI), including the Schedules and Exhibits hereto, as may be amended or restated from time to time.

Section 1.2 Other Defined Terms. Capitalized terms used but not otherwise defined herein are defined in the SPA and incorporated herein by reference.

Section 1.3 Interpretation. Section 1.02 of the SPA is incorporated herein by reference *mutatis mutandis*.

ARTICLE II

SALE AND PURCHASE OF PURCHASED ASSETS AND ASSUMPTION OF ASSUMED LIABILITIES

Section 2.1 Sale and Purchase of Purchased Assets.

(a) At the USVI Closing and effective as of the USVI Effective Time, subject to the terms and conditions set forth in this USVI Purchase Agreement, Seller will sell, assign, transfer, convey and deliver, or cause one or more of its Affiliates to sell, assign, transfer, convey and deliver, to Purchaser, and Purchaser will purchase, acquire and accept from Seller or its applicable Affiliates, all right, title, interest and obligations of Seller or its applicable Affiliates in, to, and under the Purchased Assets, free and clear of all Liens, other than Permitted Liens, any Liens on “other real estate owned” or any Liens that have been Previously Disclosed.

(b) Notwithstanding anything to the contrary in Section 2.1(a), Purchaser will not purchase, assume or otherwise acquire, and Seller and its Affiliates (other than any Bank Entity) will retain all the rights, title and interest in and to, the Excluded Assets.

(c) Each of Purchaser and Seller understands and agrees that (i) Purchaser is purchasing hereunder only the Purchased Assets (and assuming hereunder only the Assumed Liabilities) specified in this USVI Purchase Agreement and (ii) without limiting Section 6.8 of this USVI Purchase Agreement and Section 4.08(c) of the SPA, Purchaser has no interest in any other relationship which Seller or any of its Affiliates (other than the Bank Entities) has or may have with any Branch Customer or any other customer of Seller or any of its Affiliates (other than the Bank Entities). Subject to Section 4.18 of the SPA, each of Purchaser and Seller further understands and agrees that Seller and its Affiliates are retaining any and all indemnification or reimbursement rights which any of them has with respect to the Purchased Assets and the Assumed Liabilities to the extent that such rights or claims relate to the operation of the Branches prior to, the USVI Closing Date, unless such rights or claims are Purchased Assets or Assumed Liabilities.

Section 2.2 Assumption of Liabilities.

(a) At the USVI Closing and effective as of the USVI Effective Time, subject to the terms and conditions set forth in this USVI Purchase Agreement, Seller will assign, and Purchaser will assume and will, as they become due, pay, perform and discharge the Assumed Liabilities. Purchaser's obligations under this Section 2.2(a) shall not be subject to offset or reduction by reason of any actual or alleged breach of any representation, warranty or covenant of this USVI Purchase Agreement or any right or alleged right to indemnification under this USVI Purchase Agreement.

(b) Notwithstanding anything to the contrary set forth in this USVI Purchase Agreement, other than the Assumed Liabilities, neither Purchaser nor any of its Affiliates will assume any liability or obligation of Seller or any of its Affiliates under this USVI Purchase Agreement, and Seller and its Affiliates shall retain all of its and their other liabilities and obligations that are not Assumed Liabilities, including those arising (whether before or after the USVI Effective Time) from (i) the operation of the Business, the operation of the Branches, the administration of the Purchased Assets or the administration of the Assumed Liabilities, in each case of the foregoing, during the period prior to the USVI Effective Time, including as a result of any act or omission by Seller and its Affiliates prior to the USVI Effective Time; (ii) Pre-Closing Taxes; (iii) (A) any Employee Plan or (B) any liability or obligation expressly retained by Seller under this USVI Purchase Agreement (including under Section 7.1(e)) and (iv) the Excluded Assets (collectively, the "Excluded Liabilities"); provided, however, that "Excluded Liabilities" will not include any liabilities or obligations to the extent arising from Purchaser's operation of the Business, operation of the Branches, administration of the Purchased Assets or administration of the Assumed Liabilities, in each case of the foregoing, during the period following the USVI Effective Time notwithstanding that such liability or obligation arising following the USVI Effective Time may have resulted from business practices or conduct that is consistent with the business practices or conduct of Seller or any of its Affiliates with respect to the operation of the Business, the operation of the Branches, the administration of the Purchased Assets or the administration of the Assumed Liabilities, in each case of the foregoing, prior to the USVI Effective Time, in which case Seller shall be liable in respect of such matter only up to the USVI Effective Time.

ARTICLE III

PURCHASE PRICE; CLOSING STATEMENT; CLOSING PAYMENT; ADJUSTMENTS

Section 3.1 Purchase Price. On the terms and subject to the conditions set forth in this USVI Purchase Agreement, in consideration of the sale and the transfer of the Purchased Assets and the assumption of the Assumed Liabilities, Purchaser will, in accordance with Sections 3.2(b) and 3.3, pay to Seller in the manner provided herein an amount equal to the sum of the following (the "Purchase Price"): (a) \$10,000,000; plus (b) the aggregate face

amount of Cash on Hand; plus (c) the sum of the aggregate Net Book Values, as of the USVI Effective Time, of each of the following: the Owned Real Property, Purchased Personal Property, the Purchased IT, the Purchased ATMs, the Purchased Loans (including Accrued Interest and Fees), the Assumed Letters of Credit (including Accrued Interest and Fees), the Purchased Overdrafts (including Accrued Interest and Fees), the Purchased Credit Card Accounts and Receivables (including Accrued Interest and Fees) and the Prepaid Charges, plus (d) the fair market value, as mutually agreed to by Purchaser and Seller in good faith, of any Other Assets that Purchaser elects to include as Purchased Assets in accordance with Section 6.17(1).

Section 3.2 Estimated Closing Statement; Payment of Estimated Purchase Price.

(a) Not fewer than three (3) Business Days prior to the USVI Closing Date, Seller shall deliver to Purchaser a statement substantially in the form included in the Sample Closing Statement Schedule, and prepared in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures used in the calculations set forth in the Sample Closing Statement Schedule) (the "Estimated Closing Statement") showing the calculation of (1) Seller's good faith estimate of the Purchase Price as of the most recent available month end prior to the USVI Closing Date (such amount, the "Estimated Purchase Price"), (2) the aggregate Net Book Value of the Assumed Liabilities as of the most recent available month end prior to the USVI Closing Date and (3) the resulting calculation of the Closing Payment (as defined below), in each case accompanied by reasonably detailed calculations thereof and reasonable supporting documentation.

(b) At the USVI Closing, Seller will pay, or cause to be paid to Purchaser, an amount (the "Closing Payment") equal to the aggregate Net Book Value of the Assumed Liabilities (including any Accrued Interest and Fees) minus the Estimated Purchase Price, by electronic wire transfer of immediately available funds to an account or accounts designated by Purchaser; provided, however, that if the Closing Payment is a negative number, then Purchaser will pay, or cause to be paid to Seller, the absolute value of the Closing Payment, by electronic wire transfer of immediately available funds to an account or accounts designated by Seller.

Section 3.3 Final Closing Statement, Allocation of Fees and Expenses, and Post-Closing Adjustment.

(a) As soon as reasonably practicable, but in no event more than sixty (60) days following the USVI Closing Date, Purchaser shall deliver to Seller a statement substantially in the form included in the Sample Closing Statement Schedule, calculated as of the USVI Effective Time, and prepared in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures described in the Sample Closing Statement Schedule and used in the calculations set forth in the Sample Closing Statement Schedule), showing the

calculation of (1) the Purchase Price as of the USVI Effective Time (such amount, the “Final Purchase Price”), (2) the aggregate Net Book Value of the Assumed Liabilities as of the USVI Effective Time and (3) the resulting Closing Payment as of the USVI Effective Time, and the allocation of any amounts in accordance with Section 3.3(b) (the “Final Closing Statement”), in each case accompanied by reasonably detailed calculations thereof and reasonable supporting documentation. In connection with Purchaser’s preparation of the Final Closing Statement but subject to the last sentence of this Section 3.3(a), Seller shall, and shall cause its Affiliates to, afford Purchaser, Purchaser’s Affiliates and Purchaser’s Representatives reasonable access to all books, records, work papers, documentation and supporting data, used in connection with, and to any employees and accountants of Seller or any of its Affiliates involved in, the preparation of the Estimated Closing Statement. During the Review Period (as defined below), in connection with Seller’s review of the Final Closing Statement, but subject to the last sentence of this Section 3.3(a), Purchaser shall, and shall cause its Affiliates to, afford Seller, Seller’s Affiliates and Seller’s Representatives reasonable access to all books, records, work papers, employees and accountants involved in, the preparation of the Final Closing Statement. Notwithstanding the foregoing, (i) any information provided pursuant to this Section 3.3(a) shall be subject to Section 6.6 and (ii) nothing set forth in this Section 3.3(a) or Section 3.3(c) shall require Seller, Purchaser or any of their respective Affiliates or Representatives to disclose to any Person, including the Accounting Firm (as defined below), (x) any information if providing such information could reasonably be expected to jeopardize any attorney-client privilege or would violate applicable Law or (y) any work papers of its auditors unless and until the Person receiving such information has signed a customary confidentiality and hold harmless agreement relating to such work papers in form and substance reasonably acceptable to such auditors.

(b) Except as otherwise provided in this USVI Purchase Agreement, all items of income, operating expenses, prepayments and fees relating to the Purchased Assets and the Assumed Liabilities, whether accrued or prepaid on or prior to the USVI Closing Date (including wages, salaries, rents, equipment charges, safe deposit fees, utility payments, and any bank insurance fund fees, premiums or assessments) (“Prorated Items”) that relate to both the Pre-Closing Period and the Post-Closing Period and that are not otherwise reflected in the Final Closing Statement, shall be prorated between Seller, on the one hand, and Purchaser, on the other hand, based on the full amount of the latest available bills or statements on the basis of a three hundred sixty-five (365)-day calendar year (except to the extent accrued on a three hundred sixty (360)-day calendar year, in which case proration shall be based on a three hundred sixty (360)-day calendar year) as of the USVI Effective Time. Each of Seller and Purchaser will cooperate and provide all supporting information necessary to determine the amount and proration of such Prorated Items. Any necessary payments to reflect such proration shall be reflected in the Final Closing Statement. To the extent that any Prorated Items described in this Section 3.3(b) are not discovered or the actual amount thereof is not known prior to the final determination of the Final Closing Statement, the parties shall cooperate with one another so that Seller and Purchaser each pays its appropriate share of any such Prorated Items, depending upon whether such Prorated Items relate to the period before or after the USVI Effective Time.

(c) Except as otherwise expressly provided in this Section 3.3(c), the Final Closing Statement, and each component thereof, including the amount of the Closing Payment set forth therein, will be final and binding on the parties, unless, within thirty (30) days after receipt by Seller of the Final Closing Statement (the "Review Period"), Seller shall notify Purchaser in writing (a "Dispute Notice") of its disagreement with any amount included therein or omitted therefrom, in each case, solely on the basis of (i) mathematical error or (ii) the Final Closing Statement or any amount therein or component thereof not being prepared or calculated in accordance with the terms of this USVI Purchase Agreement (each, a "Permitted Objection"). The Dispute Notice must be accompanied by reasonable supporting documentation and set forth in reasonable detail the basis for each Permitted Objection and the specific adjustments to the applicable items set forth in the Final Closing Statement which Seller proposes should be made. If, during the Review Period, Seller so submits a Dispute Notice, and Seller and Purchaser are unable to resolve the Permitted Objections set forth in the Dispute Notice within fifteen (15) Business Days following the receipt by Purchaser of the Dispute Notice (including all such reasonable supporting documentation), such unresolved items (the "Disputed Items") will be referred to, promptly thereafter, and determined by a nationally recognized independent accounting firm selected by mutual written agreement of Seller and Purchaser (the "Accounting Firm"). The Accounting Firm will have authority to resolve only the Disputed Items and shall make its determination based solely on written submissions to the Accounting Firm by the parties and their respective Representatives or any oral presentations requested by the Accounting Firm but, in any event, not by independent investigation. Within ten (10) Business Days following the submission of any Disputed Items to the Accounting Firm, Seller and Purchaser shall concurrently deliver supporting documentation (in writing) to the Accounting Firm (with a copy to the other party). The parties agree that all communications with or to the Accounting Firm will include the other party and that there will be no ex parte communications with the Accounting Firm (including with the personnel of the Accounting Firm assigned to resolve such disputes) with respect to any Disputed Items. The parties shall instruct the Accounting Firm to render its decision resolving such Disputed Items within fifteen (15) Business Days after such written submissions (or, if later, the date of any oral presentation requested by the Accounting Firm), resolving only those Disputed Items specifically submitted to the Accounting Firm. In resolving any Disputed Item, the Accounting Firm: (1) will be bound by the applicable provisions set forth in this USVI Purchase Agreement, including the applicable definitions, (2) will limit its review to the Disputed Items submitted to the Accounting Firm in the written submissions of the parties hereto and shall not investigate matters independently, (3) will not undertake to resolve any dispute regarding the legal interpretation of this USVI Purchase Agreement and (4) will not assign to any individual item a value greater than the greatest value, or lower than the lowest value, for such individual item claimed by any party hereto. The fees and disbursements of the Accounting Firm will be allocated between Seller and Purchaser in the same proportion that the aggregate amount of such remaining Disputed Items so submitted to the Accounting Firm that is unsuccessfully disputed by each such party (as finally determined

by the Accounting Firm) bears to the total amount of such Disputed Items so submitted. The parties agree that the resolution of disputes with respect to the calculations and amounts set forth in the Final Closing Statement (including the calculation of the Closing Payment and the allocation of any amounts in accordance with Section 3.3(b)) (x) will be governed, solely and exclusively, by the procedures set forth in this Section 3.3(c), except that nothing set forth in this Section 3.3(c) will preclude any party from commencing any action, suit or proceeding to compel specific performance of this Section 3.3(c) or to enforce the determination of the Accounting Firm and (y) will be conclusive and binding on the parties when rendered by the Accounting Firm, except, in each case, in the case of fraud, intentional misconduct or manifest error. Notwithstanding anything in this USVI Purchase Agreement to the contrary, the Accounting Firm will act as an expert and not an arbitrator.

(d) Within ten (10) days following the determination of the Final Closing Statement, Seller and Purchaser shall effect the transfer of any funds as may be necessary to reflect the differences between the Estimated Closing Statement and the Final Closing Statement and resulting adjustments to the calculation of the Closing Payment.

Section 3.4 Allocation of Purchase Price.

(a) Within ninety (90) days after the USVI Closing Date, Seller shall prepare and deliver to Purchaser a draft of a statement, prepared in the manner and in the form mutually agreed between Seller and Purchaser at least thirty (30) days prior to the USVI Closing (the "Form of Allocation Statement"), setting forth the calculation of the aggregate amount of consideration (including the Purchase Price and Assumed Liabilities) paid by Purchaser in respect of the Purchased Assets, and the proposed allocation of such consideration among the Purchased Assets (the "Draft Allocation Statement"). If within thirty (30) days after Purchaser's receipt of the Draft Allocation Statement, Purchaser shall not have objected in writing to such Draft Allocation Statement, then the Draft Allocation Statement shall become final. In the event that Purchaser objects in writing within such thirty-(30) day period, Seller and Purchaser shall negotiate in good faith to resolve the dispute and arrive at a final allocation statement. If the parties are unable to resolve any such issue by thirty (30) days after the date of receipt by Seller of the request for changes, a nationally recognized, independent accounting firm selected by mutual agreement between Seller and Purchaser shall determine the allocation of the Purchase Price and Assumed Liabilities among the Purchased Assets in accordance with the provisions of Section 3.3(c), which shall apply *mutatis mutandis* (the allocation statement, as becomes final, as is agreed between the parties, or as determined by the independent accounting firm, the "Final Allocation Statement").

(b) Seller and Purchaser shall report an allocation of the aggregate amount of consideration paid by Purchaser in respect of the Purchased Assets (and in respect of the Purchased Assets acquired in respect of the Branches) in a manner entirely consistent with the Final Allocation Statement and shall not take any position inconsistent therewith in the preparation of financial statements, the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax Returns, except as required by a final determination.

Section 3.5 Withholding.

(a) Purchaser shall be entitled to withhold any amounts (determined in Purchaser's reasonable discretion) that are required to be withheld from the Purchase Price (including Assumed Liabilities) pursuant to Section 1445 of the Code or comparable provisions of the U.S. Virgin Islands Tax Law; provided, however, that if Seller furnishes Purchaser a duly completed and authorized withholding certificate, comparable to the certificate described in Section 1445(b)(4) of the Code and United States Treasury Regulations Section 1.1445-3, issued by the U.S. Virgin Islands Bureau of Internal Revenue and stating the amount required to be withheld, if any, with respect to the Purchase Price (a "FIRPTA Withholding Certificate"), Purchaser shall not be entitled to withhold amounts from the Purchase Price in excess of the amounts of withholding indicated as required on such FIRPTA Withholding Certificate.

(b) Except as set forth in Section 3.5(a), as of the date of this USVI Purchase Agreement, to the Knowledge of the Parties after obtaining the advice of qualified counsel in the relevant jurisdiction, there is no requirement that any Taxes are required to be withheld by any Party from any payment under this USVI Purchase Agreement (other than the withholding described in Section 3.5(a)) and, to the extent that any Party becomes aware of any such requirement (other than the withholding described in Section 3.5(a)), it will notify the other Party of such requirement at least ten (10) Business Days prior to the USVI Closing Date and provide a reasonable opportunity for such other Party to provide forms or evidence that would exempt such amounts from withholding. The applicable withholding Party shall promptly deliver to the other Party copies of any receipts provided to it by a Taxing Authority in respect of withholding Tax and any other proof reasonably requested by such other Party showing payment of any withholding Tax to the relevant Taxing Authority. Notwithstanding the foregoing, Parent, Purchaser, and any of their applicable Subsidiaries will be entitled to deduct and withhold from the Purchase Price and any amounts otherwise payable pursuant to this USVI Purchase Agreement such amounts as such entities reasonably determine are required to be deducted and withheld with respect to the making of such payment under the Code, the PR Code, or any provision of applicable Tax Law. Any amounts withheld and paid over to an applicable Governmental Authority will be treated for all purposes of this USVI Purchase Agreement as having been made to the Person in respect of which such deduction and withholding was made.

Section 3.6 Updated Schedules.

(a) On or before the tenth (10th) Business Day following the end of every second month (beginning with the end of August) between the date hereof and the USVI Closing Date, Seller shall deliver to Purchaser updated versions of the following schedules, so that they are presented as of the last day of the immediately preceding month: Assumed Contracts Schedule, Assumed Deposits Schedule, Assumed Letters of Credit Schedule, Purchased

Credit Card Accounts and Receivables Schedule and Purchased Loans Schedule. No fewer than five (5) Business Days prior to the USVI Closing Date, Seller shall deliver to Purchaser updated versions of the foregoing schedules, so that they are presented as of the last day of the immediately preceding month. The schedules referred to in this Section 3.6(a) will be prepared by Seller using the same methodologies, criteria and practices used by Seller to prepare the corresponding Schedules delivered on the date of this USVI Purchase Agreement.

(b) Within sixty (60) days after the USVI Closing Date, Purchaser shall deliver to Seller updated versions of the following schedules, so that they are presented as of the USVI Effective Time (such schedules, collectively, the “Final Schedules”): Assumed Contracts Schedule, Assumed Deposits Schedule, Assumed Letters of Credit Schedule, Purchased Credit Card Accounts and Receivables Schedule and Purchased Loans Schedule. The Final Schedules will be prepared by Purchaser using the same methodologies, criteria and practices used by Seller to prepare the corresponding Schedules delivered on the date of this USVI Purchase Agreement.

Section 3.7 Delivery of Books and Records and Other Information. Seller shall use reasonable best efforts to deliver or cause to be delivered on the USVI Closing Date (or, if not so delivered on the USVI Closing Date, Seller shall deliver or cause to be delivered as promptly as reasonably practicable after the USVI Closing Date (and, with respect to the Loan Documents, in any event not later than the thirtieth (30th) day after the USVI Closing Date)), at Seller’s cost, to Purchaser (i) copies of all Books and Records (other than Excluded Books and Records) in the possession or control of Seller or any of its Affiliates and (ii) the Loan Documents in the possession or control of Seller or any of its Affiliates (including, in the case of this clause (ii), providing endorsements with respect to title insurance policies for the Purchased Loans secured by real property). To the extent that any Books and Records or Loan Documents are not in the possession or control of Seller or any of its Affiliates (other than any Books and Records or Loan Documents that are located at the storage facility described in Section 3.7 of the Seller Disclosure Schedule (the “Storage Facility”)), Seller shall cooperate in good faith with Purchaser to deliver or cause to be delivered, on the USVI Closing Date and at Seller’s cost, to Purchaser copies of all of such Books and Records (other than any Excluded Books and Records) and Loan Documents. With respect to the Books and Records and Loan Documents located at the Storage Facility, Seller and Purchaser shall cooperate in good faith and use reasonable best efforts to seek to have such Books and Records and Loan Documents transferred from Seller’s agreements with the Storage Facility provider governing Seller’s documents maintained at the Storage Facility to Purchaser’s agreements with the Storage Facility provider governing Purchaser’s documents maintained at the Storage Facility (to the extent possible without any physical movement or relocation of any such Books and Records and Loan Documents). All costs and expenses incurred in connection with such transfer contemplated by the immediately preceding sentence shall be borne and paid by Seller, provided, that to the extent any costs and expenses are incurred in respect of the physical movement or relocation of Books and Records or Loan Documents required by the Storage Facility provider, such costs and expenses shall be borne and paid equally by Seller and Purchaser. In connection with the migration of the

Branches to the systems of Purchaser, the parties will agree on the scope of a conversion file (which shall include Transferred Business Relationship Information described in clause (2) of the definition thereof), including the time period for historical financial information and customer data, covered by the conversion file (including with respect to the Transferred Business Relationship Information described in clause (2) of the definition thereof).

ARTICLE IV

THE CLOSING

Section 4.1 Closing Time and Place.

(a) Subject to the satisfaction or waiver of the conditions set forth in Article IX, the USVI Closing shall take place simultaneously with the Closing in accordance with the SPA, but if any such conditions are not satisfied or waived on or prior to the Closing (other than the conditions that by their terms are to be satisfied at the USVI Closing, but subject to the satisfaction or waiver of all such conditions), (1) the USVI Closing will take place on the third Business Day following the day on which the last of the conditions in Article IX (other than the conditions that by their terms are to be satisfied at the USVI Closing, but subject to the satisfaction or waiver of all such conditions) has been satisfied or waived in accordance with this USVI Purchase Agreement, or (2) at such other place, time and date as the parties hereto may mutually agree. The transactions occurring at the USVI Closing shall be deemed effective as of the USVI Effective Time.

(b) At the USVI Closing:

(1) Seller will pay, or cause to be paid to Purchaser the Closing Payment in accordance with Section 3.2(b) unless the Closing Payment is negative, in which case Purchaser will pay, or cause to be paid to Seller, the absolute value of the Closing Payment accordance with Section 3.2(b);

(2) Each of Seller and Purchaser will execute and deliver a bill of sale and assignment and assumption agreement, in substantially the form attached hereto as Exhibit 4.1(b)(2) (the "Bill of Sale and Assignment and Assumption Agreement"), evidencing the transfer to Purchaser of all of the right, title and interest of Seller and its Affiliates in and to the Purchased Assets and Purchaser's assumption of the Assumed Liabilities;

(3) Seller will deliver to Purchaser (A) (x) a warranty deed for each parcel of the Owned Real Property (other than the Owned Real Property described in clause (y) of this Section 4.1(b)(3)) and (y) a special warranty deed for each parcel of "other real estate owned" and (B) subject to Section 3.7, (1) all of the fixed assets and other tangible personal property capable of physical delivery to the extent not located on or at the USVI Branches or Bank (including real property files and the keys to safe deposit boxes) constituting the Purchased Assets; (2) all collateral in the custody

or possession of Seller or any of its Affiliates (other than the Bank Entities) relating to the Purchased Loans, the Assumed Letters of Credit or the Purchased Credit Card Accounts and Receivables and (3) all funds held in escrow (if any) with respect to all Purchased Loans;

(4) Seller will deliver to Purchaser assignments of the ATM Real Property Leases, or if requested by the applicable landlord under any ATM Real Property Lease in respect of which a landlord consent is required, written evidence of the termination of the applicable ATM Real Property Lease will be provided and Purchaser will deliver new lease agreements with the applicable landlords of such ATM Real Property Leases, in either case evidencing such landlord's grant of the right of use or occupancy of the real property on which the applicable Purchased ATM is located; and

(5) as applicable, Seller and Purchaser will deliver the certificates referred to in Section 9.2(c) and Section 9.3(c), respectively.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Seller.

Except as Previously Disclosed, Seller represents and warrants to Purchaser, that:

(a) Organization. Seller is a Schedule I bank, duly organized, validly existing and in good standing under the Laws of Canada. Seller has all corporate (or similar) power and authority to own or lease the Purchased Assets and to operate the Business and the Branches as now operated and is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where its ownership of the Purchased Assets and the operation of the Business and the Branches as now operated makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(b) Authority; Capacity. Seller has the power and authority to enter into and perform its obligations under this USVI Purchase Agreement and any other documents and instruments executed by it pursuant hereto. The execution and delivery by Seller of this USVI Purchase Agreement and any other documents or instruments executed pursuant hereto to which Seller is or, as of the USVI Closing, will be a party, the performance by Seller of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action of Seller (or its applicable Affiliate) prior to the date of this USVI Purchase Agreement, and no further approvals or authorizations are required of Seller or any of its Affiliates in connection with the foregoing. This USVI Purchase Agreement has been duly executed and delivered by Seller and is a valid and legally binding obligation of Seller, and the other documents and instruments executed pursuant hereto

to which Seller (or an Affiliate) is or as of the USVI Closing will be a party have been, or at the USVI Closing will be, duly executed and delivered by Seller (or its applicable Affiliate) and assuming due authorization, execution, and delivery of this USVI Purchase Agreement and the other documents and instruments executed pursuant hereto by the other parties hereto and thereto, constitute, or at the USVI Closing will constitute, valid and binding agreements of Seller (or its applicable Affiliate), enforceable against Seller (in each case, or its applicable Affiliate) in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(c) Consents and Approvals. No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Seller in connection with the execution, delivery or performance by Seller of this USVI Purchase Agreement or any other documents and instruments executed pursuant hereto, or to effect the transactions contemplated hereby and thereby, except for (1) the Requisite USVI Regulatory Approvals and (2) such other consents, approvals, filings or registrations, the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. No consent of any Branch Customer is required for the purchase, sale, assignment or assumption of the Purchased Loans, the Assumed Deposits or the Purchased Credit Card Accounts and Receivables as contemplated hereby. As of the date hereof, Seller has no Knowledge of any fact, condition or circumstance with respect to Seller that would reasonably be expected to result in the material delay or denial of any of the Requisite USVI Regulatory Approvals and consents in order to permit consummation of the transactions contemplated hereby.

(d) Non-Contravention. Subject to the receipt of the approvals and consents referred to in Section 5.1(c) and the expiration of applicable waiting periods, the execution, delivery and performance by Seller of this USVI Purchase Agreement and any other documents or instruments executed pursuant hereto, the performance by Seller of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Seller or to a loss of any benefits to which Seller is entitled under any provision of (1) Seller's constituent documents, (2) any Law, regulation, judgment, injunction, order or decree binding upon Seller, other than violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or result in the creation or imposition of any Lien on any Purchased Assets, other than as a result of Purchaser's own circumstances, or (3) any material contract to which Seller or any of its Affiliates is a party or any material license, franchise, permit or similar authorization held by Seller, other than violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or result in the creation or imposition of any Lien on any Purchased Assets, other than as a result of Purchaser's own circumstances.

(e) Compliance with Law. Except as is not and would not reasonably be expected to be, individually or in the aggregate, material to the Business, the Branches, the Purchased Assets and the Assumed Liabilities taken as a whole, Seller: (1) is, and since January 1, 2016 has been, and the Business is, and since January 1, 2016 has been, in compliance with all Laws applicable to the Business, Purchased Assets, Assumed Liabilities and Branches; and (2) has, and at all relevant times since January 1, 2016 has had, all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities that are required in order to permit it to own or lease the Purchased Assets and Branches, to conduct and operate the Business and the Branches and to administer the Purchased Assets and Assumed Liabilities as conducted, operated and administered at the applicable time (collectively, "Permits"). Since January 1, 2016, all fees and assessments due and payable with respect to such Permits have been timely paid in full. Seller is, and at all relevant times since January 1, 2016 has been, in compliance with all such Permits, and all such Permits are in full force and effect and are current and no suspension or cancellation of any of them is pending or, to the Knowledge of Seller, threatened. Notwithstanding the foregoing, Purchaser acknowledges and agrees that Seller's representations and warranties under this Section 5.1(e) are not made with respect to Taxes, Tax Returns or related Tax matters.

(f) Litigation and Related Matters. Except as is not and is not reasonably expected to be, individually or in the aggregate, material to the Business, the Branches, the Purchased Assets and the Assumed Liabilities taken as a whole, no Action by or before any Governmental Authority is pending against Seller or its Affiliates, and, to the Knowledge of Seller, no such Action is threatened, in each case, concerning the Business, the Branches, any of the Purchased Assets or any of the Assumed Liabilities. There is no judgment, injunction, order, decree or regulatory restriction imposed upon, or to the Knowledge of Seller, threatened to be imposed upon the Business, any Branch, any Purchased Asset or Assumed Liability (or that, upon consummation of the transactions contemplated hereby, would apply to the Business, any Branch, any Purchased Asset or Assumed Liability) that is or would reasonably be expected to be, individually or in the aggregate, material to the Business, the Branches, the Purchased Assets and the Assumed Liabilities taken as a whole. As of the date hereof, there is no Action pending against, or to the Knowledge of Seller, threatened concerning the Purchased Assets, Assumed Liabilities or the Branches by or before any Governmental Authority which is reasonably likely, individually or in the aggregate, to prevent or materially delay the transactions contemplated hereby.

(g) No Brokers or Finders. Except for any fees that may be due and owing to Credit Suisse Securities USA LLC, which will be paid by Seller prior to the USVI Closing, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Seller or its Affiliates who might be entitled to any fee or commission from Seller or its Affiliates in connection with the transactions contemplated by this USVI Purchase Agreement.

(h) Operations. Since October 31, 2018 until the date of this USVI Purchase Agreement, Seller has operated the Business and the Branches, and has administered the Purchased Assets and Assumed Liabilities, in the ordinary course of business consistent with past practice in all material respects. Since October 31, 2018, there has not been any event, occurrence or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

(i) Purchased ATMs and ATM Real Property Leases.

(1) Seller owns each of the Purchased ATMs, free and clear of all Liens, other than Permitted Liens, and, at the USVI Closing, Seller will convey to Purchaser good and valid title to the Purchased ATMs, free and clear of all Liens. There are no outstanding options, rights of first offer or refusal or other similar rights or purchase rights with respect to the Purchased ATMs.

(2) All ATM Real Property Leases, true, correct and complete copies of which have been made available to Purchaser, are valid, binding and enforceable in accordance with their respective terms and are in full force and effect. There is not under any such ATM Real Property Lease any material existing default by Seller or, to the Knowledge of Seller, any other party thereto, or any event which with notice or lapse of time would constitute such a material default and all rent and other sums and charges due and payable under such ATM Real Property Lease have been paid. Seller has not received or delivered any notice of cancellation or termination of any ATM Real Property Lease. There are no pending or, to the Knowledge of Seller, threatened, condemnation or similar proceedings affecting any real property that is subject to an ATM Real Property Lease or any portion thereof. No consent of the lessor under any ATM Real Property Lease is required to be obtained in connection with the consummation of the transactions contemplated by this USVI Purchase Agreement.

(j) Owned Real Property. Seller and its applicable Affiliates have good, valid and marketable fee simple title to the Owned Real Property (other than, with respect to marketable title, "other real estate owned"), free and clear of all Liens, other than Permitted Liens. There are no outstanding options, rights of first offer or refusal or other similar rights or purchase rights with respect to the Owned Real Property or to the Knowledge of Seller, with respect to "other real estate owned". There are no pending or, to the Knowledge of Seller, threatened, condemnation or similar proceedings affecting the Owned Real Property (other than foreclosure proceedings with respect to "other real estate owned") or any portion thereof. At the USVI Closing, Seller will convey good, valid and marketable fee simple title to the Owned Real Property (other than, in the case of marketable title, "other real estate owned"), free and clear of all Liens, other than Permitted Liens. The Owned Real Property (other than "other real estate owned") and facilities located therein (1) are in reasonably good condition and repair in all material respects, subject to reasonable wear and tear, (2) have reasonable access to public roads or valid easements for such ingress and egress and (3) have access to basic utilities as sufficient to enable the Owned Real

Property (other than "other real estate owned") to be used and operated in the manner currently being used by Seller. None of the Owned Real Property (other than "other real estate owned") is dependent for its access, use or operation on any land, building, improvement or other property interest which is not included in the Owned Real Property (other than "other real estate owned"), including its appurtenances. Seller has a special warranty deed with a covenant against grantor's acts (or its substantive local law equivalent) for each parcel of the Owned Real Property (other than "other real estate owned").

(k) Intellectual Property.

(1) The operation of the business of the Branches as currently conducted, and as conducted since January 1, 2016, does not materially infringe, misappropriate or otherwise violate, and has not materially infringed, misappropriated or otherwise violated, the Intellectual Property rights of any third Person, and there has been no claim or allegation of such asserted or, to the Knowledge of Seller, threatened (including in the form of offers or invitations to obtain a license) since January 1, 2016 against the Branches, or against Seller or its Affiliates with respect to the business of the Branches.

(2) Since January 1, 2016, no claims or allegations of infringement have been asserted or otherwise made against any Person by Seller or any of its Affiliates under any Intellectual Property with respect to the business of the Branches.

(3) Bank and Seller have taken reasonable measures to protect the confidentiality of material Trade Secrets with respect to the business of the Branches, including requiring all of the employees of the Branches having access thereto to execute a written acknowledgement of Seller's policies and procedures relating to the use and disclosure of confidential information. To the Seller's Knowledge (A) no such employee has violated any such policies or procedures in a manner that would be likely to result in material liability, and (B) the Branches have not experienced any material loss of Trade Secret rights.

(l) Purchased IT. To the Knowledge of Seller, and except as, individually or in the aggregate, has not had a Material Adverse Effect:

(1) the Purchased IT operates and performs as required by Seller in connection with the Branches and, to the Knowledge of Seller, the Business has not experienced any material security breaches, nor any material unauthorized access to, any of the Purchased IT; and

(2) Seller has implemented reasonable backup, security and disaster recovery technology policies and procedures with respect to the Purchased IT consistent with industry practices. The Branches and, with respect to the operation of the Business, Seller and its Affiliates are in compliance with, and since January 1, 2016, have been in compliance with, in all material respects, all applicable Laws and with their own

policies, procedures and safeguards relating to Information Privacy Laws and take and have taken commercially reasonable measures to protect and maintain in all material respects the privacy, security and integrity of their information technology software, hardware, systems and networks, the Purchased IT, and any Personal Data collected by or on behalf of the Branches. No policies, procedures, or to the Knowledge of Seller, any other arrangements of Seller or its Affiliates restrict Seller with respect to the business of the Branches from using any Personal Data in connection with the business of the Branches as currently conducted by Seller. Since January 1, 2016, (x) to the Knowledge of Seller, there have been no security breaches in, and no third Person has gained unauthorized access to, any information technology software, hardware, systems and networks used in the operation of the Business, in any material respect and (y) Seller has not received any material complaints from, and has not been legally required to provide (and has not provided, whether or not legally required) any notices to, any Governmental Authority, data owners or individuals with respect to Information Privacy Laws or in connection with a loss or disclosure of, or unauthorized access to, Personal Data.

(m) Assumed Deposits. The Assumed Deposits have been originated and administered in accordance with the terms of their respective governing documents and all applicable Laws and regulations, in each case, in all material respects.

(n) Purchased Loans. All of the servicing rights with respect to the Purchased Loans are held by Bank. Except as is not and would not reasonably be expected to be, individually or in the aggregate, material to the Business, the Branches, the Purchased Assets and the Assumed Liabilities taken as a whole:

(1) Each Purchased Loan is evidenced by a promissory note or other evidence of indebtedness, which, together with all security agreements and guarantees, is a valid and legally binding obligation of Seller and, to the Knowledge of Seller, of the counterparty or counterparties thereto, and is enforceable in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(2) Each Purchased Loan (x) originally underwritten by Seller or any of its Affiliates or (y) held by Seller or any of its Affiliates (including, in the case of clauses (x) and (y), Purchased Loans held for resale or previously sold to investors) has been solicited and originated, and, in the case of clause (y), to the Knowledge of Seller, has been and is administered and, where applicable, serviced, and the relevant files are being maintained in accordance with (i) the relevant Loan Documents, (ii) in the case of any Purchased Loans originated or underwritten by Seller, Seller's underwriting standards and with applicable Law in effect at the time such Purchased Loan was originated and (iii) in the case of any Purchased Loan held for resale to investors, the underwriting standards, if any, of the applicable investors. The Loan Documents as they relate to the Purchased Loans are enforceable in accordance with their terms.

(3) With respect to each Purchased Loan that is secured by collateral, Seller has a valid, perfected and enforceable security interest or lien in such collateral.

(4) Except for the representations and warranties set forth in this Section 5.1(n) and those set forth in Section 5.1(q), Seller does not make any representation or warranty of any kind to Purchaser relating to and Seller shall not be responsible for: (i) the sufficiency, value or collectability of the Purchased Loans or any document, instrument or agreement in the loan file, including, without limitation, documents granting Seller or any of its Affiliates a security interest in any collateral relating to a Purchased Loan, (ii) any representation, warranty or statement made by an obligor or other party in connection with any Purchased Loan or in any of the documents, instruments and agreements relating to any Purchased Loan, (iii) the financial condition or creditworthiness of any primary or secondary obligor under any Purchased Loan or any guarantor or surety or other obligor thereof, (iv) the performance by the obligor or compliance with any of the terms or provisions of any of the documents, instruments and agreements relating to any Purchased Loan, or (v) inspecting any of the property, books or records of any obligor.

(o) Purchased Credit Card Accounts and Receivables.

(1) Each Purchased Credit Card Account and Receivable constitutes a legal, valid and binding obligation of the respective borrower(s) or obligor(s), enforceable, to the Knowledge of Seller, by the holder thereof in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(2) The Purchased Credit Card Accounts and Receivables have been originated, created, maintained and serviced in compliance with applicable Law, the applicable Loan Documents and the policies and procedures of Seller or an Affiliate of Seller that owns such Purchased Credit Card Accounts and Receivables, in each case, in all material respects. The interest rates, fees and charges in connection with the Purchased Credit Card Accounts and Receivables comply with applicable Law and the applicable Loan Documents, in each case, in all material respects. The Loan Documents, as they relate to the Purchased Credit Card Accounts and Receivables are enforceable in accordance with their terms.

(3) Each Purchased Credit Card Account and Receivable relates to the extension of credit and the advancement of monies on a revolving basis and would be considered a credit card account under Regulation Z of the Board of Governors of the Federal Reserve System. None of the Purchased Credit Card Accounts and Receivables is secured by any collateral.

(4) Except as set forth in this Section 5.1(o) and Section 5.1(q), Seller does not make any representation or warranty of any kind to Purchaser relating to and Seller shall not be responsible for: (i) the sufficiency, value or collectability of the Purchased Credit Card Accounts and Receivables or any document, instrument or agreement in the loan file, (ii) any representation, warranty or statement made by an obligor or other party in connection with any Purchased Credit Card Accounts and Receivables or in any of the documents, instruments and agreements relating to any Purchased Credit Card Account and Receivable, (iii) the financial condition or creditworthiness of any primary or secondary obligor under any Purchased Credit Card Accounts and Receivables or any guarantor or surety or other obligor thereof, (iv) the performance by the obligor or compliance with any of the terms or provisions of any of the documents, instruments and agreements relating to any Purchased Credit Card Accounts and Receivables, or (v) inspecting any of the property, books or records of any obligor.

(p) Assumed Contracts; Assumed Letters of Credit. Seller has Previously Disclosed a true, correct and complete list of, and made available to Purchaser true, complete and correct copies of, each Assumed Contract of the type covered by clause (4) of the definition thereof and each Assumed Letter of Credit. Except with respect to (A) Purchased Loans, which are addressed in clause (n) above and (B) Purchased Credit Card Accounts and Receivables, which are addressed in clause (o) above, each Assumed Contract and Assumed Letter of Credit (1) is a valid and binding agreement of Seller and, to the Knowledge of Seller, the counterparty thereto, and is in full force and effect in all material respects, and neither Seller nor, to the Knowledge of Seller, the counterparty to such contract is in material default or breach of the terms of any such Assumed Contract or Assumed Letter of Credit; and (2) is enforceable against Seller and, to the Knowledge of Seller, is enforceable against the counterparty thereto (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles). To the Knowledge of Seller, no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of Seller or any other party thereto under any Assumed Contract or Assumed Letter of Credit. Seller has not received or delivered any notice of cancellation or termination of any Assumed Contract or Assumed Letter of Credit.

(q) Title to Assets; Transferability. Seller or one of Seller's subsidiaries, as applicable, has good and valid title to the Purchased Assets (not including the Owned Real Property, which is covered by Section 5.1(j)), in each case, free and clear of all Liens, other than Permitted Liens. Subject to the terms and conditions of this USVI Purchase Agreement, on the USVI Closing Date, Purchaser will acquire good and valid title to, or in the case of leased Purchased Assets, a valid leasehold interest in, all of the Purchased Assets (not including the Owned Real Property, which is covered by Section 5.1(j)), free and clear of any Liens. All Purchased Loans and Purchased Credit Card Accounts and Receivables are (1) freely assignable by Seller or, to the extent any Purchased Credit Card Accounts and Receivables are held by an Affiliate of Seller as of the date hereof, will be transferred to Seller prior to the USVI Closing Date, such that, on the USVI Closing Date, such Purchased Loans and Purchased Credit Card Accounts and Receivables will be freely assignable by Seller to Purchaser, and (2) do not require the approval or consent of any borrower or any other Person to effectuate the valid assignment of the same in favor of Purchaser.

(r) Branch Employees and Benefits.

(1) Seller has Previously Disclosed, on the Branch Employees Schedule, a true, correct and complete list of the job position, identification number, geographic location, active or inactive status and (if applicable) visa category of each Branch Employee as of May 31, 2019. Within a reasonable period of time prior to the USVI Closing Date as mutually agreed by Seller and Purchaser, Seller shall update the Branch Employees Schedule to provide the name of the Branch Employees and to reflect any newly hired Branch Employees, those Branch Employees whose employment has terminated, and any other change in the other information on the Branch Employees Schedule, respectively.

(2) Seller has Previously Disclosed, on the Employee Plans Schedule, a true, correct and complete list of each material Employee Plan. For purposes of this USVI Purchase Agreement, "Employee Plan" means any employee benefit or compensation plan, program, agreement, contract or other legally binding obligation (whether or not subject to ERISA and whether written or unwritten), in each case, (x) which is sponsored, maintained, contributed to or required to be contributed to by Seller or any of its Affiliates for the benefit of any Branch Employee (or any dependent or beneficiary thereof) or (y) with respect to which any potential liability would reasonably be expected to be borne by Seller or any of its Affiliates with respect to any Branch Employee. Employee Plans include, but are not limited to, "employee benefit plans" within the meaning of Section 3(3) of ERISA, employment, retention, retirement, severance, termination or change in control agreements, deferred compensation, equity-based, incentive, bonus, pension, retirement, supplemental retirement, profit sharing, insurance, medical, welfare, fringe or other employee benefits or compensation of any kind.

(3) With respect to each material Employee Plan, Seller has made available to Purchaser, to the extent applicable, accurate and complete copies of (i) the Employee Plan document, including any amendments thereto (or if such Employee Plan is not in writing, a written description of such Employee Plan), (ii) the most recently prepared financial statements and actuarial report or other valuation report, (iii) the most recent summary plan description and (iv) all material non-routine correspondence to and from any Governmental Authority within the last three years.

(4) Each Employee Plan that is intended to be qualified under Section 401(a) of the Code, and any trust maintained with respect thereto, has received a current determination letter from the IRS as to its qualified or tax-exempt status, and, to the Knowledge of Seller, nothing has occurred that would reasonably be expected to result in the revocation of such determination, status or opinion letters.

(5) Except as has not had or would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, the Employee Plans (other than “multiemployer plans” within the meaning of Section 3(37) of ERISA (each, a “Multiemployer Plan”)) have been maintained in compliance with their terms and applicable Laws, including ERISA and the Code.

(6) Neither Seller nor any ERISA Affiliate has contributed (or had any obligation of any sort) in the last six (6) years to any employee benefit plan that is (A) subject to Section 412 of the Code or Section 302 or Title IV of ERISA or (B) a Multiemployer Plan, which, in each case, could reasonably be expected to result in liability to the Business, Purchaser or Parent.

(7) There is no Action pending, or to the Knowledge of Seller, threatened relating to an Employee Plan (other than routine claims for benefits), in each case, relating to the participation of Branch Employees (or their dependents).

(8) Neither the execution of this USVI Purchase Agreement, nor the consummation of the transactions or actions contemplated by this USVI Purchase Agreement, could, either alone or in combination with another event, (i) entitle any Branch Employee to any severance payment, change in control payment or other payment; (ii) accelerate the time of payment or vesting or materially increase the amount of compensation due to any Branch Employee; (iii) directly or indirectly cause Seller to transfer or set aside any assets to fund any benefits under any Employee Plan; (iv) otherwise give rise to any material liability under any Employee Plan; or (v) result in the payment of any amount that could, individually or in combination with any other such payment, constitute an “excess parachute payment” as defined in Section 280G(b)(1) of the Code.

(9) None of the Employee Plans obligates Seller or its Affiliates to provide any Branch Employee any life insurance or medical or health benefits after his or her termination of employment or service with Seller or its Affiliates, other than as required under Part 6 of Subtitle B of Title I of ERISA, Section 4980B of the Code or any similar state Law.

(10) There are no obligations to gross-up, indemnify or otherwise reimburse any Branch Employee for any Tax incurred by such person, including under Code Section 409A or Code Section 4999, or any interest or penalty related thereto.

(s) Labor Matters.

(1) As of the date hereof, with respect to Branch Employees, Seller is not a party to or bound by any collective bargaining agreement or other agreement with a labor union or like organization, no Branch Employees are represented by any labor union or like organization, and to the Knowledge of Seller, there are no, and have not been within the past three (3) years any, activities or proceedings by any individual or group of individuals, including representatives of any labor organizations or labor unions, to organize any Branch Employees with respect to their employment with the Seller or its Affiliates.

(2) There is no pending or, to the Knowledge of Seller, threatened, strike, lockout, slowdown, work stoppage or other labor disputes that could interfere in any material respect with the Business or the Branches.

(3) There are no complaints, disputes or claims (including, but not limited to, any unfair labor practice claims) against Seller pending or, to the Knowledge of Seller, threatened by or with respect to any Branch Employees. In the last three (3) years, no allegations of sexual harassment have been made against any (i) officer of the Business or Branches or (ii) Branch Employee at a level of Vice President or above.

(4) Each of Seller and its Affiliates is in compliance, in all material respects, with all applicable Laws governing employment and employment practices with respect to the Branch Employees, including all Laws respecting terms and conditions of employment, health and safety, wages and hours, worker classification, child labor, immigration, employment discrimination, harassment, disability rights or benefits, equal opportunity, plant closures and layoffs, affirmative action, workers' compensation, labor relations, employee leave issues and unemployment insurance.

(5) To the Knowledge of Seller, no Branch Employee is in any respect in violation of any term of any employment agreement, nondisclosure agreement, common law nondisclosure obligation, fiduciary duty, non-competition agreement, restrictive covenant or other obligation to Seller or its Affiliates relating (A) to the right of any such employee to be employed by Seller or its Affiliates or (B) to the knowledge or use of trade secrets or proprietary information.

(6) The Seller and its Affiliates are not delinquent in payments to any current or former Branch Employees for any services or amounts required to be reimbursed or otherwise paid.

(t) Environmental Matters. Except as has not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, Seller is and has, since January 1, 2016, been in compliance with all Environmental Laws in connection with the ownership, maintenance or operation of the Branches. There are no legal, administrative, arbitral or other proceedings, claims or actions pending or, to the Knowledge of Seller, threatened against Seller related to the Branches concerning any liability or obligation arising under any Environmental Law, which liability or obligation has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect. To the Knowledge of Seller, there have been no Releases into the Environment of any Hazardous Materials, in, on, from, under or affecting any Owned Real Property which would reasonably be expected to have a material adverse impact on such property.

(u) Taxes.

(1) (i) All income and other material Tax Returns that are required to be filed on or before the USVI Closing Date by the Branches or with respect to the Purchased Assets or Assumed Liabilities have been or will be timely filed on or before the USVI Closing Date and all such Tax Returns are or will be true, correct and complete in all material respects; (ii) all material Taxes of the Branches or with respect to the Purchased Assets or Assumed Liabilities (whether or not shown to be due on any Tax Returns) have been or will be timely paid in full on or before the USVI Closing Date; and (iii) there are no material deficiencies asserted in writing or assessments made in writing by a relevant Taxing Authority against the Branches or with respect to the Purchased Assets or Assumed Liabilities.

(2) The Branches have complied with all applicable material information reporting and withholding requirements with respect to Taxes, and Seller has complied with all applicable material information reporting and withholding requirements with respect to Taxes with respect to the Purchased Assets and the Assumed Liabilities.

(3) There are no Liens (other than Permitted Liens) on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any material Tax.

(v) Sufficiency of Assets. Except for the assets and services provided under the Transition Services Agreement, the services provided by Bank or a third party pursuant to a Contract to which Bank is a party or any services listed on Section 5.1(v) of the Seller Disclosure Schedules, upon transfer of the Purchased Assets and the Assumed Liabilities in accordance with this USVI Purchase Agreement, and assuming the Branches are operated as branches of Purchaser in the ordinary course of business (including through the provision of support and services customarily provided by a depository institution to its branches), Purchaser will acquire all material assets (including material Contracts for the provision of services) that are necessary for Purchaser to operate the Branches in substantially the same manner as such Branches are currently operated by Seller.

(w) Books and Records. To the Knowledge of Seller, the Books and Records have been maintained accurately in accordance with past practice and in the ordinary course of business. The Books and Records have been prepared, to the extent applicable, in accordance with GAAP consistently applied throughout the periods involved (subject to normal year-end adjustments). The Sample Closing Statement Schedule was, and the Estimated Closing Statement will be, derived from the Books and Records and prepared on a consistent basis. The Sample Closing Statement Schedule accurately reflects the Net Book Value of the Purchased Assets and Assumed Liabilities as of April 30, 2019, and the Estimated Closing Statement will accurately reflect the same as of the month-end immediately prior to the USVI Closing Date. Seller does not have any liabilities (absolute or contingent) which are material to the Purchased Assets or the Assumed Liabilities that are not reflected or provided for in the Books and Records.

(x) Availability of Funds. At the USVI Closing, Seller will have sufficient immediately available funds in cash to pay when due all amounts payable by it hereunder.

Section 5.2 Representations and Warranties of Purchaser.

Except as Previously Disclosed, Purchaser represents and warrants to Seller that:

(a) Organization. Purchaser is a bank duly organized, validly existing and in good standing under the laws of Puerto Rico. Purchaser has all corporate (or similar) power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's ability to (1) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (2) obtain reasonably promptly the Requisite USVI Regulatory Approvals.

(b) Authority; Capacity. Purchaser has the power and authority to enter into and perform its obligations under this USVI Purchase Agreement and any other documents and instruments executed by it pursuant hereto. The execution and delivery by Purchaser of this USVI Purchase Agreement and any other documents or instruments executed pursuant hereto to which Purchaser is or, as of the USVI Closing, will be a party, the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action of Purchaser prior to the date of this USVI Purchase Agreement, and no further approvals or authorizations are required of Purchaser or any of Purchaser's Affiliates in connection with the foregoing. This USVI Purchase Agreement has been duly executed and delivered by Purchaser and is a valid and legally binding obligation of Purchaser, and the other documents and instruments executed pursuant hereto to which Purchaser is or as of the USVI Closing will be a party have been, or at the USVI Closing will be, duly executed and delivered by Purchaser and assuming due authorization, execution, and delivery of this USVI Purchase Agreement and the other documents and instruments executed pursuant hereto by the other parties hereto and thereto, constitute, or at the USVI Closing will constitute, valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(c) Consents and Approvals.

(1) No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Purchaser in connection with the execution, delivery or performance by Purchaser of this USVI Purchase Agreement or the other documents contemplated hereby to which it is a party, or to effect the transactions contemplated thereby, except for (i) the filing of the applications, filings or notices in connection with obtaining the Requisite USVI Regulatory Approvals and (ii) such other consents, approvals, filings or registrations the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's ability to (A) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (B) obtain reasonably promptly the Requisite USVI Regulatory Approvals. As of the date hereof, Purchaser has no Knowledge of any fact, condition or circumstance that would reasonably be expected to result in the material delay or denial of any of the Requisite USVI Regulatory Approvals and consents in order to permit consummation of the transactions contemplated hereby.

(2) There are no pending or, to the Knowledge of Purchaser, threatened disputes or controversies between Purchaser or any of its Affiliates, on the one hand, and any Governmental Authority, on the other hand, including with respect to capital requirements, that (i) would reasonably be expected to prevent or materially delay Purchaser from being able to perform its obligations under this USVI Purchase Agreement or (ii) would reasonably be expected to impair the validity or delay the consummation of this USVI Purchase Agreement or the transactions contemplated hereby. As of the date hereof, neither Purchaser nor any of its Affiliates has received any indication from any Governmental Authority that such Governmental Authority would oppose or refuse to grant or issue its consent or approval, if required, with respect to the transactions contemplated hereby and has no reason to believe that, if requested, any Governmental Authority required to approve the transactions contemplated hereby would oppose or not promptly grant or issue its consent or approval without condition.

(3) As of the date hereof, Purchaser meets all capital or liquidity requirements, standards and ratios required by each Governmental Authority with jurisdiction over Purchaser (whether pursuant to Commonwealth or federal regulation or as otherwise applied to Purchaser). As of the date hereof, Purchaser has not received any indication that any Requisite USVI Regulatory Approval will be conditioned on any action by Purchaser prior to the USVI Closing to increase the amount of Purchaser's capital or liquidity.

(4) As of the date hereof, Purchaser has a "Satisfactory" or better rating on its most recent Community Reinvestment Act Performance Evaluation, and, to the Knowledge of Purchaser, no fact or circumstance exists that is reasonably likely to materially negatively affect such rating.

(d) Non-Contravention. Subject to the receipt of the approvals and consents referred to in Section 5.2(c)(1) and the expiration of any applicable waiting periods, the execution, delivery and performance by Purchaser or any of its Affiliates of this USVI Purchase Agreement or the other documents contemplated hereby to which they are or as of the USVI Closing will be a party, the performance by Purchaser or any of its Affiliates of their

respective obligations thereunder and the consummation by them of the transactions contemplated hereby and thereby do not constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Purchaser or any of its Affiliates or to a loss of any benefits to which Purchaser or any of its Affiliates is entitled under any provision of (1) Purchaser's or its applicable Affiliates' constituent documents and (2) any material Contract to which Purchaser is a party and (3) any Law, regulation, judgment, injunction, order or decree binding upon Purchaser, other than violations which would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's or its Affiliates' ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite USVI Regulatory Approvals.

(e) Litigation and Related Matters. No Action by or before any Governmental Authority is pending against Purchaser or its Affiliates, and, to Purchaser's Knowledge, no such Action has been overtly threatened, except as has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Purchaser's ability to (1) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (2) obtain reasonably promptly the Requisite USVI Regulatory Approvals.

(f) Compliance with Laws and Regulations. Each of Purchaser and each of its Affiliates: (1) is in compliance with the Laws applicable to its business and (2) has conducted and is conducting its business in all material respects in compliance with all applicable Laws, except, in each case of (1) and (2), as has not had, individually or in the aggregate a material adverse effect on Purchaser's ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite USVI Regulatory Approvals.

(g) No Brokers or Finders. Except for any fees that may be due and owing to Keefe, Bruyette & Woods, Inc., which will be paid by Purchaser (or an Affiliate of Purchaser), there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Purchaser or its Affiliates who might be entitled to any fee or commission from Purchaser or its Affiliates in connection with the transactions contemplated by this USVI Purchase Agreement.

(h) Availability of Funds. At the USVI Closing, Purchaser will have sufficient immediately available funds to pay when due all amounts payable by it hereunder. Purchaser acknowledges that the obligations of Purchaser under this USVI Purchase Agreement are not contingent upon or subject to any conditions regarding Purchaser's, its Affiliates', or any other Person's ability to obtain financing for the consummation of the transactions contemplated in this USVI Purchase Agreement.

(i) Eligibility. As of the date hereof, with respect to each Purchased Asset described in clauses (1), (2), (7), (8), (9), (11), (12) and (14) of the definition of "Purchased Assets", Purchaser satisfies, and with respect to all other Purchased Assets, to Purchaser's Knowledge, satisfies all eligibility standards and requirements for its succession to such Purchased Asset (including any related Assumed Contracts) under all applicable Laws.

Section 5.3 No Other Representations or Warranties.

(a) Except for the representations and warranties contained in Section 5.1, neither Seller nor any other Person makes any other express or implied representation or warranty on behalf of Seller relating to the Purchased Assets or the Branches. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO PURCHASER UNDER ARTICLE VI OF THE SPA, NEITHER SELLER NOR ANY OF ITS AFFILIATES WILL HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO PURCHASER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES, OR ANY USE BY PURCHASER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS USVI PURCHASE AGREEMENT. PURCHASER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS USVI PURCHASE AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF SELLER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 5.1; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM PURCHASER MAY HAVE IN RESPECT OF FRAUD.

(b) Except for the representations and warranties contained in Section 5.2, neither Purchaser nor any other Person makes any other express or implied representation or warranty on behalf of Purchaser. SELLER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO SELLER UNDER ARTICLE VI OF THE SPA, PURCHASER AND ITS AFFILIATES WILL NOT HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO SELLER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES, OR ANY USE BY SELLER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS USVI PURCHASE AGREEMENT.

SELLER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS USVI PURCHASE AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF PURCHASER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 5.2; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM SELLER MAY HAVE IN RESPECT OF FRAUD.

ARTICLE VI

COVENANTS

Section 6.1 Access to Properties and Records Relating to the Purchased Assets and the Branches. The parties hereto acknowledge and agree that the access and information provisions set forth in Section 4.04(a) and (d) of the SPA shall govern the access to the properties and records relating exclusively to the Business, Purchased Assets, Assumed Liabilities and the Branches, *mutatis mutandis*.

Section 6.2 Conduct of the Business.

(a) During the period from the date of this USVI Purchase Agreement through the USVI Closing Date or earlier termination of this USVI Purchase Agreement pursuant to Section 10.1, except as (i) otherwise contemplated by the Transaction Documents, (ii) required by applicable Law, (iii) Previously Disclosed or (iv) otherwise authorized by the prior written consent of Purchaser, which consent, in the case of clauses (3) through (12) and (17) below, shall not be unreasonably withheld, conditioned or delayed, Seller shall not, and shall cause its Affiliates not to:

(1) fail to use its reasonable best efforts to operate the Business, operate the Branches, administer the Purchased Assets or administer the Assumed Liabilities in the ordinary course of business consistent with past practice;

(2) fail to use reasonable best efforts to maintain and preserve the Business and its relationships with employees and Branch Customers;

(3) except as required under applicable Law or the terms of any Employee Plan, (i) increase the compensation, bonus entitlement or severance or termination pay of any Branch Employee, except for regular annual increases in base salary or wage rate and bonus entitlement or otherwise in the ordinary course of business (e.g., promotions), (ii) pay bonuses to any Branch Employee other than for completed periods based on actual performance, (iii) increase retirement, health or welfare benefits for any Branch Employee other than routine year-end changes or other changes that do not materially increase costs, (iv) become a party to, establish, adopt, materially amend, commence participation in or terminate any material Employee Plan or any arrangement that would have been an Employee Plan had it been entered into prior to this USVI Purchase Agreement or (v) materially change any actuarial or other assumptions used to calculate or determine funding obligations with respect to any Employee Plan or change the manner in which contributions to any Employee Plans are made or the basis on which such contributions are determined, except as may be required by GAAP or any applicable regulatory authority;

(4) make any offer for the employment or engagement of any individual for the provision of services (x) to the Business or the Branches or (y) with respect to the administration of the Purchased Assets or the administration of the Assumed Liabilities, in each case, other than to an individual for annual compensation of less than \$150,000, or terminate the employment of any Branch Employee, other than, in the ordinary course of business consistent with past practice, any termination of the employment of any Branch Employee with annual compensation of less than \$150,000;

(5) enter into any collective bargaining or similar labor agreement or arrangement covering any Branch Employees or recognize or certify any labor union or other labor organization as the bargaining representative for any Branch Employees;

(6) renew, amend in any material respect or terminate any Assumed Contract, other than when such actions are made in the ordinary course of business consistent with past practice on terms that do not impose any additional material obligations on Seller, or following the USVI Closing, Purchaser;

(7) sell, transfer, mortgage, encumber or otherwise dispose of (other than write-offs or account closures in the ordinary course of business consistent with past practice) (i) any Purchased Loans, Owned Real Property, ATM Real Property Leases, Purchased ATMs, Purchased Credit Card Accounts and Receivables or (ii) any other Purchased Assets that are material to the USVI Branches;

(8) subject any of the Purchased Assets to a Lien (other than Permitted Liens or in connection with deposits, repurchase agreements, bankers' acceptances, "treasury tax and loan" accounts established in the ordinary course of business and transactions in "federal funds");

(9) materially change the underwriting standards or risk management policies used by the Branches, other than changes implemented on a bank-wide basis or within Seller's international banking division;

(10) close, sell, consolidate or relocate any of the Branches;

(11) except as permitted by Section 4.24 of the SPA with respect to any Specified Action, pay, discharge, settle or compromise any Action if such payment, discharge, settlement or compromise would reasonably be expected to impose any material obligation or liability on the Business, the Purchased Assets, the Branches or the Assumed Liabilities, other than any payments, discharges, settlements or compromises in the ordinary course of business consistent with past practice that do not involve (i) equitable relief or (ii) monetary damages or settlement amounts in an amount that exceeds (1) \$1,000,000 in the aggregate for all such Actions or (2) with respect to any individual Action, the amount of any specific reserves with respect to such Action as of December 31, 2018 by more than \$100,000;

(12) make any new Extension of Credit that would be booked at one of the Branches and become a Purchased Loan that is (i) in excess of \$1,000,000, (ii) not in the ordinary course of business consistent with past practice or (iii) inconsistent with Seller's underwriting guidelines applicable to the Branches, a true, correct and complete copy of which have been made available to Purchaser; provided that Seller shall transmit any written request for a consent to make any new Extension or Credit (or a renewal) that is not covered by an exception above by e-mail to Purchaser's Chief Credit Officer that shall state the principal amount of such proposed Extension of Credit and attach the loan package (with redactions of borrower names if deemed appropriate), and if Purchaser does not respond to such request for consent within forty-eight (48) hours after delivery of such e-mail, then Seller may make such Extension of Credit (including such renewal); provided, further that nothing in this clause (12) shall prevent Seller from renewing any existing Extension of Credit in the ordinary course of business if such renewal only extends the maturity date of such Extension of Credit and does not otherwise alter the terms of the Extension of Credit; provided, further that Purchaser acknowledges and agrees to treat the information provided to Purchaser pursuant to this clause (12) confidentially and not use such information in any of Purchaser's own business or underwriting activities;

(13) other than in the ordinary course of business consistent with past practice, make any material improvements to the Owned Real Property;

(14) fail to maintain the Owned Real Property or the real property comprising the Purchased ATMs and the leased property subject to an ATM Real Property Lease in a condition substantially the same as on the date of this USVI Purchase Agreement, ordinary wear and tear excepted;

(15) other than in the ordinary course of business consistent with past practice or as determined to be necessary or advisable by Seller in the reasonable bona fide exercise of its discretion based on changes in market conditions applicable to the Branches, materially alter its interest rate, credit policies or fee pricing policies or practices with respect to the Assumed Deposits and the Purchased Loans; provided, however, that Seller shall be permitted to take such actions with respect to the Assumed Deposits to the extent reasonably deemed necessary to preserve the mix, type and aggregate amount of the Assumed Deposits;

(16) to the extent related to the Branches, the Purchased Assets or the Assumed Liabilities, make or rescind any material election relating to income Taxes or adopt or change any method of accounting in respect of income Taxes (other than any elections or changes in accounting method made by Seller on a firm-wide basis that do not increase the Taxes of Purchaser, of or with respect to the Branches, or with respect to the Purchased Assets or the Assumed Liabilities, and provided that Seller uses reasonable best efforts to minimize the applicability of any such changes to the Branches, the Purchased Assets and the Assumed Liabilities); or

(17) agree to do any of the foregoing.

(b) Notwithstanding anything to the contrary in this USVI Purchase Agreement, (1) nothing in this USVI Purchase Agreement shall be construed to give Purchaser, directly or indirectly, rights to control or direct the operations of the Branches prior to the USVI Closing; and (2) prior to the USVI Closing, Seller shall exercise, consistent with the terms of this USVI Purchase Agreement, complete control and supervision over the operations of the Branches.

Section 6.3 Efforts. The parties hereto acknowledge and agree that the provisions set forth in Section 4.02 of the SPA (including without limitation Section 4.02(d) of the SPA) shall govern the efforts to be taken by each party hereto to permit the consummation of the transactions contemplated by this USVI Purchase Agreement, including obtaining all Requisite USVI Regulatory Approvals, *mutatis mutandis*; provided that, for clarity, with respect to this USVI Purchase Agreement, references in Section 4.02 of the SPA to “Requisite Regulatory Approvals” shall refer to Requisite USVI Regulatory Approvals.

Section 6.4 Further Assurances. Before, at and after the USVI Closing, consistent with the terms and conditions hereof, Seller and Purchaser shall and shall cause each of their respective Affiliates to, and shall use reasonable best efforts to cause their Affiliates to, promptly execute, acknowledge and deliver such instruments, certificates and other documents and take such other action as a party may reasonably require in order to carry out any of the transactions contemplated hereby. Following the USVI Closing, the parties hereto shall cooperate with one another to prepare and file all documents and forms and amendments thereto as may be required by applicable Law with respect to the transactions contemplated by this USVI Purchase Agreement.

Section 6.5 Notice of Changes.

(a) Purchaser shall promptly advise Seller, and Seller shall promptly advise Purchaser of (1) any change or event that would or would be reasonably likely to cause or constitute a material breach of any of Purchaser’s or Seller’s, as applicable, representations, warranties or covenants in this USVI Purchase Agreement; or (2) to the extent permitted by applicable Law and to the Knowledge of Purchaser or Seller, as applicable, any governmental complaints, any change or event, including investigations or hearings (or communications indicating that the same may be contemplated), issues with respect to receipt of the Requisite USVI Regulatory Approvals on a timely basis or the institution or the threat of significant litigation, that would prevent or materially delay the consummation of the transactions contemplated hereby.

(b) Notwithstanding anything to the contrary in this USVI Purchase Agreement, a party's failure to comply with its obligations under this Section 6.5 shall not provide the other party with a right not to effect the transactions contemplated by this USVI Purchase Agreement, except, in each case, to the extent that the underlying material breach of a representation, warranty or covenant would independently provide such right pursuant to Article IX hereof.

Section 6.6 Confidentiality. The parties hereto acknowledge and agree that the confidentiality provisions set forth in Section 4.07 of the SPA shall govern any information shared between the parties hereto (including with respect to the terms of this USVI Purchase Agreement), *mutatis mutandis*.

Section 6.7 Press Releases. The parties hereto acknowledge and agree that the publicity provisions set forth in Section 4.03 of the SPA shall govern any press release, public statement or public disclosure related to this USVI Purchase Agreement, any documents or instruments executed pursuant hereto or the transactions contemplated hereby and thereby, *mutatis mutandis*.

Section 6.8 Non-Solicitation; Non-Compete.

(a) From the date hereof and continuing through the USVI Closing and thereafter for a period of two (2) years from the USVI Closing Date, Seller shall not, and shall cause its Affiliates not to, directly or indirectly (whether alone or jointly with another Person) (1) solicit for employment or hire any person who is, as of the date hereof or as of the USVI Closing, a Branch Employee; provided that nothing in this Section 6.8(a) shall prohibit Seller or any of its Affiliates from (i) making general solicitations for employment not specifically targeted at the Branch Employees and hiring any person who responds as a result of such general solicitations or (ii) soliciting for employment or hiring any person who is not a Branch Employee or who is a Transferred Branch Employee but whose employment with Purchaser or any of its Affiliates has been terminated by Purchaser or its Affiliates (but not voluntarily by such person) any time after the USVI Closing, (2) solicit any customers or clients of the Branches resident or domiciled in the USVIs for retail banking or retail consumer finance products and services or (3) solicit any Branch Customer as of the USVI Closing Date, on account of his, her or its status as a customer or client of Seller (e.g., through means of a customer list), to purchase products or services available from Purchaser or any of its Affiliates from a source other than Purchaser or to reduce or refrain from doing business with Purchaser or any of its Affiliates; provided, however, that, subject to Section 6.8(b), nothing in this Section 6.8(a) shall prohibit Seller or any of its Affiliates from (x) making general solicitations for the purchase of products or services offered by Seller or any of its Affiliates and doing business with any person who either responds to such general solicitations or who contacts Seller or any of its Affiliates on his or her own initiative; or (y) soliciting for any products and services or providing any products and services to any person who is, at any given time after the USVI Closing, a customer of both Purchaser and the Branches, on the one hand, and Seller or any of its Affiliates, on the other hand.

(b) For a period of three (3) years from the USVI Closing Date (the “Restricted Period”), except as expressly permitted by this Section 6.8(b), Seller shall not, and shall cause its Affiliates not to, directly or indirectly (whether alone or jointly with another Person), (1) engage in or carry on any Restricted Activities, or (2) have any type of equity ownership in or right to acquire any equity ownership in any Person that engages in any Restricted Activities. “Restricted Activities” means (i) (x) opening and/or operating in the USVIs a branch or subsidiary of Seller or any Affiliate or a depository institution that, in either case, accepts deposits in the USVIs or (y) offering any retail banking or retail consumer finance products or services in the USVIs (excluding, for the avoidance of doubt, wealth management services to high-net worth Persons conducted by Seller or its Affiliates on a global or regional basis) (clauses (x) and (y), each a “Competitive Business”) or (ii) marketing any Competitive Business or soliciting any Persons in the USVIs for products or services offered by any Competitive Business (excluding global, national, or regional marketing campaigns conducted by Seller and not specifically targeted in the USVIs or Persons in the USVIs, including through television, radio or online marketing channels). Notwithstanding the foregoing or anything to the contrary in this USVI Purchase Agreement, this Section 6.8(b) will not prohibit or otherwise limit Seller or any of its Affiliates from (A) owning or holding a passive investment of up to 5% of the outstanding equity securities of any entity, including those engaged in Restricted Activities; (B) owning, holding or exercising, in the ordinary course of business consistent with past practice, rights of ownership with respect to any equity security in a fiduciary or agency capacity or otherwise for the benefit of a third Person; (C) continuing to engage in commercial banking or financial activities or other non-retail banking or financial activities with any Person (1) who is a current or future customer or client of Seller, (2) whose headquarters or principal place of business is not located in the USVIs and (3) with whom Seller has (or with respect to future customers, will have) a broader regional or global relationship outside of the USVIs; (D) selling any of its assets or business to any Person, including any person that engages in Restricted Activities; (E) purchasing or acquiring (through merger, stock purchase or purchase of all or substantially all of the assets or otherwise) any Person engaged in Restricted Activities (an “Acquired Business”) so long as the aggregate consolidated revenues of the Restricted Activities do not exceed ten percent (10%) of such acquired Person’s total revenue in the last completed fiscal year or (F) continuing to operate any Acquired Business that Seller or any of its Affiliates purchased or acquired in accordance with clause (E) so long as, during the term of this Section 6.8(b), the aggregate consolidated revenues of the Restricted Activities of such Acquired Business do not exceed ten percent (10%) of such Acquired Business’s total revenue during any twelve (12) month period.

(c) The parties recognize that the territorial, time and scope limitations set forth in this Section 6.8 are reasonable and are properly required for the protection of the parties’ legitimate interests in client and employee relationships, goodwill and Trade Secrets. For the avoidance of doubt, in the event of a breach or threatened breach of the obligations under this Section 6.8(c) by (1) Seller or any of its Affiliates, Purchaser, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 6.8(c) in accordance with Section 11.2 and (2) Purchaser or any of its Affiliates, Seller, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 6.8(c) in accordance with Section 11.2.

Section 6.9 ATM Real Property Leases.

(a) Seller shall use reasonable best efforts (which will not require Seller to pay any money or other consideration, other than customary administrative charges and expense reimbursements) to cause each landlord of an ATM Real Property Lease, to the extent such landlord's consent to the assignment of Seller's rights and obligations as tenant in such ATM Real Property Lease to Purchaser is required under the terms of the applicable ATM Real Property Lease, to consent to the assignment and assumption of such ATM Real Property Leases by Purchaser.

(b) In the event such a consent cannot be obtained, or cannot be obtained without the payment of an assignment fee or similar lump sum or rent increase, Seller and Purchaser shall work in good faith to find an alternative solution, whether through a sublease agreement or otherwise, that provides Purchaser with economic and operational equivalence under the agreement for which such consent is being sought following the USVI Closing.

(c) Purchaser shall use reasonable best efforts to cooperate with Seller's attempt to obtain each landlord's consent, but shall not be obligated to pay any consideration or grant any concession in connection therewith.

(d) Notwithstanding anything to the contrary contained in this USVI Purchase Agreement, if Seller is unable to obtain for Purchaser the right to occupy any ATM location, whether pursuant to a consent or a sublease agreement or otherwise, Purchaser shall not be entitled to terminate this USVI Purchase Agreement, Purchaser shall remain obligated to perform all of its obligations hereunder (including, without limitation, the assumption of the Assumed Deposits), such ATM Real Property Lease shall be deemed an "Excluded Asset" and it shall not be included in the calculation of the Purchase Price to be paid by Purchaser as provided in this USVI Purchase Agreement.

Section 6.10 Restricted Assignment. Notwithstanding anything in this USVI Purchase Agreement to the contrary, this USVI Purchase Agreement will not constitute an agreement to assign any assets described in clauses (2), (3), (7) or (16) of the definition of "Purchased Assets" or other Assumed Liability, or any claim or right or any benefit arising thereunder or resulting therefrom, if an attempted assignment thereof, without the Authorization of a third party thereto, would constitute a breach thereof or in any way adversely affect the rights of Seller or any of its subsidiaries thereunder or be contrary to applicable Law. If any such consent or approval is not obtained and an alternative arrangement is not provided for expressly in this USVI Purchase Agreement, Purchaser and Seller shall use their respective reasonable best efforts (which shall not require Seller or Purchaser to pay any money or other consideration to any person or to initiate any claim or proceeding against any person, other than customary administrative charges and expense reimbursements) to secure an arrangement reasonably satisfactory to the parties that provides Purchaser with economic and operational equivalence under the agreement for which such consent is being sought following the USVI Closing.

Section 6.11 Seller Intellectual Property. The parties hereto acknowledge and agree that the intellectual property provisions set forth in Sections 4.15(b), (c) and (d) of the SPA shall govern any Intellectual Property owned or licensed by Seller or any of its Affiliates, including the Seller Marks, with respect to the Branches, in addition to the Bank Entities.

Section 6.12 Wrong Pocket Assets. If at any time or from time to time after the USVI Closing Date, Seller or any of its Affiliates, on the one hand, or Purchaser, on the other hand, receives or otherwise possesses any asset that should belong to the other party or any of its Affiliates pursuant to this USVI Purchase Agreement, such party shall promptly transfer, or cause to be transferred, such asset to the other party so entitled thereto.

Section 6.13 Collateral Assignment and Other Documents.

(a) Seller shall deliver to Purchaser (and shall use reasonable best efforts to deliver at the USVI Closing) all signed UCC-1 financing statements and UCC-3 assignments of financing statements, endorsed notes, participations and all other documentation necessary to effect the assignment of the Purchased Loans to Purchaser. The reasonable and documented out-of-pocket costs and the reasonable expenses of preparing and filing any such documentation shall be paid by Purchaser (without adjustment to the Purchase Price).

(b) In accordance with Article 9 of the UCC, from the date hereof until the USVI Closing Date, Seller shall make all filings of continuation statements necessary to maintain perfection of security interests related to the Purchased Loans and Assumed Letters of Credit. The reasonable and documented out-of-pocket costs and the reasonable expenses of preparing and filing any such documentation shall be paid by Seller (without adjustment to the Purchase Price).

(c) Seller shall cooperate in good faith with and will assist Purchaser in obtaining the valid perfection of a lien or security interest in the collateral, if any, securing each Purchased Loan sold on the USVI Closing Date in favor of Purchaser or its designated assignee as secured party or mortgagee. The reasonable and documented out-of-pocket costs and the reasonable expenses of obtaining such valid perfection of a lien or security interest in the collateral securing such Purchased Loans shall be paid by Purchaser (without adjustment to the Purchase Price).

Section 6.14 Letters of Credit.

(a) As promptly as reasonably practicable after the date hereof, the Parties shall use reasonable best efforts to obtain the consent, as applicable, of the customers under, or beneficiaries of, each Assumed Letter of Credit to assign to Purchaser all of Seller's rights and obligations under such Assumed Letter of Credit.

(b) In the event that any Assumed Letter of Credit cannot be assigned to or replaced by Purchaser (an “Unreplaced Letter of Credit”), on the USVI Closing Date, Purchaser and Seller shall enter into a back-to-back arrangement under which (i) Seller shall continue to perform its obligations under such Unreplaced Letter of Credit, (ii) Purchaser shall issue to Seller a letter of credit in an amount equal to Seller’s aggregate potential liability with respect to all Unreplaced Letter of Credits and (iii) Purchaser shall be entitled to receive from Seller any fees or other amounts payable under the applicable Unreplaced Letter of Credit. Notwithstanding the foregoing or any other provision of this Agreement, Seller shall not be required to renew any Assumed Letter of Credit that is scheduled to expire and may, in its sole discretion, send a notification of non-renewal or termination with respect to any Unreplaced Letter of Credit or any Assumed Letter of Credit that Seller reasonably believes will become an Unreplaced Letter of Credit.

Section 6.15 Insurance.

(a) Seller will maintain in effect until the USVI Closing Date all casualty and public liability policies relating to the Branches and the Business and maintained by Seller as of the date hereof or procure substantially comparable replacement coverage and maintain such policies or replacement coverage in effect until the USVI Closing Date. In the event of any material damage, destruction or casualty affecting any Owned Real Property between the date hereof and the USVI Closing Date, Seller will take all reasonable steps to repair and restore the damaged or destroyed property (including submitting claims with applicable insurers). If such repair and restoration is not completed by the USVI Closing, then at the USVI Closing, Seller shall pay over to Purchaser the amount of the insurance proceeds collected to the extent such proceeds have not yet been applied to the repair and restoration of the Owned Real Property (and if any such proceeds have not been collected, Seller shall assign to Purchaser all its right, title and interest in and to the same).

(b) With respect to events or circumstances relating to the Business or the Purchased Assets that occurred or existed on or prior to the USVI Closing Date that may be covered by occurrence-based liability insurance policies of Seller or any of its post-USVI Closing Affiliates and any workers’ compensation insurance policies and that apply to the locations at which such businesses are operated, Purchaser may request, and if Purchaser so requests Seller shall use reasonable best efforts to, and shall cause its applicable Affiliates to use reasonable best efforts to, make claims under such policies. Seller shall, and shall cause its applicable Affiliates to, provide reasonable cooperation and assistance in the pursuit of such claims.

Section 6.16 Assignment of Mortgages and Endorsement of Notes. On the USVI Closing Date, with respect to Purchased Loans that are secured by a mortgage, Seller, at Seller’s sole cost and expense, shall deliver to Purchaser or its designee fully executed and notarized counterpart originals of an assignment of mortgage covering all of the Purchased Loans via a “blanket” assignment, or at the election of Seller, the original mortgage note duly

endorsed without recourse, which assignment of mortgage or endorsement of mortgage note shall be in the name of Seller as assignor and Purchaser or its designee as assignee (“Assignment of Mortgage”). If requested by Purchaser, following the USVI Closing Date, Seller shall enter into individual Assignments of Mortgage in respect of each relevant Purchased Loan or grant Purchaser a limited power of attorney to do the same. With respect to Purchased Loans that are secured by a mortgage in excess of \$250,000.00, following the USVI Closing, Seller and Purchaser shall cooperate to cause the recordation of the applicable Assignment of Mortgage after the USVI Closing Date at the applicable office of the Recorder of Deeds, the costs and expenses of which shall be split equally by Purchaser and Seller. All documentation evidencing recordation of an Assignment of Mortgage shall be delivered directly to Purchaser, and all costs of filing each Assignment of Mortgage shall be paid by Purchaser. In the event Purchaser does not receive evidence of such recordation within 30 days after the USVI Closing Date, Seller and Purchaser shall coordinate with the applicable title company to obtain such documentation. As soon as reasonably practicable after the USVI Closing (and not later than ninety (90) days thereafter), Seller shall prepare documentation reasonably necessary under applicable Law to assign to Purchaser any other collateral or security interest in respect of any Purchased Loan and, with respect to any Purchased Loans that are secured by deposit accounts, shall cooperate with Purchaser and the applicable depository institution to allow Purchaser to enter into a deposit account control agreement with respect to such deposit account. With respect to all Purchased Loans, Seller shall deliver, at the USVI Closing, a limited power of attorney granting Purchaser the authority to endorse any promissory note evidencing such Purchased Loan.

Section 6.17 Other Assets. If any asset described in clause (16) of the definition of “Purchased Assets” with a fair market value of \$100,000 or more is identified by Seller prior to the USVI Closing, Seller shall notify Purchaser and Purchaser shall, at Purchaser’s sole option, either (1) elect to treat such asset as a Purchased Asset at the USVI Closing or (2) relinquish such asset as a “Purchased Asset”, in which case such asset shall be retained by Seller.

Section 6.18 Transition Services Agreement. The parties hereto acknowledge and agree that the terms of the Transition Services Agreement contemplated by the SPA will apply to the services to be provided with respect to the Branches (in addition to the services to be provided with respect to the Bank Entities and the services to be provided with respect to the Purchased Assets and Assumed Liabilities, in each case, as defined in the PR Purchase Agreement).

Section 6.19 Exclusivity. The parties hereto acknowledge and agree that the provisions set forth in Section 4.05 of the SPA shall govern with respect to the Business, Purchased Assets, Assumed Liabilities and the Branches, *mutatis mutandis*.

ARTICLE VII

EMPLOYMENT AND BENEFIT MATTERS

Section 7.1 Transferred Branch Employees.

(a) Within a reasonable number of days prior to the USVI Closing Date as mutually agreed by Seller and Purchaser, Purchaser shall offer employment to each Branch Employee, effective as of the USVI Closing Date (or for any Inactive Branch Employee, as of the date that such Inactive Branch Employee returns to active employment, provided that such Inactive Branch Employee presents himself or herself for active employment with Purchaser or one of its Affiliates on or before the one (1) year anniversary of the start date of such Inactive Branch Employee's leave of absence (or such later date as such Inactive Branch Employee's right to re-instatement under applicable Law expires)) (the USVI Closing Date or such later date, the "Hire Date") and contingent upon the USVI Closing, with Purchaser or an Affiliate of Purchaser on terms and conditions consistent with the requirements set forth in Section 7.1(b) below. Each offer of employment made by Purchaser or one of its Affiliates that satisfies the terms and conditions set forth in this Section 7.1(a) is hereinafter referred to as a "Comparable Job Offer." Each Branch Employee actively employed as of the USVI Closing Date (including employees on vacation, holiday, jury duty, or other similar approved absence) who accepts Purchaser's Comparable Job Offer shall be a "Transferred Branch Employee" upon the Hire Date, and each Inactive Branch Employee shall be treated as a Transferred Branch Employee automatically upon his or her return to, or commencement of, active employment with Purchaser or one of its Affiliates; provided that such Inactive Branch Employee presents himself or herself for active employment with Purchaser or one of its Affiliates on or before the one (1) year anniversary of the start date of such Inactive Branch Employee's leave of absence (or such later date as such Inactive Branch Employee's right to re-instatement under applicable Law expires). "Inactive Branch Employee" means any Branch Employee who would otherwise qualify as a Transferred Branch Employee but who is not actively employed immediately prior to the USVI Closing Date (including those absent from work on account of short- or long-term disability, workers' compensation leave or similar, military leave, or leave under the Family Medical Leave Act) and who has a right of re-instatement pursuant to applicable Law, in each case effective upon such employee's return from any leave or other absence. Except as required by applicable Law, Seller shall cause each Transferred Branch Employee to cease participating in and accruing additional benefits or service credit under any Employee Plan, effective as of the USVI Closing Date; provided, however, that Inactive Branch Employees covered by an Employee Plan immediately prior to the USVI Closing Date may continue to participate in such plan (subject to and in accordance with the terms of such Employee Plans as in effect from time to time) until the earlier of the date such Inactive Branch Employee's commencement of or return to active employment with Purchaser or its Affiliates, if applicable, or the date such Inactive Branch Employee ceases to be eligible for coverage. Notwithstanding the foregoing, the transfer of employment of, and the terms of each Comparable Job Offer to, each Branch Employee shall comply with applicable Laws, and Seller and Purchaser shall cooperate in good faith to take all actions required by applicable Laws to effect such transfers of employment.

(b) Except as may be required by applicable Law or this Section 7.1, Purchaser agrees that each Transferred Branch Employee shall, during the period commencing at the USVI Closing Date and ending on the first anniversary of the USVI Closing Date (or, if shorter, during the term of their employment with Purchaser and its Affiliates), be provided (1) with base salary or base wage and target annual cash bonus opportunities that are, in each case, no less favorable than the base salary or base wage and annual target cash bonus opportunities provided by Seller or its Affiliates to each such Transferred Branch Employee immediately prior to the USVI Closing and (2) severance benefits and retirement, health and welfare benefits (excluding any equity or equity-based plans, defined benefit plans and post-retirement health and welfare benefit plans) that are substantially comparable in the aggregate to those severance benefits and retirement, health and welfare benefits (excluding any equity or equity-based plans, defined benefit plans and post-retirement health and welfare benefit plans) that are generally made available by Seller or its Affiliates immediately prior to the USVI Closing. Without limiting the foregoing, Purchaser also shall maintain any other terms and conditions of employment, compensation and benefits and working conditions of any Branch Employee to the extent required by applicable Law. Except as otherwise prohibited by applicable Law, Purchaser shall assume each Transferred Branch Employee's accrued but unused time-off entitlements, including vacation and sick leave balances, as applicable, accrued under Seller's policies and programs immediately prior to the USVI Closing Date and/or accrued balances of paid time-off or similar programs with Seller as of the USVI Closing Date, which shall be reflected as an Assumed Liability in the calculation of the Closing Payment.

(c) If a Branch Employee does not accept Purchaser's Comparable Job Offer, if a Transferred Branch Employee otherwise becomes entitled to notice, termination or severance payments by reason of the transactions contemplated by this USVI Purchase Agreement under the existing terms of an applicable Employee Plan or as required by U.S. or non-U.S. Law, or if a Branch Employee who otherwise does not become a Transferred Branch Employee (other than as a result of Purchaser's failure make a Comparable Job Offer) becomes entitled to notice, termination or severance payments by reason of the transactions contemplated by this USVI Purchase Agreement, then Seller shall indemnify and hold harmless Purchaser and its Affiliates for any such notice, termination and severance payments. Seller shall reimburse Purchaser for such liabilities within thirty (30) Business Days after receipt of a written reimbursement request from Purchaser, together with supporting documentation therefor.

(d) If a Branch Employee does not receive a Comparable Job Offer and Seller or one of its Affiliates is obligated to pay notice, termination or severance payments to such Branch Employee, then Purchaser shall indemnify and hold harmless Seller for such liabilities. Purchaser shall reimburse Seller for such liabilities within thirty (30) Business Days after receipt of written reimbursement request from Seller, together with supporting documentation therefor.

(e) Seller shall retain responsibility for (i) all claims of Transferred Branch Employees under Employee Plans, and (ii) all liabilities and obligations related to agents, consultants or other independent contractors of Seller or the Business and any current or former employees of Seller or the Business other than the Transferred Branch Employees, in each case, regardless of when such liabilities arise or are incurred or reported or whether attributable to time periods or events before or after the date of this USVI Purchase Agreement. Seller shall retain responsibility for all liabilities and obligations related to the Transferred Branch Employees attributable to time periods or events before the USVI Effective Time. Purchaser and its Affiliates shall not assume any obligations under or liabilities with respect to, or receive any right or interest in any trusts relating to, any assets of or any insurance, administration or contracts pertaining to, any Employee Plan. Purchaser shall be responsible for payment of claims for pension, retirement, health, disability, worker's compensation, life insurance and other compensation or benefits incurred by Transferred Branch Employees following the Hire Date in accordance with the provisions of Purchaser's employee compensation and benefit plans. For the purposes of this Section 7.1(e), (1) a health claim shall be deemed to have been incurred when the medical, dental, vision or other qualifying services giving rise to the claim are performed, (2) a disability claim shall be deemed to have been incurred on the date the employee becomes disabled, (3) a workers' compensation or similar claim shall be deemed to have been incurred on the date of the occurrence as determined under the applicable territorial regulations and (4) a life insurance claim shall be deemed to have been incurred on the date of the individual's death.

(f) Purchaser shall use commercially reasonable efforts to (1) cause any eligibility waiting periods under any group health plans of Purchaser or its Affiliates (collectively, "New Plans") to be waived with respect to the Transferred Branch Employees and their eligible dependents, to the extent coverage under group health plan is replacing comparable coverage under an Employee Plan in which such Transferred Branch Employee participated immediately before the USVI Closing Date (collectively, "Old Plans"), (2) cause any pre-existing conditions, exclusions or limitations under any New Plans to be waived with respect to the Transferred Branch Employees and their eligible dependents, to the extent such conditions were inapplicable or waived under the comparable Old Plans in which such Transferred Branch Employee participated immediately prior to the USVI Closing Date, (3) give each Transferred Branch Employee credit for the plan year of any New Plan in which the USVI Closing occurs towards applicable deductibles and annual out-of-pocket limits under such New Plan in which the Transferred Branch Employee participates for any eligible medical expenses incurred prior to the USVI Closing during the plan year of the Old Plan in which the USVI Closing occurs for which payment has been made, as if such amounts had been paid in accordance with such New Plan, and (4) give each Transferred Branch Employee service credit for such Transferred Branch Employee's employment with Seller and its Affiliates for purposes of vesting, benefit accrual and eligibility to participate under each applicable benefit plan of Purchaser and its Affiliates (including vacation accrual and severance benefit determinations), as if such service had been performed with Purchaser or the applicable Affiliate, except under defined benefit pension plans, under retiree medical plans, for purposes of qualifying for subsidized early retirement benefits or to the extent it would result in a duplication of benefits.

(g) As of the USVI Closing Date, Seller shall fully vest the applicable Transferred Branch Employees in their account balances under the applicable Employee Plans that are qualified cash or deferred arrangements within the meaning of Section 401(k) of the Code. As of the USVI Closing Date, Seller shall fully vest the applicable Transferred Branch Employees in all Employee Plans that provide for equity or equity-based compensation.

(h) Prior to the USVI Effective Time and thereafter (as applicable), Purchaser shall take any and all actions as may be required, including amendments to the tax-qualified defined contribution retirement plan designated by Purchaser or an Affiliate of Purchaser (the "Purchaser 401(k) Plan") to permit each participating Transferred Branch Employee who participates in a Seller 401(k) Plan to make rollover contributions of "eligible rollover distributions" (within the meaning of Section 401(a)(31) of the Code, including of loans) in the form of cash, notes (in the case of loans) or a combination thereof, in an amount equal to the full account balance distributed or distributable to such Transferred Branch Employee from Seller 401(k) Plan to the Purchaser 401(k) Plan. Seller and Purchaser shall cooperate to take any and all commercially reasonable actions needed to permit each Transferred Branch Employee with an outstanding loan balance under the Seller 401(k) Plan as of the USVI Effective Time to continue to make scheduled loan payments to the Seller 401(k) Plan after the USVI Effective Time, pending the distribution and in-kind rollover of the notes evidencing such loans from the Seller 401(k) Plan to the Purchaser 401(k) Plan so as to prevent, to the extent reasonably possible, a deemed distribution or loan offset with respect to such outstanding loans. Each Transferred Branch Employee shall become a participant in the Purchaser 401(k) Plan on the Hire Date (giving effect to the service crediting provisions of Section 7.1(f)); it being agreed that there shall be no gap in participation in a tax-qualified defined contribution plan.

(i) Prior to the USVI Closing, prior to making any written or oral communications to the Branch Employees pertaining to compensation or benefit matters that are affected by the transactions contemplated by this USVI Purchase Agreement, Purchaser shall provide Seller with a copy of the intended communication, Seller shall have a reasonable period of time to review and comment on the communication, and Purchaser shall consider any such comments in good faith.

(j) Nothing contained in this USVI Purchase Agreement is intended to (1) be treated as an amendment of any particular Employee Plan; (2) prevent Seller, Purchaser or any of their respective Affiliates from amending or terminating any of their benefit plans in accordance with their terms; (3) prevent Purchaser or any of its Affiliates, after the USVI Effective Time, from terminating the employment of any Transferred Branch Employee; or (4) create any third-party beneficiary rights in any Branch Employee, or any beneficiary or dependents thereof, or any collective bargaining representative thereof, with respect to the compensation, terms and conditions of employment and/or benefits that may be provided to any Branch Employee by Seller, Purchaser or any of their respective Affiliates or under any benefit plan which Seller, Purchaser or any of their respective Affiliates may maintain.

(k) Seller and its Affiliates shall use their reasonable best efforts to ensure that any foreign national who requires a visa in order to work for the Purchaser in his or her current position may continue to work in such position as a Transferred Employee following the USVI Closing Date, or, as applicable, the date such Branch Employee's employment transfers to the Purchaser if after the USVI Closing Date, which efforts may include, but not be limited to, amending current visa petitions to properly reflect any new employing entity or position prior to the USVI Closing. To the extent required by Law to be employed by the Purchaser, the Purchaser shall employ those Transferred Employees who are foreign nationals working in the United States in non-immigrant status and those Transferred Employees for whom there are pending or approved I-140 immigrant petitions as of the USVI Closing Date (collectively, the "Alien Employees"), under terms and conditions such that the Purchaser qualifies as a "successor employer" under applicable United States immigration laws effective as of the USVI Closing Date, including, but not limited to, 8 U.S.C. 1184(c)(10). As of the day after the USVI Closing Date, the Purchaser agrees to assume all immigration-related liabilities and responsibilities under applicable United States immigration laws with respect to such Alien Employees.

ARTICLE VIII

TAX MATTERS

Section 8.1 Cooperation. Each party hereto shall, and shall cause its Affiliates to, provide to the other party hereto, as promptly as practicable, such cooperation, documentation and information relating to the Branches (including access to books and records, employees, contractors and representatives) as either of them reasonably may request in: (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or an indemnity obligation under this Article VIII or a right to refund of Taxes, (c) conducting any audit, examination, contest, litigation or other proceeding by or against any Taxing Authority or (d) determining an allocation of Taxes between a Pre-Closing Period and Post-Closing Period. Each party will retain all Tax Returns, schedules and work papers, and all material records and other documents relating to Taxes relating to the Branches for Tax periods ending on or prior to the USVI Closing Date until the later of (1) the expiration of the statute of limitations for the Tax periods to which the Tax Returns or other documents relate or (2) eight (8) years following the due date (without extension) for such Tax Returns. Thereafter, the party holding such Tax Returns or other documents may dispose of them after offering the other party reasonable notice and opportunity to take possession of such Tax Returns and other documents at such other party's own expense. Notwithstanding anything to the contrary contained in this USVI Purchase Agreement, neither Seller nor any of its Affiliates shall be required to disclose to Purchaser or any of its agents any information contained on a consolidated, combined, affiliated, unitary or other Tax Return which does not pertain to (i) the Branches or (ii) (x) the Purchased Assets or (y) the Assumed Liabilities.

Section 8.2 [RESERVED].

Section 8.3 Transfer Taxes.

(a) All Transfer Taxes that are payable or that arise as a result of the consummation of the purchase and sale of the Purchased Assets contemplated by this USVI Purchase Agreement shall be borne equally by the Seller and Purchaser. Any Tax Returns that must be filed in connection with Transfer Taxes shall be prepared and filed by the party or parties primarily or customarily responsible under applicable Law for filing such Tax Returns, and each party agrees to cooperate in respect of the filing of such Tax Returns.

(b) The Parties shall cooperate in good faith in seeking a refund of any Transfer Taxes pursuant to Section 8.3.

(c) To the extent necessary to determine the amount of any Transfer Taxes described in Section 8.3(a) that are required to be paid prior to the determination of the Final Allocation Statement, the Parties shall reasonably agree on an allocation of the relevant portion of the Purchase Price among the relevant Purchased Assets, in a manner consistent with the Form of Allocation Statement, that shall be used for determining the amount of any Transfer Taxes.

Section 8.4 Income Tax Elections.

(a) The restrictive covenants contained in Section 6.8 (the "Restrictive Covenants") are being granted to maintain and preserve the fair market value of the Purchased Assets transferred by Seller to Purchaser pursuant to this USVI Purchase Agreement. Seller and Purchaser acknowledge and agree that: (i) no proceeds shall be received or receivable by Seller or any other Person for granting the Restrictive Covenants; and (ii) the Restrictive Covenants are integral to this USVI Purchase Agreement. At the request of and at the expense of Seller (such expenses to include only out-of-pocket expenses of Purchaser), Seller and Purchaser agree, where applicable, to jointly elect pursuant to paragraph 56.4(7)(g) of the Income Tax Act (Canada) (and any equivalent provision under any applicable provincial Tax legislation) with respect to the Restrictive Covenants, and to jointly file the prescribed form within the prescribed time provided for in the Income Tax Act (Canada) (and such applicable provincial Tax legislation). Seller and Purchaser agree to execute and file all necessary documents and instruments to give effect to the election referred to in this Section 8.4.

(b) At the request of and at the expense of Seller (such expenses to include only out-of-pocket expenses of Purchaser), in accordance with the requirements of the Income Tax Act (Canada), the regulations thereunder, the administrative practice and policy of the Canada Revenue Agency and any applicable equivalent or corresponding provincial or territorial legislative, regulatory and administrative requirements, Seller and Purchaser

shall make and file, in a timely manner, a joint election(s) to have the rules in section 22 of the Income Tax Act (Canada), and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the accounts receivable that are the subject of such election, and shall designate therein that portion of the Purchase Price allocated to the accounts receivable that are the subject of such election in accordance with the procedures set out in Section 3.4 of this USVI Purchase Agreement as the consideration paid by Purchaser to Seller. Seller and Purchaser shall prepare and file their respective Tax Returns in a manner consistent with such election.

(c) Nothing in this Section 8.4 shall require Purchaser to (1) register for any tax accounts in Canada, which registration would cause Purchaser to become Tax resident in Canada, (2) file any Tax Returns (other than the specific elections contemplated in this Section) in Canada or (3) otherwise be subject to Taxes in Canada.

Section 8.5 Coordination. Notwithstanding anything in this USVI Purchase Agreement to the contrary, in the event there is a conflict between this Article VIII and any provision of any other article of this USVI Purchase Agreement, this Article VIII shall control.

Section 8.6 Tax Treatment of Payments. Purchaser, Seller and their respective Affiliates shall treat any and all payments under this Article VIII or Section 6.02(a)(4)(D)-(E) of the SPA as an adjustment to the Purchase Price for Tax purposes, unless they are required to treat such payments otherwise by applicable Tax Laws.

Section 8.7 Allocation of Certain Taxes. In the case of any Straddle Period, (a) the amount of ad valorem (real property and personal property) Taxes and other Taxes not described in clause (b) below for the portion of the Straddle Period that ends on the USVI Closing Date shall be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of such Straddle Period ending on the USVI Closing Date and the denominator of which is the number of days in such Straddle Period, and (b) the amount of any sales or use Taxes, value-added Taxes, employment related Taxes, withholding Taxes and Taxes based on or measured by income, receipts or profits of the Branches (or, with respect to the Purchased Assets or Assumed Liabilities, Seller) for the portion of a Straddle Period ending on the USVI Closing Date shall be determined based on an interim closing of the books on the USVI Closing Date.

ARTICLE IX

CLOSING CONDITIONS

Section 9.1 Conditions to Each Party's Obligations under this USVI Purchase Agreement. The respective obligations of each of Seller and Purchaser to effect the transactions contemplated hereby shall be subject to the fulfillment or written waiver by Seller and Purchaser prior to the USVI Closing of each of the following conditions:

(a) All Requisite USVI Regulatory Approvals shall have been obtained and shall be in full force and effect and all related waiting periods required by applicable Law shall have expired or been terminated early.

(b) No relevant Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and prohibits consummation of the transactions contemplated hereby.

(c) The Stock Sale and the other transactions contemplated by the SPA shall have been consummated either substantially contemporaneously with or prior to the USVI Closing.

Section 9.2 Conditions to Obligation of Seller. The obligation of Seller to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Seller, prior to the USVI Closing, of each of the following conditions:

(a) The representations and warranties of Purchaser set forth in Section 5.2(a), Section 5.2(b) and Section 5.2(g) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this USVI Purchase Agreement and as of the USVI Closing Date as though made on and as of the USVI Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Purchaser set forth in Section 5.2 shall be true and correct as of the date of this USVI Purchase Agreement and as of the USVI Closing Date as though made on and as of the USVI Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date; and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the (x) Closing and (y) PR Closing are to occur substantially contemporaneously with the USVI Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 5.02(a) of the SPA and Section 8.2(a) of the PR Purchase Agreement to be so true and correct as of the Closing) has not had, and would not reasonably be expected to have, a material adverse effect on Purchaser's ability to satisfy its obligations hereunder and to consummate the transactions contemplated hereby (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or material adverse effect).

(b) Purchaser shall have complied with or performed in all material respects all obligations required to be complied with or performed by it under this USVI Purchase Agreement at or prior to the USVI Closing.

(c) Seller shall have received a certificate dated as of the USVI Closing Date and validly executed on behalf of Purchaser by an appropriate senior officer certifying that the conditions specified in Section 9.2(a) and Section 9.2(b) have been satisfied.

Section 9.3 Conditions to Obligation of Purchaser. The obligation of Purchaser to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Purchaser, prior to the USVI Closing, of each of the following conditions:

(a) The representations and warranties of Seller set forth in Section 5.1(a), Section 5.1(b) and Section 5.1(g) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this USVI Purchase Agreement and as of the USVI Closing Date as though made on and as of the USVI Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). The representations and warranties of Seller set forth in Section 5.1(q) shall be true and correct in all material respects as of the date of this USVI Purchase Agreement and as of the USVI Closing Date as though made on and as of the USVI Closing Date. All other representations and warranties of Seller set forth in Section 5.1 shall be true and correct as of the date of this USVI Purchase Agreement and as of the USVI Closing Date as though made on and as of the USVI Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date; and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the (x) Closing and (y) PR Closing are to occur substantially contemporaneously with the USVI Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 5.03(a) of the SPA and Section 8.3(a) of the PR Purchase Agreement to be so true and correct as of the Closing) has not had, and would not reasonably be expected to have, a Material Adverse Effect (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or Material Adverse Effect).

(b) Seller shall have complied with or performed in all material respects all obligations required to be complied with or performed by it under this USVI Purchase Agreement at or prior to the USVI Closing.

(c) Purchaser shall have received a certificate dated as of the USVI Closing Date and validly executed on behalf of Seller by an appropriate senior officer of Seller certifying that the conditions specified in Section 9.3(a) and Section 9.3(b) have been satisfied.

(d) No Governmental Authority shall have imposed or conditioned any Requisite USVI Regulatory Approval upon any Burdensome Condition.

ARTICLE X

TERMINATION

Section 10.1 Termination. This USVI Purchase Agreement may be terminated at any time prior to the USVI Closing as follows:

(a) by written agreement of Seller and Purchaser;

(b) by either Seller or Purchaser, if the SPA has been terminated in accordance with its terms by the Party seeking to terminate this USVI Purchase Agreement under this Section 10.1(b);

(c) by either Seller or Purchaser, by giving written notice of such termination to the other Party, if any condition to such terminating Party's obligations hereunder has not been satisfied or waived and the USVI Closing shall not have occurred on or prior to March 26, 2020 (the "USVI Outside Date"); provided that the terminating party pursuant to this Section 10.1(c) is not then in material breach of its representations, warranties, covenants or obligations under the SPA or this USVI Purchase Agreement; provided, further that (x) if the USVI Closing shall not have occurred prior to such date and all the conditions to the USVI Closing, other than the conditions set forth in Section 9.1(a), shall have been satisfied or shall be capable of being satisfied at such time and the extending party is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA, the USVI Outside Date may be extended on one occasion by Seller or Purchaser by written notice to the other Party to June 26, 2020 and such date, if and as so extended, shall be the USVI Outside Date and (y) if the Outside Date is extended under Section 7.01(b) of the SPA, then the USVI Outside Date shall automatically be extended to the same date as the extended Outside Date;

(d) by Purchaser (provided Purchaser is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA), if Seller has breached any representation or warranty or any such representation or warranty becomes untrue, or breached or failed to perform any covenant or agreement, contained in this USVI Purchase Agreement or the SPA, which breach, failure to be true, or failure to perform (in the case of any representation or warranty, taken together with all breaches, failures to be true or inaccuracies with respect to any representations and warranties of Seller set forth in the SPA), would give rise to a failure of the conditions set forth in Section 9.3(a) or Section 9.3(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice thereof is given by Purchaser to Seller and (2) the USVI Outside Date (as such date may be extended in accordance with the terms of this USVI Purchase Agreement); or

(e) by Seller (provided Seller is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA), if Purchaser has breached any representation or warranty or any such representation or warranty becomes untrue, or breached or failed to perform any covenant or agreement, contained in this USVI Purchase Agreement or the SPA, which breach, failure to be true, or failure to perform (in the case of any representation or warranty, together with all breaches, failures to be true or inaccuracies with respect to the representations and warranties of Purchaser set forth in the SPA), would give rise to a failure of the conditions set forth in Section 9.2(a) or Section 9.2(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice is given by Seller to Purchaser and (2) the USVI Outside Date (as such date may be extended in accordance with the terms of this USVI Purchase Agreement).

Section 10.2 Effect of Termination.

(a) Except as provided in paragraph (b) below, if this USVI Purchase Agreement is terminated in accordance with this Article X, this USVI Purchase Agreement shall thereafter become void and have no effect, and none of Parent, Purchaser or Seller shall have any liability to each other or their respective Affiliates, directors, officers, shareholders, partners, agents or employees in connection with this USVI Purchase Agreement, except that (1) the obligations of the parties contained in Section 6.6, this Section 10.2, Article XI and any relevant definitions shall survive any termination of this USVI Purchase Agreement and (2) termination will not relieve any party from liability or damages arising out of its fraud or intentional breach of any provision of this USVI Purchase Agreement occurring prior to termination.

(b) If this USVI Purchase Agreement is terminated by Purchaser or Seller pursuant to Section 10.1(c) and, at the time of such termination, (1) the condition to the USVI Closing set forth in Section 9.1(a) has not been satisfied or waived in writing, (2) all the other conditions to the USVI Closing set forth in Section 9.1 and Section 9.3 shall have been satisfied (or are capable of being satisfied) or waived in writing, and (3) the Closing under the SPA has not occurred, then Purchaser shall promptly, but in no event later than two (2) days after the date of such termination, reimburse Seller for all reasonable and documented out-of-pocket fees, expenses and costs expended or incurred by it and its Affiliates in connection with the transactions contemplated by this USVI Purchase Agreement or the termination of this USVI Purchase Agreement, including in respect of counsel and financial advisors; provided that Purchaser shall not be required to reimburse Seller more than \$2,000,000.00, in the aggregate, under Section 7.02(b) of the SPA, this Section 10.2(b) and Section 9.2(b) of the PR Purchase Agreement.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Exclusive Remedy. Except as otherwise specifically provided in this USVI Purchase Agreement or in the case of fraud or intentional misconduct, the remedies provided in Article VI of the SPA shall be the exclusive monetary damage remedies of the parties hereto from and after the USVI Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement of this USVI Purchase Agreement except as to calculation and final determination of the Final Closing Statement, as to which Section 3.3 shall control exclusively. The remedies that may be available to a party hereto under Section 8.09 of the SPA shall not be limited by the foregoing.

Section 11.2 Miscellaneous. The provisions of Article VIII of the SPA are incorporated by reference herein *mutatis mutandis*, except that Section 8.12 of the SPA, as applied herein, shall be subject to Section 3.3(c).

Section 11.3 SPA Closing. If the USVI Closing does not occur substantially contemporaneously with the Closing, then the definition of “Material Adverse Effect” under this USVI Purchase Agreement will be as follows:

“Material Adverse Effect” means, as the case may be, any event, change, development, occurrence, or effect that:

(a) is material and adverse to the business or condition (financial or otherwise) of the Purchased Assets and the Assumed Liabilities (taken as a whole); or

(b) would materially impair the ability of Seller to perform its obligations under this USVI Purchase Agreement or otherwise materially impede or delay the consummation of the transactions contemplated by this USVI Purchase Agreement;

provided that, in determining whether a Material Adverse Effect has occurred with respect to clause (a), there shall be excluded any event, change, development, occurrence or effect to the extent attributable to or resulting from (1) changes occurring after the date of this USVI Purchase Agreement of any type in general economic conditions or in equity or debt market conditions, including trading levels and volatility in any capital market; (2) changes occurring after the date of this USVI Purchase Agreement in the financial services industry in general and changes occurring after the date of this USVI Purchase Agreement affecting financial institutions in the USVIs in particular; (3) changes occurring after the date of this USVI Purchase Agreement in GAAP or regulatory accounting requirements or authoritative interpretations thereof; (4) changes occurring after the date of this USVI Purchase Agreement in applicable Law or the interpretation or enforcement thereof by Governmental Authorities; (5) changes occurring after the date of this USVI Purchase Agreement in economic, business, credit or financial conditions or trends generally affecting the banking sector in the United States and its territories generally, and in the USVIs in particular, including changes in the credit markets, any downgrades in the credit markets, or adverse credit events resulting in deterioration in the credit markets generally, and in the USVIs in particular, as well as changes after the date of this USVI Purchase Agreement to any previously applied asset marks resulting therefrom; (6) the announcement or performance of this USVI Purchase Agreement or the transactions contemplated hereby; (7) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof; (8) changes occurring after the date of this USVI Purchase Agreement in national or international political or social conditions, including the engagement by the United States or Canada in hostilities, whether or not pursuant to the declaration of a national emergency,

including in the USVIs, or war, or the escalation after the date of this USVI Purchase Agreement of such an engagement, or the occurrence after the date of this USVI Purchase Agreement of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States (including the USVIs); (9) actions or omissions of Seller or its Affiliates (including the Bank Entities) that are required to be taken by Seller or its Affiliates by this USVI Purchase Agreement or actions, or effects of actions, taken by Seller or any of its Affiliates or the Bank Entities that are taken at the written direction of or with the prior written consent of Purchaser or its Affiliates; or (10) natural disasters, epidemics or “acts of God,” in each case, occurring after the date of this USVI Purchase Agreement; provided that, in the case of clauses (1), (2), (3), (4), (5), (8) and (10) only, if such event, change, development, occurrence or effect is disproportionately adverse to the Purchased Assets and the Assumed Liabilities (taken as a whole) as compared to the assets and liabilities of other banking institutions operating in the business and locations in which the Branches operate, then the disproportionate aspects of such event, change, development, occurrence or effect will be taken into account in determining whether a Material Adverse Effect has occurred.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this USVI Purchase Agreement to be duly executed as of the date first above written.

THE BANK OF NOVA SCOTIA

By: /s/ Ignacio Deschamps

Name: Ignacio Deschamps

Title: Group Head International Banking & Digital Transformation

ORIENTAL BANK

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

OFG BANCORP

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

[Signature Page to the Sale and Purchase Agreement (USVI)]

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Section 4: EX-2.3 (EX-2.3)

Exhibit 2.3

EXECUTION VERSION

SALE AND PURCHASE AGREEMENT (PR)

BETWEEN

THE BANK OF NOVA SCOTIA

AND

ORIENTAL BANK

AND

SOLELY FOR THE PURPOSES SET FORTH HEREIN

OFG BANCORP

JUNE 26, 2019

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Exhibit 4.1(b)(2) Form of Bill of Sale and Assignment and Assumption Agreement

SALE AND PURCHASE AGREEMENT (PR), dated June 26, 2019, between The Bank of Nova Scotia, a Schedule I bank existing under the laws of Canada ("Seller"), and Oriental Bank, a bank chartered under the laws of Puerto Rico ("Purchaser") and, solely for the purposes expressly provided in this PR Purchase Agreement, OFG Bancorp, a corporation incorporated under the laws of Puerto Rico ("Parent").

RECITALS

A. Concurrently with the execution of this PR Purchase Agreement (as defined below), (1) Seller, Purchaser and Parent have entered into the SPA (as defined below) and (2) Seller, Purchaser and Parent have entered into the USVI Purchase Agreement (as defined below).

B. Seller desires to sell, and Purchaser desires to acquire, the Purchased Assets (as defined below) subject to the terms and conditions of this PR Purchase Agreement; and

C. Seller desires to transfer to Purchaser, and Purchaser desires to assume from Seller, the Assumed Liabilities (as defined below) subject to the terms and conditions of this PR Purchase Agreement.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS; CONSTRUCTION

Section 1.1 Definitions. This PR Purchase Agreement uses the following definitions:

"Accounting Firm" has the meaning specified in Section 3.3(c).

"Accrued Interest and Fees" means (1) with respect to the Assumed Deposits, the interest, fees and other charges (whether billed or unbilled) that have been accrued but not yet posted to the Assumed Deposits; and (2) with respect to the Purchased Loans, Assumed Letters of Credit and Purchased Overdrafts, the interest, fees and other charges (whether billed or unbilled) that have been accrued but not yet paid, credited or charged to the Purchased Loans, Assumed Letters of Credit and Purchased Overdrafts, as applicable, and, in the case of each of the foregoing items described in clauses (1) and (2), as calculated by Seller on its systems of record maintained in the ordinary course of business consistent with past practice and in accordance with the terms of the applicable Purchased Asset or Assumed Liability.

"Assignment of Mortgage" has the meaning specified in Section 6.15.

“Assumed Contracts” means the account agreements and other instruments governing the Assumed Deposits and the Purchased Loans.

“Assumed Deposits” means the deposits of the customers of the PR Branch, other than the deposits of the customers of the PR Branch that elect not to transfer his, her or its deposit account to Purchaser pursuant to the process discussed in Section 3.6, in each case, as set forth in the Assumed Deposits Schedule (as updated pursuant to Section 3.6), but excluding the Excluded Deposits.

“Assumed Letters of Credit” means the letters of credit, including any standby letter of credit, issued by Seller or any of its Affiliates (other than any Bank Entity) for the account of a Branch Customer, in each case, as set forth in the Assumed Letters of Credit Schedule, (as updated pursuant to Section 3.6).

“Assumed Liabilities” means each of the following liabilities: (1) the Assumed Deposits (including any Accrued Interest and Fees with respect thereto); (2) all liabilities and obligations under, and the obligation to perform at and after the PR Effective Time, the Assumed Contracts and the Assumed Letters of Credit; and (3) all other liabilities and obligations of every kind to the extent relating to or arising from (A) the foregoing liabilities and obligations to be assumed or performed by Purchaser at or after the PR Effective Time or (B) Purchaser’s administration of the Purchased Assets or Assumed Liabilities following the PR Effective Time, in each case of clauses (1)-(3), other than the Excluded Liabilities, provided, however, that Assumed Liabilities shall not include any Tax liabilities with respect to Pre-Closing Periods.

“Authorization” means: (1) any consent required to (i) assign, novate or sell or permit assignment, novation or sale to Purchaser of any Assumed Contract or Purchased Asset as contemplated by Section 2.1; or (ii) cause Purchaser to assume the Assumed Liabilities as contemplated by Section 2.2; and (2) any authorization for the assignment, novation, sale or transfer of any Assumed Contract or Purchased Asset under applicable Law, the relevant contract or otherwise that does not involve a consent described in clause (1) above.

“Bill of Sale and Assignment and Assumption Agreement” has the meaning specified in Section 4.1(b)(2).

“Books and Records” means, other than the Loan Documents, the books and records of Seller relating primarily to the Purchased Assets or the Assumed Liabilities, including, as applicable, all segregated books of account, financial and Tax (including Tax Returns) records.

“Branch Customers” means, individually and collectively, (1) the Persons named as the owners of the deposit accounts relating to the Assumed Deposits and (2) the obligors under the Purchased Loans.

“Closing Payment” has the meaning specified in Section 3.2(b).

“Closing Statement” has the meaning specified in Section 3.2(a).

“Dispute Notice” has the meaning specified in Section 3.3(c).

“Disputed Items” has the meaning specified in Section 3.3(c).

“Draft Allocation Statement” has the meaning specified in Section 3.4(a).

“Estimated Closing Statement” has the meaning specified in Section 3.2(a).

“Estimated Purchase Price” has the meaning specified in Section 3.2(a).

“Excluded Assets” means all assets, rights, contracts and claims of Seller and its Affiliates that are not Purchased Assets, including, for the avoidance of doubt, (1) all real property or real property interests of Seller and its Affiliates; (2) any Intellectual Property of Seller and its Affiliates, including all right, title and interest in and to all proprietary or licensed software, systems or programs or computer software agreements of Seller and its Affiliates and any rights (owned, licensed or otherwise) to any Seller Marks and any other Trademarks of Seller or its Affiliates; (3) all claims or rights of Seller or its Affiliates to Tax refunds, credits, overpayments, prepayments and benefits (including interest) for any Pre-Closing Period; and (4) all insurance policies of Seller and its Affiliates and claims accrued thereunder.

“Excluded Books and Records” means (1) any Books and Records that cannot be transferred under applicable Law; (2) Tax Returns of Seller (except to the extent related solely to the Purchased Assets or the Assumed Liabilities (on a standalone basis)); (3) corporate minute books of Seller or any of its Affiliates; (4) records of Seller or its Affiliates (other than the Bank Entities) such as Seller customer lists (other than Branch Customer lists) or other information regarding Seller’s broader regional or global operations and (5) any books, records, or other data that are not otherwise included in the definition of Books and Records.

“Excluded Deposits” means any and all deposits of Branch Customers who are not resident or domiciled or headquartered in the United States, the USVI or Puerto Rico.

“Excluded Liabilities” has the meaning specified in Section 2.2(b).

“Final Allocation Statement” has the meaning specified in Section 3.4(a).

“Final Closing Statement” has the meaning specified in Section 3.3(a).

“Final Purchase Price” has the meaning specified in Section 3.3(a).

“Final Schedules” has the meaning specified in Section 3.6(b).

“Form of Allocation Statement” has the meaning specified in Section 3.4(a).

“Loan Documents” means Seller’s loan file for, and all other documents maintained by or on behalf of Seller in respect of, the Purchased Loans and the Assumed Letters of Credit, including each of the following, as applicable to any individual Purchased Loan or Assumed Letters of Credit:

(1) Contracts evidencing or entered into in connection with the Purchased Loans or the Assumed Letters of Credit, including commitment letters, loan agreements, participation agreements, guarantees, sureties, reimbursement agreements, pledge agreements, intercreditor agreements, security and collateral agreements, mortgages (including proof of recordation thereof, if any, or, if any of the mortgages has been filed for recordation but is still pending, proof of filing thereof, in each case, if and as required by applicable Law) and deeds of trust; (2) all original promissory notes (and any related endorsements or allonges in Seller’s possession) (or a “lost note affidavit and indemnity” executed by Seller); (3) all loan applications, appraisals, credit reports, disclosures, certificates, titles to collateral (titles to cars, boats, etc.) and other documents evidencing interests in collateral securing any Purchased Loan (e.g., original stock certificates); (4) all verifications (including employment verification, deposit verification, etc.); (5) financial statements of borrowers and guarantors, other financial information, Tax returns, insurance information, credit approval memoranda, taxpayer identification number certifications and records relating thereto; (6) title insurance policies with respect to Purchased Loans secured by real property and (7) all modifications, waivers and consents relating to any of the foregoing.

“Net Book Value” means (1) in the case of the Purchased Loans, (A) the gross book value of the Purchased Loans as of the PR Effective Time minus (B) the greater of (x) \$27,700,000.00 or (y) the amount of any associated allowance, reserve or other contra-asset account as of the PR Effective Time; provided that the amount set forth in clause (x) shall be reduced by the total amount of any reserves or contra-asset account in respect of Purchased Loans that are sold, charged off in full or otherwise removed from the portfolio of loans comprising the Purchased Loans; (2) in the case of any other Purchased Assets, the book value of such Purchased Assets as of the PR Effective Time net of any associated allowance, reserve or other contra-asset account as of the PR Effective Time and (3) in the case of any Assumed Liabilities, the book value of such Assumed Liabilities as of the PR Effective Time, in the case of clauses (1) through (3), subject to the following sentence, as reflected in Seller’s systems of record maintained in the ordinary course of business consistent with past practice. Net Book Value, and each component thereof, will be calculated in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures that are described in the Sample Closing Statement Schedule and used in the calculations set forth therein).

“Parent” has the meaning specified in the Preamble.

“Permits” has the meaning specified in Section 5.1(e).

“Permitted Objection” has the meaning specified in Section 3.3(c).

“Post-Closing Period” means any taxable period (or portion thereof) beginning after the PR Closing Date.

“PR Branch” means the branch of Seller in Puerto Rico located at 290 Jesus T. Piñero Ave., Scotia Tower Lobby Level, San Juan, Puerto Rico 00918.

“PR Closing” means the consummation of the (1) transfer of the Purchased Assets (except as otherwise provided in Section 3.6(c)), (2) the assumption of the Assumed Liabilities and (3) the payment of the Closing Payment, in each case, as contemplated by this PR Purchase Agreement.

“PR Closing Date” means the date on which the PR Closing under this PR Purchase Agreement takes place.

“PR Effective Time” means 12:01 AM New York time on the PR Closing Date.

“PR Outside Date” has the meaning specified in Section 9.1(c).

“PR Purchase Agreement” means this Sale and Purchase Agreement (PR), including the Schedules and Exhibits hereto, as may be amended or restated from time to time.

“Pre-Closing Period” means any taxable period (or portion thereof) ending on or prior to the PR Closing Date.

“Pre-Closing Taxes” means (1) Taxes of Seller or the PR Branch for any Pre-Closing Period, including Taxes allocable to the pre-Closing portion of any Straddle Period pursuant to Section 7.7, (2) Transfer Taxes allocated to the Seller pursuant to Section 7.3 and (3) any Taxes imposed as a result of any action taken pursuant to Section 6.10.

“Previously Disclosed” means, in response or as an exception to any particular representation, warranty or covenant set forth in this PR Purchase Agreement, information set forth in the corresponding Section of the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as the case may be; it being understood that (a) no such item is required to be set forth as an exception to a representation or warranty if its absence would not result in the related representation or warranty being deemed untrue or incorrect, (b) the mere inclusion of an item in the Seller Disclosure Schedules or the Purchaser Disclosure Schedules, as applicable, as an exception to a representation or warranty shall not be deemed an admission by Seller or Purchaser, as applicable, that such item represents a material exception or fact, event or circumstance or that such item is reasonably likely to result in a Material Adverse Effect, (c) disclosure in any Section of the Seller Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, as an exception to, or in response to, any representation or warranty will be deemed to be a disclosure with respect to any other representation, warranty or covenant in

this PR Purchase Agreement to the extent that the relevance of such disclosure is reasonably apparent from the face of such disclosure, (d) no reference to or disclosure of any item in the Seller Disclosure Schedules or Purchaser Disclosure Schedules, as applicable, shall be construed as an admission that such item was required to be referenced or disclosed or is material, (e) no reference to a possible breach of contract or applicable Law shall be deemed an admission that any such breach exists or actually occurred and (f) no Person may rely on the Seller Disclosure Schedules other than Purchaser and Parent and no Person may rely on the Purchaser Disclosure Schedules other than Seller.

“Prorated Items” has the meaning specified in Section 3.3(b).

“Purchase Price” has the meaning specified in Section 3.1.

“Purchased Assets” means all right, title, interest and obligations of Seller and its Affiliates (other than the Bank Entities) in, to, and under the following assets: (1) the Purchased Loans; (2) the Assumed Contracts (including any accounts receivable owing by third parties related thereto); (3) the Assumed Letters of Credit; (4) the Purchased Overdrafts; (5) the Loan Documents; (6) Transferred Business Relationship Information; and (7) the Books and Records.

“Purchased Loans” means (1) the loans made or purchased by Seller or its Affiliates (other than any Bank Entity) that are (x) (A) booked as of the date hereof or (B) booked after the date hereof in the ordinary course of business consistent with past practice, in each case at the PR Branch, and (y) listed on the Purchased Loans Schedule (as updated pursuant to Section 3.6), (2) all right, title, interest and obligations of Seller and its Affiliates (other than any Bank Entity) in, to, and under all security interests, mortgages or credit support in respect of any loan contemplated by clause (1) and (3) all Accrued Interest and Fees with respect to any loan contemplated by clause (1).

“Purchased Overdrafts” means overdrafts (whether specifically extended or courtesy) of the book balance of any Assumed Deposits, together with Accrued Interest and Fees with respect thereto.

“Purchaser” has the meaning specified in the Preamble.

“Purchaser Disclosure Schedules” means the schedules delivered by Purchaser to Seller in accordance with the terms and conditions of this PR Purchase Agreement on or prior to the date of this PR Purchase Agreement.

“Requisite PR Regulatory Approvals” means the regulatory notices and approvals listed on the Requisite PR Regulatory Approvals Schedule.

“Restrictive Covenants” has the meaning specified in Section 7.4(a).

“Review Period” has the meaning specified in Section 3.3(c).

“Seller” has the meaning specified in the Preamble.

“Seller Disclosure Schedules” means the schedules delivered by Seller to Purchaser in accordance with the terms and conditions of this PR Purchase Agreement on or prior to the date of this PR Purchase Agreement.

“SPA” means the Stock Purchase Agreement, dated the date hereof, between Seller and Purchaser and, solely for the purposes expressly provided therein, Parent, including the Schedules and Exhibits thereto, as may be amended or restated from time to time.

“Taxing Authority” means any Governmental Authority having or purporting to exercise jurisdiction or collection or management functions with respect to any Tax (including the Canada Revenue Agency).

“Transferred Business Relationship Information” means, with respect to the Purchased Assets or the Assumed Liabilities, and to the extent held or controlled by or on behalf of Seller or any of Seller’s Affiliates, (1) all applicable customer identifying information with respect to each Branch Customer, (2) all account information and transaction information relating to the Purchased Assets and Assumed Liabilities and (3) all account signature cards.

“USVI Purchase Agreement” means the Sale and Purchase Agreement (USVI), dated the date hereof, between Seller and Purchaser and, solely for the purposes expressly provided therein, Parent, including the Schedules and Exhibits thereto, as may be amended or restated from time to time.

“USVI Purchase Agreement Closing” means the closing of the sale and purchase of the Purchased Assets (as defined in the USVI Purchase Agreement) and the assumption of the Assumed Liabilities (as defined in the USVI Purchase Agreement) pursuant to the USVI Purchase Agreement.

Section 1.2 Other Defined Terms. Capitalized terms used but not otherwise defined herein are defined in the SPA and incorporated herein by reference.

Section 1.3 Interpretation. Section 1.02 of the SPA is incorporated herein by reference *mutatis mutandis*.

ARTICLE II

SALE AND PURCHASE OF PURCHASED ASSETS AND ASSUMPTION OF ASSUMED LIABILITIES

Section 2.1 Sale and Purchase of Purchased Assets.

(a) At the PR Closing and effective as of the PR Effective Time, subject to the terms and conditions set forth in this PR Purchase Agreement, Seller will sell, assign, transfer, convey and deliver, or cause one or more of its Affiliates to sell, assign, transfer, convey and deliver, to Purchaser, and Purchaser will purchase, acquire and accept from Seller or its applicable Affiliates, all right, title, interest and obligations of Seller or its applicable Affiliates in, to, and under the Purchased Assets, free and clear of all Liens.

(b) Notwithstanding anything to the contrary in Section 2.1(a), Purchaser will not purchase, assume or otherwise acquire, and Seller and its Affiliates (other than any Bank Entity) will retain all the rights, title and interest in and to, the Excluded Assets.

(c) Each of Purchaser and Seller understands and agrees that (i) Purchaser is purchasing hereunder only the Purchased Assets (and assuming hereunder only the Assumed Liabilities) specified in this PR Purchase Agreement and (ii) without limiting Section 6.8 of this PR Purchase Agreement and Section 4.08(c) of the SPA, Purchaser has no interest in any other relationship which Seller or any of its Affiliates (other than the Bank Entities) has or may have with any Branch Customer or any other customer of Seller or any of its Affiliates (other than the Bank Entities). Subject to Section 4.18 of the SPA, each of Purchaser and Seller further understands and agrees that Seller and its Affiliates are retaining any indemnification or reimbursement rights which any of them has with respect to the Purchased Assets and the Assumed Liabilities to the extent that such rights or claims relate to the operation of the PR Branch prior to, the PR Closing Date, unless such rights or claims are Purchased Assets or Assumed Liabilities.

Section 2.2 Assumption of Liabilities.

(a) At the PR Closing and effective as of the PR Effective Time, subject to the terms and conditions set forth in this PR Purchase Agreement, Seller will assign, and Purchaser will assume and will, as they become due, pay, perform and discharge the Assumed Liabilities. Purchaser's obligations under this Section 2.2(a) shall not be subject to offset or reduction by reason of any actual or alleged breach of any representation, warranty or covenant of this PR Purchase Agreement or any right or alleged right to indemnification under this PR Purchase Agreement.

(b) Notwithstanding anything to the contrary set forth in this PR Purchase Agreement, other than the Assumed Liabilities, neither Purchaser nor any of its Affiliates will assume any liability or obligation of Seller or any of its Affiliates under this PR Purchase Agreement, and Seller and its Affiliates shall retain all of its and their other liabilities and obligations that are not Assumed Liabilities, including those arising (whether before or after the PR Effective Time) from (i) the operation of the PR Branch, the administration of the Purchased Assets or the administration of the Assumed Liabilities, in each case of the foregoing, during the period prior to the PR Effective Time, including as a result of any act or omission by Seller and its Affiliates prior to the PR Effective Time; (ii) Pre-Closing Taxes; (iii) any liability or obligation expressly retained by Seller under this PR Purchase Agreement, (iv) the Excluded Assets and (v) the Excluded Deposits (collectively, the “Excluded Liabilities”); provided, however, that “Excluded Liabilities” will not include any liabilities or obligations to the extent arising from Purchaser’s administration of the Purchased Assets or administration of the Assumed Liabilities, in each case of the foregoing, during the period following the PR Effective Time notwithstanding that such liability or obligation arising following the PR Effective Time may have resulted from business practices or conduct that is consistent with the business practices or conduct of Seller or any of its Affiliates with respect to the operation of the PR Branch, the administration of the Purchased Assets or the administration of the Assumed Liabilities, in each case of the foregoing, prior to the PR Effective Time, in which case Seller shall be liable in respect of such matter only up to the PR Effective Time.

ARTICLE III

PURCHASE PRICE; CLOSING STATEMENT; CLOSING PAYMENT; ADJUSTMENTS

Section 3.1 Purchase Price. On the terms and subject to the conditions set forth in this PR Purchase Agreement, in consideration of the sale and the transfer of the Purchased Assets and the assumption of the Assumed Liabilities, Purchaser will, in accordance with Sections 3.2(b) and 3.3, pay to Seller in the manner provided herein an amount equal to the sum of the following (the “Purchase Price”): the sum of the aggregate Net Book Values, as of the PR Effective Time, of each of the following: the Purchased Loans (including Accrued Interest and Fees), the Assumed Letters of Credit (including Accrued Interest and Fees) and the Purchased Overdrafts (including Accrued Interest and Fees).

Section 3.2 Estimated Closing Statement; Payment of Estimated Purchase Price.

(a) Not fewer than three (3) Business Days prior to the PR Closing Date, Seller shall deliver to Purchaser a statement substantially in the form included in the Sample Closing Statement Schedule, and prepared in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures used in the calculations set forth in the Sample Closing Statement Schedule) (the "Estimated Closing Statement") showing the calculation of (1) Seller's good faith estimate of the Purchase Price as of the most recent available month end prior to the PR Closing Date (such amount, the "Estimated Purchase Price"), (2) the aggregate Net Book Value of the Assumed Liabilities as of the most recent available month end prior to the PR Closing Date and (3) the resulting calculation of the Closing Payment (as defined below), in each case accompanied by reasonably detailed calculations thereof and reasonable supporting documentation.

(b) At the PR Closing, Seller will pay, or cause to be paid to Purchaser, an amount (the "Closing Payment") equal to the aggregate Net Book Value of the Assumed Liabilities (including any Accrued Interest and Fees) minus the Estimated Purchase Price, by electronic wire transfer of immediately available funds to an account or accounts designated by Purchaser; provided, however, that if the Closing Payment is a negative number, then Purchaser will pay, or cause to be paid to Seller, the absolute value of the Closing Payment, by electronic wire transfer of immediately available funds to an account or accounts designated by Seller.

Section 3.3 Final Closing Statement, Allocation of Fees and Expenses, and Post-Closing Adjustment.

(a) As soon as reasonably practicable, but in no event more than sixty (60) days following the PR Closing Date, Purchaser shall deliver to Seller a statement substantially in the form included in the Sample Closing Statement Schedule, calculated as of the PR Effective Time, and prepared in accordance with the sample calculation included in the Sample Closing Statement Schedule (including using the same methodologies and procedures described in the Sample Closing Statement Schedule and used in the calculations set forth in the Sample Closing Statement Schedule), showing the calculation of (1) the Purchase Price as of the PR Effective Time (such amount, the "Final Purchase Price"), (2) the aggregate Net Book Value of the Assumed Liabilities as of the PR Effective Time and (3) the resulting Closing Payment as of the PR Effective Time, and the allocation of any amounts in accordance with Section 3.3(b) (the "Final Closing Statement"), in each case accompanied by reasonably detailed calculations thereof and reasonable supporting documentation. In connection with Purchaser's preparation of the Final Closing Statement but subject to the last sentence of this Section 3.3(a), Seller shall, and shall cause its Affiliates to, afford Purchaser, Purchaser's Affiliates and Purchaser's Representatives reasonable access to all books, records, work papers, documentation and supporting data, used in connection with, and to any employees and accountants of Seller or any of its Affiliates involved in, the preparation of the Estimated Closing Statement. During the Review Period (as defined below), in connection with Seller's review of the Final Closing Statement, but subject to the last sentence of this Section 3.3(a), Purchaser shall, and shall cause its Affiliates to, afford Seller, Seller's Affiliates and Seller's Representatives reasonable access to all books, records, work papers, employees and accountants involved in, the preparation of the Final Closing Statement. Notwithstanding the foregoing, (i) any information provided pursuant to this Section 3.3(a) shall be

subject to Section 6.6 and (ii) nothing set forth in this Section 3.3(a) or Section 3.3(c) shall require Seller, Purchaser or any of their respective Affiliates or Representatives to disclose to any Person, including the Accounting Firm (as defined below), (x) any information if providing such information could reasonably be expected to jeopardize any attorney-client privilege or would violate applicable Law or (y) any work papers of its auditors unless and until the Person receiving such information has signed a customary confidentiality and hold harmless agreement relating to such work papers in form and substance reasonably acceptable to such auditors.

(b) Except as otherwise provided in this PR Purchase Agreement, all items of income, operating expenses, prepayments and fees relating to the Purchased Assets and the Assumed Liabilities, whether accrued or prepaid on or prior to the PR Closing Date (“Prorated Items”) that relate to both the Pre-Closing Period and the Post-Closing Period and that are not otherwise reflected in the Final Closing Statement, shall be prorated between Seller, on the one hand, and Purchaser, on the other hand, based on the full amount of the latest available bills or statements on the basis of a three hundred sixty-five (365)-day calendar year (except to the extent accrued on a three hundred sixty (360)-day calendar year, in which case proration shall be based on a three hundred sixty (360)-day calendar year) as of the PR Effective Time. Each of Seller and Purchaser will cooperate and provide all supporting information necessary to determine the amount and proration of such Prorated Items. Any necessary payments to reflect such proration shall be reflected in the Final Closing Statement. To the extent that any Prorated Items described in this Section 3.3(b) are not discovered or the actual amount thereof is not known prior to the final determination of the Final Closing Statement, the parties shall cooperate with one another so that Seller and Purchaser each pays its appropriate share of any such Prorated Items, depending upon whether such Prorated Items relate to the period before or after the PR Effective Time.

(c) Except as otherwise expressly provided in this Section 3.3(c), the Final Closing Statement, and each component thereof, including the amount of the Closing Payment set forth therein, will be final and binding on the parties, unless, within thirty (30) days after receipt by Seller of the Final Closing Statement (the “Review Period”), Seller shall notify Purchaser in writing (a “Dispute Notice”) of its disagreement with any amount included therein or omitted therefrom, in each case, solely on the basis of (i) mathematical error or (ii) the Final Closing Statement or any amount therein or component thereof not being prepared or calculated in accordance with the terms of this PR Purchase Agreement (each, a “Permitted Objection”). The Dispute Notice must be accompanied by reasonable supporting documentation and set forth in reasonable detail the basis for each Permitted Objection and the specific adjustments to the applicable items set forth in the Final Closing Statement which Seller proposes should be made. If, during the Review Period, Seller so submits a Dispute Notice, and Seller and Purchaser are unable to resolve the Permitted Objections set forth in the Dispute Notice within fifteen (15) Business Days following the receipt by Purchaser of the Dispute Notice (including all such reasonable supporting documentation), such unresolved items (the “Disputed Items”) will be referred to, promptly thereafter, and determined by a nationally recognized

independent accounting firm selected by mutual written agreement of Seller and Purchaser (the “Accounting Firm”). The Accounting Firm will have authority to resolve only the Disputed Items and shall make its determination based solely on written submissions to the Accounting Firm by the parties and their respective Representatives or any oral presentations requested by the Accounting Firm but, in any event, not by independent investigation. Within ten (10) Business Days following the submission of any Disputed Items to the Accounting Firm, Seller and Purchaser shall concurrently deliver supporting documentation (in writing) to the Accounting Firm (with a copy to the other party). The parties agree that all communications with or to the Accounting Firm will include the other party and that there will be no ex parte communications with the Accounting Firm (including with the personnel of the Accounting Firm assigned to resolve such disputes) with respect to any Disputed Items. The parties shall instruct the Accounting Firm to render its decision resolving such Disputed Items within fifteen (15) Business Days after such written submissions (or, if later, the date of any oral presentation requested by the Accounting Firm), resolving only those Disputed Items specifically submitted to the Accounting Firm. In resolving any Disputed Item, the Accounting Firm: (1) will be bound by the applicable provisions set forth in this PR Purchase Agreement, including the applicable definitions, (2) will limit its review to the Disputed Items submitted to the Accounting Firm in the written submissions of the parties hereto and shall not investigate matters independently, (3) will not undertake to resolve any dispute regarding the legal interpretation of this PR Purchase Agreement and (4) will not assign to any individual item a value greater than the greatest value, or lower than the lowest value, for such individual item claimed by any party hereto. The fees and disbursements of the Accounting Firm will be allocated between Seller and Purchaser in the same proportion that the aggregate amount of such remaining Disputed Items so submitted to the Accounting Firm that is unsuccessfully disputed by each such party (as finally determined by the Accounting Firm) bears to the total amount of such Disputed Items so submitted. The parties agree that the resolution of disputes with respect to the calculations and amounts set forth in the Final Closing Statement (including the calculation of the Closing Payment and the allocation of any amounts in accordance with Section 3.3(b) (x) will be governed, solely and exclusively, by the procedures set forth in this Section 3.3(c), except that nothing set forth in this Section 3.3(c) will preclude any party from commencing any action, suit or proceeding to compel specific performance of this Section 3.3(c) or to enforce the determination of the Accounting Firm and (y) will be conclusive and binding on the parties when rendered by the Accounting Firm, except, in each case, in the case of fraud, intentional misconduct or manifest error. Notwithstanding anything in this PR Purchase Agreement to the contrary, the Accounting Firm will act as an expert and not an arbitrator.

(d) Within ten (10) days following the determination of the Final Closing Statement, Seller and Purchaser shall effect the transfer of any funds as may be necessary to reflect the differences between the Estimated Closing Statement and the Final Closing Statement and resulting adjustments to the calculation of the Closing Payment.

Section 3.4 Allocation of Purchase Price.

(a) Within ninety (90) days after the PR Closing Date, Seller shall prepare and deliver to Purchaser a draft of a statement, prepared in the manner and in the form mutually agreed between Seller and Purchaser at least thirty (30) days prior to the PR Closing (the "Form of Allocation Statement"), setting forth the calculation of the aggregate amount of consideration (including the Purchase Price and Assumed Liabilities) paid by Purchaser in respect of the Purchased Assets, and the proposed allocation of such consideration among the Purchased Assets (the "Draft Allocation Statement"). If within thirty (30) days after Purchaser's receipt of the Draft Allocation Statement, Purchaser shall not have objected in writing to such Draft Allocation Statement, then the Draft Allocation Statement shall become final. In the event that Purchaser objects in writing within such thirty-(30) day period, Seller and Purchaser shall negotiate in good faith to resolve the dispute and arrive at a final allocation statement. If the parties are unable to resolve any such issue by thirty (30) days after the date of receipt by Seller of the request for changes, a nationally recognized, independent accounting firm selected by mutual agreement between Seller and Purchaser shall determine the allocation of the Purchase Price and Assumed Liabilities among the Purchased Assets in accordance with the provisions of Section 3.3(c), which shall apply *mutatis mutandis* (the allocation statement, as becomes final, as is agreed between the parties, or as determined by the independent accounting firm, the "Final Allocation Statement").

(b) Seller and Purchaser shall report an allocation of the aggregate amount of consideration paid by Purchaser in respect of the Purchased Assets (and in respect of the Purchased Assets acquired in respect of the PR Branch) in a manner entirely consistent with the Final Allocation Statement and shall not take any position inconsistent therewith in the preparation of financial statements, the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax Returns, except as required by a final determination.

Section 3.5 Withholding. As of the date of this PR Purchase Agreement, to the Knowledge of the Parties after obtaining the advice of qualified counsel in the relevant jurisdiction, there is no requirement that any Taxes are required to be withheld by any Party from any payment under this PR Purchase Agreement and, to the extent that any Party becomes aware of any such requirement, it will notify the other Party of such requirement at least ten (10) Business Days prior to the PR Closing Date and provide a reasonable opportunity for such other Party to provide forms or evidence that would exempt such amounts from withholding. The applicable withholding Party shall promptly deliver to the other Party copies of any receipts provided to it by a Taxing Authority in respect of withholding Tax and any other proof reasonably requested by such other Party showing payment of any withholding Tax to the relevant Taxing Authority. Notwithstanding the foregoing, Parent, Purchaser, and any of their applicable Subsidiaries will be entitled to deduct and withhold from the Purchase Price and any amounts otherwise payable pursuant to this PR Purchase Agreement such amounts as such entities reasonably determine are required to be deducted and withheld with respect to the making of such payment under the Code, the PR Code, or any provision of applicable Tax Law. Any amounts withheld and paid over to an applicable Governmental Authority will be treated for all purposes of this PR Purchase Agreement as having been made to the Person in respect of which such deduction and withholding was made.

Section 3.6 Updated Schedules.

(a) On or before the tenth (10th) Business Day following the end of every second month (beginning with the end of August) between the date hereof and the PR Closing Date, Seller shall deliver to Purchaser updated versions of the following schedules, so that they are presented as of the last day of the immediately preceding month: Assumed Deposits Schedule (subject to (c) below), Assumed Letters of Credit Schedule, and Purchased Loans Schedule. No fewer than five (5) Business Days prior to the PR Closing Date, Seller shall deliver to Purchaser updated versions of the foregoing schedules, so that they are presented as of the last day of the immediately preceding month. With respect to the loan identified in Section 5.1(c) of the Seller Disclosure Schedules, Seller will use reasonable best efforts to ensure that it has a valid, perfected and enforceable security interest in the collateral securing such loan, and if, as of the date on which the updated version of the Purchased Loan Schedule is required to be delivered in accordance with the immediately preceding sentence, (1) the borrower under such loan has not consented to the transfer of such loan to Purchaser as contemplated hereby; or (2) if the Collateral Remediation (as defined in Section 5.1(c) of the Seller Disclosure Schedules) has not occurred, then such loan shall be deemed an “Excluded Asset” and it shall not be included in the calculation of the Purchase Price to be paid by Purchaser as provided in this PR Purchase Agreement. The schedules referred to in this Section 3.6(a) will be prepared by Seller using the same methodologies, criteria and practices used by Seller to prepare the corresponding Schedules delivered on the date of this PR Purchase Agreement.

(b) Within sixty (60) days after the PR Closing Date, Purchaser shall deliver to Seller updated versions of the following schedules, so that they are presented as of the PR Effective Time (such schedules, collectively, the “Final Schedules”): Assumed Deposits Schedule, Assumed Letters of Credit Schedule and Purchased Loans Schedule. The Final Schedules will be prepared by Purchaser using the same methodologies, criteria and practices used by Seller to prepare the corresponding Schedules delivered on the date of this PR Purchase Agreement.

(c) Seller and Purchaser shall work together in good faith to develop, as promptly as practicable following the date of this PR Purchase Agreement (and in any event within fifteen (15) Business Days after the date hereof), a mutually agreed process and communication plan pursuant to which Seller will seek the consent of the Branch Customers who maintain deposit accounts with the PR Branch for the transfer, effective as of the PR Effective Time, of such deposit accounts to a deposit account maintained by Purchaser. No later than thirty (30) days prior to the PR Closing Date, Seller shall deliver to Purchaser the Assumed Deposit Schedule, as of a recent date, setting forth the Assumed Deposits for which the applicable Branch Customer has elected to not be transferred following the procedures established pursuant to the first sentence of this Section 3.6(c). For the avoidance of doubt, each of the Assumed Deposits shall be automatically transferred to Purchaser on the PR Closing Date unless the Branch Customer that is the owner of an Assumed Deposit has affirmatively elected in writing, at least thirty (30) days prior to the PR Closing Date, to not transfer to Purchaser such Assumed Deposits.

Section 3.7 Delivery of Books and Records and Other Information. On the PR Closing Date, Seller shall deliver to Purchaser, at Seller's cost, the Loan Documents in the possession or control of Seller or any of its Affiliates (including providing endorsements with respect to title insurance policies for the Purchased Loans secured by real property). Seller shall use reasonable best efforts to deliver or cause to be delivered on the PR Closing Date (or, if not so delivered on the PR Closing Date, Seller shall deliver or cause to be delivered as promptly as reasonably practicable after the PR Closing Date (and in any event not later than the thirtieth (30th) day after the PR Closing Date)), at Seller's cost, to Purchaser copies of all Books and Records (other than Excluded Books and Records) in the possession or control of Seller or any of its Affiliates. To the extent that any Books and Records are not in the possession or control of Seller or any of its Affiliates (other than any Books and Records that are located at the Storage Facility), Seller shall cooperate in good faith with Purchaser to deliver or cause to be delivered, on the PR Closing Date and at Seller's cost, to Purchaser copies of all of such Books and Records (other than any Excluded Books and Records). With respect to the Books and Records and Loan Documents located at the Storage Facility, Seller and Purchaser shall cooperate in good faith and use reasonable best efforts to seek to have such Books and Records and Loan Documents transferred from Seller's agreements with the Storage Facility provider governing Seller's documents maintained at the Storage Facility to Purchaser's agreements with the Storage Facility provider governing Purchaser's documents maintained at the Storage Facility (to the extent possible without any physical movement or relocation of any such Books and Records and Loan Documents). All costs and expenses incurred in connection with such transfer contemplated by the immediately preceding sentence shall be borne and paid by Seller, provided, that to the extent any costs and expenses are incurred in respect of the physical movement or relocation of Books and Records or Loan Documents required by the Storage Facility provider, such costs and expenses shall be borne and paid equally by Seller and Purchaser. In connection with the migration of the Purchased Assets to the systems of Purchaser, the parties will agree on the scope of a conversion file (which shall include Transferred Business Relationship Information described in clause (2) of the definition thereof), including the time period for historical financial information and customer data, covered by the conversion file (including with respect to the Transferred Business Relationship Information described in clause (2) of the definition thereof).

ARTICLE IV

THE CLOSING

Section 4.1 Closing Time and Place.

(a) Subject to the satisfaction or waiver of the conditions set forth in Article VIII, the PR Closing shall take place simultaneously with the Closing in accordance with the SPA, but if any such conditions are not satisfied or waived on or prior to the Closing (other than the conditions that by their terms are to be satisfied at the PR Closing, but subject to the satisfaction or waiver of all such conditions), (1) the PR Closing will take place on the third Business Day following the day on which the last of the conditions in Article VIII (other than the conditions that by their terms are to be satisfied at the PR Closing, but subject to the satisfaction or waiver of all such conditions) has been satisfied or waived in accordance with this PR Purchase Agreement, or (2) at such other place, time and date as the parties hereto may mutually agree. The transactions occurring at the PR Closing shall be deemed effective as of the PR Effective Time.

(b) At the PR Closing:

(1) Seller will pay, or cause to be paid to Purchaser the Closing Payment in accordance with Section 3.2(b) unless the Closing Payment is negative, in which case Purchaser will pay, or cause to be paid to Seller, the absolute value of the Closing Payment accordance with Section 3.2(b);

(2) Each of Seller and Purchaser will execute and deliver a bill of sale and assignment and assumption agreement, in substantially the form attached hereto as Exhibit 4.1(b)(2) (the "Bill of Sale and Assignment and Assumption Agreement"), evidencing the transfer to Purchaser of all of the right, title and interest of Seller and its Affiliates in and to the Purchased Assets and Purchaser's assumption of the Assumed Liabilities;

(3) Seller will deliver to Purchaser (1) all collateral in the custody or possession of Seller or any of its Affiliates (other than the Bank Entities) relating to the Purchased Loans or the Assumed Letters of Credit and (2) all funds held in escrow (if any) with respect to all Purchased Loans; and

(4) as applicable, Seller and Purchaser will deliver the certificates referred to in Section 8.2(c) and Section 8.3(c), respectively.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Seller.

Except as Previously Disclosed, Seller represents and warrants to Purchaser, that:

(a) Organization. Seller is a Schedule I bank, duly organized, validly existing and in good standing under the Laws of Canada. Seller has all corporate (or similar) power and authority to own or lease the Purchased Assets and to operate the PR Branch as now operated and is duly qualified to do business as a foreign entity and is in good standing in each jurisdiction where its ownership of the Purchased Assets and the operation of the PR Branch as now operated makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

(b) Authority; Capacity. Seller has the power and authority to enter into and perform its obligations under this PR Purchase Agreement and any other documents and instruments executed by it pursuant hereto. The execution and delivery by Seller of this PR Purchase Agreement and any other documents or instruments executed pursuant hereto to which Seller is or, as of the PR Closing, will be a party, the performance by Seller of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action of Seller (or its applicable Affiliate) prior to the date of this PR Purchase Agreement, and no further approvals or authorizations are required of Seller or any of its Affiliates in connection with the foregoing. This PR Purchase Agreement has been duly executed and delivered by Seller and is a valid and legally binding obligation of Seller, and the other documents and instruments executed pursuant hereto to which Seller (or an Affiliate) is or as of the PR Closing will be a party have been, or at the PR Closing will be, duly executed and delivered by Seller (or its applicable Affiliate) and assuming due authorization, execution, and delivery of this PR Purchase Agreement and the other documents and instruments executed pursuant hereto by the other parties hereto and thereto, constitute, or at the PR Closing will constitute, valid and binding agreements of Seller (or its applicable Affiliate), enforceable against Seller (in each case, or its applicable Affiliate) in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(c) Consents and Approvals. No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Seller in connection with the execution, delivery or performance by Seller of this PR Purchase Agreement or any other documents and instruments executed pursuant hereto, or to effect the transactions contemplated hereby and thereby, except for (1) the Requisite

PR Regulatory Approvals and (2) such other consents, approvals, filings or registrations, the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. No consent of any Branch Customer is required for the purchase, sale, assignment or assumption of the Purchased Loans and Assumed Deposits as contemplated hereby. As of the date hereof, Seller has no Knowledge of any fact, condition or circumstance with respect to Seller that would reasonably be expected to result in the material delay or denial of any of the Requisite PR Regulatory Approvals and consents in order to permit consummation of the transactions contemplated hereby.

(d) Non-Contravention. Subject to the receipt of the approvals and consents referred to in Section 5.1(c) and the expiration of applicable waiting periods, the execution, delivery and performance by Seller of this PR Purchase Agreement and any other documents or instruments executed pursuant hereto, the performance by Seller of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby do not constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Seller or to a loss of any benefits to which Seller is entitled under any provision of (1) Seller's constituent documents, (2) any Law, regulation, judgment, injunction, order or decree binding upon Seller, other than violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect or result in the creation or imposition of any Lien on any Purchased Assets, other than as a result of Purchaser's own circumstances, or (3) any material contract to which Seller or any of its Affiliates is a party or any material license, franchise, permit or similar authorization held by Seller, other than violations which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or result in the creation or imposition of any Lien on any Purchased Assets, other than as a result of Purchaser's own circumstances.

(e) Compliance with Law. Except as is not and would not reasonably be expected to be, individually or in the aggregate, material to the PR Branch, the Purchased Assets and the Assumed Liabilities taken as a whole, Seller: (1) is, and since January 1, 2016 has been, in compliance with all Laws applicable to the Purchased Assets, Assumed Liabilities and the PR Branch; and (2) has, and at all relevant times since January 1, 2016 has had, all permits, licenses, authorizations, orders and approvals of, and has made all filings, applications and registrations with, all Governmental Authorities that are required in order to permit it to own or lease the Purchased Assets and to administer the Purchased Assets and Assumed Liabilities as conducted, operated and administered at the applicable time (collectively, "Permits"). Since January 1, 2016, all fees and assessments due and payable with respect to such Permits have been timely paid in full. Seller is, and at all relevant times since January 1, 2016 has been, in compliance with all such Permits, and all such Permits are in full force and effect and are current and no suspension or cancellation of any of them is pending or, to the Knowledge of Seller, threatened. Notwithstanding the foregoing, Purchaser acknowledges and agrees that Seller's representations and warranties under this Section 5.1(e) are not made with respect to Taxes, Tax Returns or related Tax matters.

(f) Litigation and Related Matters. Except as is not and is not reasonably expected to be, individually or in the aggregate, material to the PR Branch, the Purchased Assets and the Assumed Liabilities taken as a whole, no Action by or before any Governmental Authority is pending against Seller or its Affiliates, and, to the Knowledge of Seller, no such Action is threatened, in each case, concerning the PR Branch, any of the Purchased Assets or any of the Assumed Liabilities. There is no judgment, injunction, order, decree or regulatory restriction imposed upon, or to the Knowledge of Seller, threatened to be imposed upon the PR Branch, any Purchased Asset or Assumed Liability (or that, upon consummation of the transactions contemplated hereby, would apply to the PR Branch, any Purchased Asset or Assumed Liability) that is or would reasonably be expected to be, individually or in the aggregate, material to the PR Branch, the Purchased Assets and the Assumed Liabilities taken as a whole. As of the date hereof, there is no Action pending against, or to the Knowledge of Seller, threatened concerning the Purchased Assets, Assumed Liabilities or the PR Branch by or before any Governmental Authority which is reasonably likely, individually or in the aggregate, to prevent or materially delay the transactions contemplated hereby.

(g) No Brokers or Finders. Except for any fees that may be due and owing to Credit Suisse Securities USA LLC, which will be paid by Seller prior to the PR Closing, there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Seller or its Affiliates who might be entitled to any fee or commission from Seller or its Affiliates in connection with the transactions contemplated by this PR Purchase Agreement.

(h) Operations. Since October 31, 2018 until the date of this PR Purchase Agreement, Seller has administered the Purchased Assets and Assumed Liabilities, in the ordinary course of business consistent with past practice in all material respects. Since October 31, 2018, there has not been any event, occurrence or circumstance that has had or would reasonably be expected to have a Material Adverse Effect.

(i) Assumed Deposits. The Assumed Deposits have been originated and administered in accordance with the terms of their respective governing documents and all applicable Laws and regulations, in each case, in all material respects.

(j) Purchased Loans. All of the servicing rights with respect to the Purchased Loans are held by Bank. Except as is not and would not reasonably be expected to be, individually or in the aggregate, material to the PR Branch, the Purchased Assets and the Assumed Liabilities taken as a whole:

(1) Each Purchased Loan is evidenced by a promissory note or other evidence of indebtedness, which, together with all security agreements and guarantees, is a valid and legally binding obligation of Seller and, to the Knowledge of Seller, of the counterparty or counterparties thereto, and is enforceable in accordance with its terms (except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).

(2) Each Purchased Loan (x) originally underwritten by Seller or any of its Affiliates or (y) held by Seller or any of its Affiliates (including, in the case of clauses (x) and (y), Purchased Loans held for resale or previously sold to investors) has been solicited and originated, and, in the case of clause (y), the Knowledge of Seller, has been and is administered and, where applicable, serviced, and the relevant files are being maintained in accordance with (i) the relevant Loan Documents, (ii) in the case of any Purchased Loans originated or underwritten by Seller, Seller's underwriting standards and with applicable Law in effect at the time such Purchased Loan was originated and (iii) in the case of any Purchased Loan held for resale to investors, the underwriting standards, if any, of the applicable investors. The Loan Documents as they relate to the Purchased Loans are enforceable in accordance with their terms.

(3) With respect to each Purchased Loan that is secured by collateral, Seller has a valid, perfected and enforceable security interest or lien in such collateral.

(4) Except for the representations and warranties set forth in this Section 5.1(j) and those set forth in Section 5.1(l), Seller does not make any representation or warranty of any kind to Purchaser relating to and Seller shall not be responsible for: (i) the sufficiency, value or collectability of the Purchased Loans or any document, instrument or agreement in the loan file, including, without limitation, documents granting Seller or any of its Affiliates a security interest in any collateral relating to a Purchased Loan, (ii) any representation, warranty or statement made by an obligor or other party in connection with any Purchased Loan or in any of the documents, instruments and agreements relating to any Purchased Loan, (iii) the financial condition or creditworthiness of any primary or secondary obligor under any Purchased Loan or any guarantor or surety or other obligor thereof, (iv) the performance by the obligor or compliance with any of the terms or provisions of any of the documents, instruments and agreements relating to any Purchased Loan, or (v) inspecting any of the property, books or records of any obligor.

(k) Assumed Contracts; Assumed Letters of Credit. Seller has Previously Disclosed a true, correct and complete list of each Assumed Contract and Assumed Letter of Credit, and made available to Purchaser, true, complete and correct copies of each Assumed Letter of Credit. Except with respect to Purchased Loans, which are addressed in clause (j) above, each Assumed Contract and Assumed Letter of Credit (1) is a valid and binding agreement of Seller and, to the Knowledge of Seller, the counterparty thereto, and is in full force and effect in all material respects, and neither Seller nor, to the Knowledge of Seller, the counterparty to such contract is in material default or breach of the terms of any such Assumed Contract or Assumed Letter of Credit; and (2) is enforceable against Seller and, to the Knowledge of Seller is enforceable against the counterparty thereto (except as enforceability may

be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles). To the Knowledge of Seller, no event or condition exists which constitutes or, after notice or lapse of time or both, will constitute, a material default on the part of Seller or any other party thereto under any Assumed Contract or Assumed Letter of Credit. Seller has not received or delivered any notice of cancellation or termination of any Assumed Contract or Assumed Letter of Credit.

(l) Title to Assets: Transferability. Seller or one of Seller's subsidiaries, as applicable, has good and valid title to the Purchased Assets, in each case, free and clear of all Liens. Subject to the terms and conditions of this PR Purchase Agreement, on the PR Closing Date, Purchaser will acquire good and valid title to, or in the case of leased Purchased Assets, a valid leasehold interest in, all of the Purchased Assets, free and clear of any Liens. All Purchased Loans are (1) freely assignable by Seller, such that, on the PR Closing Date, such Purchased Loans will be freely assignable by Seller to Purchaser, and (2) do not require the approval or consent of any borrower or any other Person to effectuate the valid assignment of the same in favor of Purchaser.

(m) Taxes.

(1) (i) All income and other material Tax Returns that are required to be filed on or before the PR Closing Date by the PR Branch with respect to the Purchased Assets or Assumed Liabilities have been or will be timely filed on or before the PR Closing Date and all such Tax Returns are or will be true, correct and complete in all material respects; (ii) all material Taxes of the PR Branch with respect to the Purchased Assets or Assumed Liabilities (whether or not shown to be due on any Tax Returns) have been or will be timely paid in full on or before the PR Closing Date; and (iii) there are no material deficiencies asserted in writing or assessments made in writing by a relevant Taxing Authority against the PR Branch or with respect to the Purchased Assets or Assumed Liabilities.

(2) The PR Branch has complied with all applicable material information reporting and withholding requirements with respect to Taxes, and Seller has complied with all applicable material information reporting and withholding requirements with respect to Taxes with respect to the Purchased Assets and the Assumed Liabilities.

(3) There are no Liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any material Tax.

(n) Books and Records. To the Knowledge of Seller, the Books and Records have been maintained accurately in accordance with past practice and in the ordinary course of business. The Books and Records have been prepared, to the extent applicable, in accordance with GAAP consistently applied throughout the periods involved (subject to normal year-end adjustments). The Sample Closing Statement Schedule was, and the Estimated Closing Statement will be, derived from the Books and Records and prepared on a consistent basis. The Sample Closing Statement Schedule accurately

reflects the Net Book Value of the Purchased Assets and Assumed Liabilities as of April 30, 2019, and the Estimated Closing Statement will accurately reflect the same as of the month-end immediately prior to the PR Closing Date. Seller does not have any liabilities (absolute or contingent) which are material to the Purchased Assets or the Assumed Liabilities that are not reflected or provided for in the Books and Records.

(o) Intellectual Property.

(1) The operation of the business of the PR Branch as currently conducted, and as conducted since January 1, 2016, does not materially infringe, misappropriate or otherwise violate, and has not materially infringed, misappropriated or otherwise violated, the Intellectual Property rights of any third Person, and there has been no claim or allegation of such asserted or, to the Knowledge of Seller, threatened (including in the form of offers or invitations to obtain a license) since January 1, 2016 against the PR Branch, or against Seller or its Affiliates (other than the PR Branch) with respect to the business of the PR Branch.

(2) Since January 1, 2016, no claims or allegations of infringement have been asserted or otherwise made against any Person by Seller or any of its Affiliates (including the PR Branch) under any Intellectual Property with respect to the business of the PR Branch.

(3) Bank and Seller have taken reasonable measures to protect the confidentiality of material Trade Secrets with respect to the business of the PR Branch, including requiring all of the employees of the PR Branch having access thereto to execute a written acknowledgement of Seller's policies and procedures relating to the use and disclosure of confidential information. To the Seller's Knowledge (A) no such employee has violated any such policies or procedures in a manner that would be likely to result in material liability, and (B) the PR Branch has not experienced any material loss of Trade Secret rights.

(p) Information Technology. With respect to the administration of the Purchased Assets and Assumed Liabilities, Seller and its Affiliates are in compliance with and, since January 1, 2016, have been in compliance with, in all material respects, all applicable Laws and with their own policies, procedures and safeguards relating to Information Privacy Laws and take and have taken commercially reasonable measures to protect and maintain in all material respects the privacy, security and integrity of their information technology software, hardware, systems and networks, and any Personal Data collected or generated by or on behalf of the PR Branch. No policies, procedures, or to the Knowledge of Seller, any other arrangements of Seller or its Affiliates restrict Seller with respect to the business of the PR Branch from using any Personal Data in connection with the business of the PR Branch as currently conducted by Seller. Since January 1, 2016, (x) to the Knowledge of Seller, there have been no security breaches in, and no third Person has gained unauthorized access to, any information technology software, hardware, systems and networks used in the administration of the

Purchased Assets and Assumed Liabilities, in any material respect, and (y) Seller has not received any material complaints from, and has not been legally required to provide (and has not provided, whether or not legally required) any notices to, any Governmental Authority, data owners or individuals with respect to Information Privacy Laws or in connection with a loss or disclosure of, or unauthorized access to, Personal Data.

(q) Availability of Funds. At the PR Closing, Seller will have sufficient immediately available funds in cash to pay when due all amounts payable by it hereunder.

Section 5.2 Representations and Warranties of Purchaser.

Except as Previously Disclosed, Purchaser represents and warrants to Seller, that:

(a) Organization. Purchaser is a bank duly organized, validly existing and in good standing under the laws of Puerto Rico. Purchaser has all corporate (or similar) power and authority to own, lease and operate its properties and to carry on its business as now conducted and is duly qualified to do business as a foreign corporation and is in good standing in each jurisdiction where the character of the property owned or leased by it or the nature of its activities makes such qualification necessary, except where failure to be so qualified would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's ability to (1) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (2) obtain reasonably promptly the Requisite PR Regulatory Approvals.

(b) Authority; Capacity. Purchaser has the power and authority to enter into and perform its obligations under this PR Purchase Agreement and any other documents and instruments executed by it pursuant hereto. The execution and delivery by Purchaser of this PR Purchase Agreement and any other documents or instruments executed pursuant hereto to which Purchaser is or, as of the PR Closing, will be a party, the performance by Purchaser of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action of Purchaser prior to the date of this PR Purchase Agreement, and no further approvals or authorizations are required of Purchaser or any of Purchaser's Affiliates in connection with the foregoing. This PR Purchase Agreement has been duly executed and delivered by Purchaser and is a valid and legally binding obligation of Purchaser, and the other documents and instruments executed pursuant hereto to which Purchaser is or as of the PR Closing will be a party have been, or at the PR Closing will be, duly executed and delivered by Purchaser and assuming due authorization, execution, and delivery of this PR Purchase Agreement and the other documents and instruments executed pursuant hereto by the other parties hereto and thereto, constitute, or at the PR Closing will constitute, valid and binding agreements of Purchaser, enforceable against Purchaser in accordance with their respective terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equitable principles).

(c) Consents and Approvals.

(1) No consents or approvals of, or filings or registrations with, any Governmental Authority or other Person are required to be made or obtained by Purchaser in connection with the execution, delivery or performance by Purchaser of this PR Purchase Agreement or the other documents contemplated hereby to which it is a party, or to effect the transactions contemplated thereby, except for (i) the filing of the applications, filings or notices in connection with obtaining the Requisite PR Regulatory Approvals and (ii) such other consents, approvals, filings or registrations the failure of which to be obtained would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's ability to (A) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (B) obtain reasonably promptly the Requisite PR Regulatory Approvals. As of the date hereof, Purchaser has no Knowledge of any fact, condition or circumstance that would reasonably be expected to result in the material delay or denial of any of the Requisite PR Regulatory Approvals and consents in order to permit consummation of the transactions contemplated hereby.

(2) There are no pending or, to the Knowledge of Purchaser, threatened disputes or controversies between Purchaser or any of its Affiliates, on the one hand, and any Governmental Authority, on the other hand, including with respect to capital requirements, that (i) would reasonably be expected to prevent or materially delay Purchaser from being able to perform its obligations under this PR Purchase Agreement or (ii) would reasonably be expected to impair the validity or delay the consummation of this PR Purchase Agreement or the transactions contemplated hereby. As of the date hereof, neither Purchaser nor any of its Affiliates has received any indication from any Governmental Authority that such Governmental Authority would oppose or refuse to grant or issue its consent or approval, if required, with respect to the transactions contemplated hereby and has no reason to believe that, if requested, any Governmental Authority required to approve the transactions contemplated hereby would oppose or not promptly grant or issue its consent or approval without condition.

(3) As of the date hereof, Purchaser meets all capital or liquidity requirements, standards and ratios required by each Governmental Authority with jurisdiction over Purchaser (whether pursuant to Commonwealth or federal regulation or as otherwise applied to Purchaser). As of the date hereof, Purchaser has not received any indication that any Requisite PR Regulatory Approval will be conditioned on any action by Purchaser prior to the PR Closing to increase the amount of Purchaser's capital or liquidity.

(4) As of the date hereof, Purchaser has a "Satisfactory" or better rating on its most recent Community Reinvestment Act Performance Evaluation, and, to the Knowledge of Purchaser, no fact or circumstance exists that is reasonably likely to materially negatively affect such rating.

(d) Non-Contravention. Subject to the receipt of the approvals and consents referred to in Section 5.2(c)(1) and the expiration of any applicable waiting periods, the execution, delivery and performance by Purchaser or any of its Affiliates of this PR Purchase Agreement or the other documents contemplated hereby to which they are or as of the PR Closing will be a party, the performance by Purchaser or any of its Affiliates of their respective obligations thereunder and the consummation by them of the transactions contemplated hereby and thereby do not constitute a violation or breach of or default under or give rise to (or give rise after the giving of notice, the passage of time or both) a right of termination, cancellation or acceleration of any obligation of Purchaser or any of its Affiliates or to a loss of any benefits to which Purchaser or any of its Affiliates is entitled under any provision of (1) Purchaser's or its applicable Affiliates' constituent documents, (2) any material Contract to which Purchaser is a party and (3) any Law, regulation, judgment, injunction, order or decree binding upon Purchaser, other than violations which would not reasonably be expected to, individually or in the aggregate, have a material adverse effect on Purchaser's or its Affiliates' ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite PR Regulatory Approvals.

(e) Litigation and Related Matters. No Action by or before any Governmental Authority is pending against Purchaser or its Affiliates, and, to Purchaser's Knowledge, no such Action has been overtly threatened, except as has not had or would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on Purchaser's ability to (1) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (2) obtain reasonably promptly the Requisite PR Regulatory Approvals.

(f) Compliance with Laws and Regulations. Each of Purchaser and each of its Affiliates: (1) is in compliance with the Laws applicable to its business and (2) has conducted and is conducting its business in all material respects in compliance with all applicable Laws, except, in each case of (1) and (2), as has not had, individually or in the aggregate a material adverse effect on Purchaser's ability to (i) satisfy its obligations hereunder and to consummate the transactions contemplated hereby or (ii) obtain reasonably promptly the Requisite PR Regulatory Approvals.

(g) No Brokers or Finders. Except for any fees that may be due and owing to Keefe, Bruyette & Woods, Inc., which will be paid by Purchaser (or an Affiliate of Purchaser), there is no investment banker, broker, finder or other intermediary that has been retained by or is authorized to act on behalf of Purchaser or its Affiliates who might be entitled to any fee or commission from Purchaser or its Affiliates in connection with the transactions contemplated by this PR Purchase Agreement.

(h) Availability of Funds. At the PR Closing, Purchaser will have sufficient immediately available funds to pay when due all amounts payable by it hereunder. Purchaser acknowledges that the obligations of Purchaser under this PR Purchase Agreement are not contingent upon or subject to any conditions regarding Purchaser's, its Affiliates', or any other Person's ability to obtain financing for the consummation of the transactions contemplated in this PR Purchase Agreement.

(i) Eligibility. As of the date hereof, with respect to each Purchased Asset described in clauses (1) and (4) of the definition of Purchased Assets, Purchaser satisfies, and with respect to all other Purchased Assets, to Purchaser's Knowledge, satisfies all eligibility standards and requirements for its succession to such Purchased Asset (including any related Assumed Contracts) under all applicable Laws.

Section 5.3 No Other Representations or Warranties.

(a) Except for the representations and warranties contained in Section 5.1, neither Seller nor any other Person makes any other express or implied representation or warranty on behalf of Seller relating to the Purchased Assets or the PR Branch. PURCHASER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO PURCHASER UNDER ARTICLE VI OF THE SPA, NEITHER SELLER NOR ANY OF ITS AFFILIATES WILL HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO PURCHASER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES, OR ANY USE BY PURCHASER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO PURCHASER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS PR PURCHASE AGREEMENT. PURCHASER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS PR PURCHASE AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF SELLER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 5.1; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM PURCHASER MAY HAVE IN RESPECT OF FRAUD.

(b) Except for the representations and warranties contained in Section 5.2, neither Purchaser nor any other Person makes any other express or implied representation or warranty on behalf of Purchaser. SELLER ACKNOWLEDGES AND AGREES THAT, EXCEPT IN THE CASE OF FRAUD OR IN THE CASE OF ANY INDEMNIFICATION RIGHTS THAT MAY BE AVAILABLE TO SELLER UNDER ARTICLE VI OF THE SPA, PURCHASER AND ITS AFFILIATES WILL NOT HAVE OR BE SUBJECT TO ANY LIABILITY OR INDEMNIFICATION OBLIGATION TO SELLER OR ANY OF ITS AFFILIATES OR ANY OTHER PERSON RESULTING FROM THE MAKING AVAILABLE OR FAILING TO MAKE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES, OR ANY USE BY SELLER OR ANY OF ITS AFFILIATES OF, ANY INFORMATION, INCLUDING ANY INFORMATION, DOCUMENTS, PROJECTIONS, FORECASTS OR OTHER MATERIAL MADE AVAILABLE TO SELLER OR ANY OF ITS AFFILIATES IN CERTAIN "DATA ROOMS" OR MANAGEMENT PRESENTATIONS IN

EXPECTATION OF THE TRANSACTIONS CONTEMPLATED BY THIS PR PURCHASE AGREEMENT. SELLER ACKNOWLEDGES AND AGREES THAT IN MAKING ITS DECISION TO ENTER INTO THIS PR PURCHASE AGREEMENT AND TO CONSUMMATE THE TRANSACTIONS CONTEMPLATED HEREBY, IT HAS RELIED ON NO OTHER REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, BY OR ON BEHALF OF PURCHASER, OTHER THAN AS EXPRESSLY SET FORTH IN SECTION 5.2; PROVIDED THAT NOTHING IN THIS SENTENCE SHALL AFFECT OR LIMIT ANY CLAIM SELLER MAY HAVE IN RESPECT OF FRAUD.

ARTICLE VI

COVENANTS

Section 6.1 Access to Properties and Records Relating to the Purchased Assets and the PR Branch. The parties hereto acknowledge and agree that the access and information provisions set forth in Sections 4.04(a) and (d) of the SPA shall govern the access to the properties and records relating exclusively to the Purchased Assets, Assumed Liabilities and the PR Branch, *mutatis mutandis*.

Section 6.2 Conduct of the Business.

(a) During the period from the date of this PR Purchase Agreement through the PR Closing Date or earlier termination of this PR Purchase Agreement pursuant to Section 9.1, except as (i) otherwise contemplated by the Transaction Documents, (ii) required by applicable Law, (iii) Previously Disclosed or (iv) otherwise authorized by the prior written consent of Purchaser, which consent, in the case of clauses (3) through (11) below, shall not be unreasonably withheld, conditioned or delayed, Seller shall not, and shall cause its Affiliates not to:

(1) fail to use its reasonable best efforts to administer the Purchased Assets or administer the Assumed Liabilities in the ordinary course of business consistent with past practice;

(2) fail to use reasonable best efforts to maintain its relationships with Branch Customers;

(3) renew, amend in any material respect or terminate any Assumed Contract, other than when such actions are made in the ordinary course of business consistent with past practice on terms that do not impose any additional material obligations on Seller, or following the PR Closing, Purchaser;

(4) sell, transfer, mortgage, encumber or otherwise dispose of any Purchased Assets;

(5) subject any of the Purchased Assets to a Lien;

(6) materially change the underwriting standards or risk management policies used by the PR Branch, other than changes implemented on a bank-wide basis or within Seller's international banking division;

(7) except as permitted by Section 4.24 of the SPA with respect to any Specified Action, pay, discharge, settle or compromise any Action if such payment, discharge, settlement or compromise would reasonably be expected to impose any material obligation or liability on the Purchased Assets or the Assumed Liabilities, other than any payments, discharges, settlements or compromises in the ordinary course of business consistent with past practice that do not involve (i) equitable relief or (ii) monetary damages or settlement amounts in an amount that exceeds (1) \$1,000,000 in the aggregate for all such Actions or (2) with respect to any individual Action, the amount of any specific reserves with respect to such Action as of December 31, 2018 by more than \$100,000;

(8) other than in the ordinary course of business consistent with past practice or as determined to be necessary or advisable by Seller in the reasonable bona fide exercise of its discretion based on changes in market conditions applicable to the PR Branch, materially alter its interest rate, credit policies or fee pricing policies or practices with respect to the Assumed Deposits and the Purchased Loans; provided, however, that Seller shall be permitted to take such actions with respect to the Assumed Deposits to the extent reasonably deemed necessary to preserve the mix, type and aggregate amount of the Assumed Deposits;

(9) to the extent related to the PR Branch, the Purchased Assets or the Assumed Liabilities, make or rescind any material election relating to income Taxes or adopt or change any method of accounting in respect of income Taxes (other than any elections or changes in accounting method made by Seller on a firm-wide basis that do not increase the Taxes of Purchaser, of or with respect to the PR Branch, or with respect to the Purchased Assets or the Assumed Liabilities, and provided that Seller uses reasonable best efforts to minimize the applicability of any such changes to the PR Branch, the Purchased Assets and the Assumed Liabilities);

(10) make any new Extension of Credit that would be booked at the PR Branch and become a Purchased Loan that is (i) in excess of \$1,000,000, (ii) not in the ordinary course of business consistent with past practice or (iii) inconsistent with Seller's underwriting guidelines applicable to the PR Branch, a true, correct and complete copy of which have been made available to Purchaser; provided that Seller shall transmit any written request for a consent to make any new Extension or Credit (or a renewal) that is not covered by an exception above by e-mail to Purchaser's Chief Credit Officer that shall state the principal amount of such proposed Extension of Credit and attach the loan package (with redactions of borrower names if deemed appropriate), and if Purchaser does not respond to such request for consent within forty-eight (48) hours after delivery of such e-mail, then Seller may make such Extension of Credit (including such renewal); provided, further that nothing in this clause (10) shall prevent Seller from renewing any existing Extension of Credit in the ordinary course of business if such renewal only extends the maturity date of such Extension of Credit and

does not otherwise alter the terms of the Extension of Credit; provided, further that Purchaser acknowledges and agrees to treat the information provided to Purchaser pursuant to this clause (10) confidentially and not use such information in any of Purchaser's own business or underwriting activities; or

(11) agree to do any of the foregoing.

(b) Notwithstanding anything to the contrary in this PR Purchase Agreement, (1) nothing in this PR Purchase Agreement shall be construed to give Purchaser, directly or indirectly, rights to control or direct the operations of the PR Branch prior to the PR Closing; and (2) prior to the PR Closing, Seller shall exercise, consistent with the terms of this PR Purchase Agreement, complete control and supervision over the operations of the PR Branch.

Section 6.3 Efforts. The parties hereto acknowledge and agree that the provisions set forth in Section 4.02 of the SPA (including without limitation Section 4.02(d) of the SPA) shall govern the efforts to be taken by each party hereto to permit the consummation of the transactions contemplated by this PR Purchase Agreement, including obtaining all Requisite PR Regulatory Approvals, *mutatis mutandis*; provided that, for clarity, with respect to this PR Purchase Agreement, references in Section 4.02 of the SPA to "Requisite Regulatory Approvals" shall refer to Requisite PR Regulatory Approvals.

Section 6.4 Further Assurances. Before, at and after the PR Closing, consistent with the terms and conditions hereof, Seller and Purchaser shall and shall cause each of their respective Affiliates to, and shall use reasonable best efforts to cause their Affiliates to, promptly execute, acknowledge and deliver such instruments, certificates and other documents and take such other action as a party may reasonably require in order to carry out any of the transactions contemplated hereby. Following the PR Closing, the parties hereto shall cooperate with one another to prepare and file all documents and forms and amendments thereto as may be required by applicable Law with respect to the transactions contemplated by this PR Purchase Agreement.

Section 6.5 Notice of Changes.

(a) Purchaser shall promptly advise Seller, and Seller shall promptly advise Purchaser of (1) any change or event that would or would be reasonably likely to cause or constitute a material breach of any of Purchaser's or Seller's, as applicable, representations, warranties or covenants in this PR Purchase Agreement; or (2) to the extent permitted by applicable Law and to the Knowledge of Purchaser or Seller, as applicable, any governmental complaints, any change or event, including investigations or hearings (or communications indicating that the same may be contemplated), issues with respect to receipt of the Requisite PR Regulatory Approvals on a timely basis or the institution or the threat of significant litigation, that would prevent or materially delay the consummation of the transactions contemplated hereby.

(b) Notwithstanding anything to the contrary in this PR Purchase Agreement, a party's failure to comply with its obligations under this Section 6.5 shall not provide the other party with a right not to effect the transactions contemplated by this PR Purchase Agreement, except, in each case, to the extent that the underlying material breach of a representation, warranty or covenant would independently provide such right pursuant to Article VIII hereof.

Section 6.6 Confidentiality. The parties hereto acknowledge and agree that the confidentiality provisions set forth in Section 4.07 of the SPA shall govern any information shared between the parties hereto (including with respect to the terms of this PR Purchase Agreement), *mutatis mutandis*.

Section 6.7 Press Releases. The parties hereto acknowledge and agree that the publicity provisions set forth in Section 4.03 of the SPA shall govern any press release, public statement or public disclosure related to this PR Purchase Agreement, any documents or instruments executed pursuant hereto or the transactions contemplated hereby and thereby, *mutatis mutandis*.

Section 6.8 Non-Solicitation; Non-Compete.

(a) From the date hereof and continuing through the PR Closing and thereafter for a period of two (2) years from the PR Closing Date, Seller shall not, and shall cause its Affiliates not to, directly or indirectly (whether alone or jointly with another Person) solicit any Branch Customer as of the PR Closing Date, on account of his, her or its status as a customer or client of Seller (e.g., through means of a customer list), to purchase products or services available from Purchaser or any of its Affiliates from a source other than Purchaser or to reduce or refrain from doing business with Purchaser or any of its Affiliates; provided, however, that nothing in this Section 6.8(a) shall prohibit Seller or any of its Affiliates from (x) making general solicitations for the purchase of products or services offered by Seller or any of its Affiliates and doing business with any person who either responds to such general solicitations or who contacts Seller or any of its Affiliates on his or her own initiative; or (y) soliciting for any products and services or providing any products and services to any person who is, at any given time after the PR Closing, a customer of both Purchaser and the PR Branch, on the one hand, and Seller or any of its Affiliates, on the other hand.

(b) The parties recognize that the territorial, time and scope limitations set forth in this Section 6.8 are reasonable and are properly required for the protection of the parties' legitimate interests in client relationships, goodwill and Trade Secrets. For the avoidance of doubt, in the event of a breach or threatened breach of the obligations under this Section 6.8 by (1) Seller or any of its Affiliates, Purchaser, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 6.8 in accordance with Section 10.2 and (2) Purchaser or any of its Affiliates, Seller, in addition to all other available remedies, shall be entitled to seek specific performance to enforce the provisions of this Section 6.8 in accordance with Section 10.2.

Section 6.9 Restricted Assignment. Notwithstanding anything in this PR Purchase Agreement to the contrary, this PR Purchase Agreement will not constitute an agreement to assign any assets described in clause (3) of the definition of Purchased Assets or other Assumed Liability, or any claim or right or any benefit arising thereunder or resulting therefrom, if an attempted assignment thereof, without the Authorization of a third party thereto, would constitute a breach thereof or in any way adversely affect the rights of Seller or any of its subsidiaries thereunder or be contrary to applicable Law. If any such consent or approval is not obtained and an alternative arrangement is not provided for expressly in this PR Purchase Agreement, Purchaser and Seller shall use their respective reasonable best efforts (which shall not require Seller or Purchaser to pay any money or other consideration to any person or to initiate any claim or proceeding against any person, other than customary administrative charges and expense reimbursements) to secure an arrangement reasonably satisfactory to the parties that provides Purchaser with economic and operational equivalence under the agreement for which such consent is being sought following the PR Closing.

Section 6.10 Wrong Pocket Assets. If at any time or from time to time after the PR Closing Date, Seller or any of its Affiliates, on the one hand, or Purchaser, on the other hand, receives or otherwise possesses any asset that should belong to the other party or any of its Affiliates pursuant to this PR Purchase Agreement, such party shall promptly transfer, or cause to be transferred, such asset to the other party so entitled thereto.

Section 6.11 Collateral Assignment and Other Documents.

(a) Seller shall deliver to Purchaser (and shall use reasonable best efforts to deliver at the PR Closing) all signed UCC-1 financing statements and UCC-3 assignments of financing statements, endorsed notes, participations and all other documentation necessary to effect the assignment of the Purchased Loans to Purchaser. The reasonable and documented out-of-pocket costs and the reasonable expenses of preparing and filing any such documentation shall be paid by Purchaser (without adjustment to the Purchase Price).

(b) In accordance with Article 9 of the UCC, from the date hereof until the PR Closing Date, Seller shall make all filings of continuation statements necessary to maintain perfection of security interests related to the Purchased Loans and Assumed Letters of Credit. The reasonable and documented out-of-pocket costs and the reasonable expenses of preparing and filing any such documentation shall be paid by Seller (without adjustment to the Purchase Price).

(c) Seller shall cooperate in good faith with and will assist Purchaser in obtaining the valid perfection of a lien or security interest in the collateral, if any, securing each Purchased Loan sold on the PR Closing Date in favor of Purchaser or its designated assignee as secured party or mortgagee. The reasonable and documented out-of-pocket costs and the reasonable expenses of obtaining such valid perfection of a lien or security interest in the collateral securing such Purchased Loans shall be paid by Purchaser (without adjustment to the Purchase Price).

Section 6.12 Transition Services Agreement. The parties hereto acknowledge and agree that the terms of the Transition Services Agreement contemplated by the SPA will apply to the services to be provided with respect to the Purchased Assets and Assumed Liabilities (in addition to the services to be provided with respect to the Bank Entities and the services to be provided with respect to the Branches, the Purchased Assets and the Assumed Liabilities, each as defined in the USVI Purchase Agreement).

Section 6.13 Letters of Credit.

(a) As promptly as reasonably practicable after the date hereof, the Parties shall use reasonable best efforts to obtain the consent, as applicable, of the customers under, or beneficiaries of, each Assumed Letter of Credit to assign to Purchaser all of Seller's rights and obligations under such Assumed Letter of Credit:

(b) In the event that any Assumed Letter of Credit cannot be assigned to or replaced by Purchaser (an "Unreplaced Letter of Credit"), on the PR Closing Date, Purchaser and Seller shall enter into a back-to-back arrangement under which (i) Seller shall continue to perform its obligations under such Unreplaced Letter of Credit, (ii) Purchaser shall issue to Seller a letter of credit in an amount equal to Seller's aggregate potential liability with respect to all Unreplaced Letters of Credit and (iii) Purchaser shall be entitled to receive from Seller any fees and other amounts payable under all Unreplaced Letter of Credit. Notwithstanding the foregoing, Seller shall not be required to renew any Assumed Letter of Credit that is scheduled to expire and may, in its sole discretion, send a notification of non-renewal or termination with respect to any Unreplaced Letter of Credit or any Assumed Letter of Credit that Seller reasonably believe will become an Unreplaced Letter of Credit.

Section 6.14 Transfer of Mortgages and Endorsement of Notes. On the PR Closing Date, with respect to each Purchased Loan that is secured by a mortgage, Seller, at Seller's sole cost and expense, shall deliver to Purchaser or its designee a fully executed original notarized individual assignment of mortgage in recordable form (the "Assignment of Mortgage"), in the name of Seller as assignor and Purchaser or its designee as assignee. On the PR Closing Date, with respect to all Purchased Loans, Seller, at Seller's sole cost and expense, shall deliver to Purchaser or its designee fully executed original allonges in customary form for endorsement of and to be affixed by Seller to each original mortgage note, promissory note, or other evidence of indebtedness with respect to the applicable Purchased Loan. If requested by Purchaser following the PR Closing Date, Seller shall reasonably cooperate with Purchaser and assist in making any corrections that may be necessary to record the Assignment of Mortgages. With respect to Purchased Loans that are secured by a pledge of an equity interest, Seller, at Seller's sole cost and expense shall deliver to Purchaser or its designee, (i) fully executed counterparty originals of an assignment of pledge which assignment of pledge shall be in the name of Seller as assignor and Purchaser or its designee as assignee, (ii) the original equity certificate, if applicable, and (iii) stock, membership or partnership power, endorsed in blank. With respect to any

Purchased Loans that are secured by deposit accounts, Seller shall cooperate with Purchaser and the applicable depository institution to allow Purchaser to enter into a deposit account control agreement with respect to such deposit account.

Section 6.15 Exclusivity. The parties hereto acknowledge and agree that the provisions set forth in Section 4.05 of the SPA shall govern with respect to the Business, Purchased Assets, Assumed Liabilities and the PR Branch, *mutatis mutandis*.

ARTICLE VII

TAX MATTERS

Section 7.1 Cooperation. Each party hereto shall, and shall cause its Affiliates to, provide to the other party hereto, as promptly as practicable, such cooperation, documentation and information relating to the PR Branch (including access to books and records, employees, contractors and representatives) as either of them reasonably may request in: (a) filing any Tax Return, amended Tax Return or claim for refund, (b) determining a liability for Taxes or an indemnity obligation under this Article VII or a right to refund of Taxes, (c) conducting any audit, examination, contest, litigation or other proceeding by or against any Taxing Authority or (d) determining an allocation of Taxes between a Pre-Closing Period and Post-Closing Period. Each party will retain all Tax Returns, schedules and work papers, and all material records and other documents relating to Taxes relating to the PR Branch for Tax periods ending on or prior to the PR Closing Date until the later of (1) the expiration of the statute of limitations for the Tax periods to which the Tax Returns or other documents relate or (2) eight (8) years following the due date (without extension) for such Tax Returns. Thereafter, the party holding such Tax Returns or other documents may dispose of them after offering the other party reasonable notice and opportunity to take possession of such Tax Returns and other documents at such other party's own expense. Notwithstanding anything to the contrary contained in this PR Purchase Agreement, neither Seller nor any of its Affiliates shall be required to disclose to Purchaser or any of its agents any information contained on a consolidated, combined, affiliated, unitary or other Tax Return which does not pertain to (i) the PR Branch or (ii) (x) the Purchased Assets or (y) the Assumed Liabilities.

Section 7.2 [RESERVED].

Section 7.3 Transfer Taxes.

(a) All Transfer Taxes that are payable or that arise as a result of the consummation of the purchase and sale of the Purchased Assets contemplated by this PR Purchase Agreement shall be borne equally by the Seller and Purchaser. Any Tax Returns that must be filed in connection with Transfer Taxes shall be prepared and filed by the party or parties primarily or customarily responsible under applicable Law for filing such Tax Returns, and each party agrees to cooperate in respect of the filing of such Tax Returns.

(b) The Parties shall cooperate in good faith in seeking a refund of any Transfer Taxes pursuant to Section 7.3.

(c) To the extent necessary to determine the amount of any Transfer Taxes described in Section 8.3(a) that are required to be paid prior to the determination of the Final Allocation Statement, the Parties shall reasonably agree on an allocation of the relevant portion of the Purchase Price among the relevant Purchased Assets, in a manner consistent with the Form of Allocation Statement, that shall be used for determining the amount of any Transfer Taxes.

Section 7.4 Income Tax Elections.

(a) The restrictive covenants contained in Section 6.8 (the “Restrictive Covenants”) are being granted to maintain and preserve the fair market value of the Purchased Assets transferred by Seller to Purchaser pursuant to this PR Purchase Agreement. Seller and Purchaser acknowledge and agree that: (i) no proceeds shall be received or receivable by Seller or any other Person for granting the Restrictive Covenants; and (ii) the Restrictive Covenants are integral to this PR Purchase Agreement. At the request of and at the expense of Seller (such expenses to include only out-of-pocket expenses of Purchaser), Seller and Purchaser agree, where applicable, to jointly elect pursuant to paragraph 56.4(7)(g) of the Income Tax Act (Canada) (and any equivalent provision under any applicable provincial Tax legislation) with respect to the Restrictive Covenants, and to jointly file the prescribed form within the prescribed time provided for in the Income Tax Act (Canada) (and such applicable provincial Tax legislation). Seller and Purchaser agree to execute and file all necessary documents and instruments to give effect to the election referred to in this Section 7.4.

(b) At the request of and at the expense of Seller (such expenses to include only out-of-pocket expenses of Purchaser), in accordance with the requirements of the Income Tax Act (Canada), the regulations thereunder, the administrative practice and policy of the Canada Revenue Agency and any applicable equivalent or corresponding provincial or territorial legislative, regulatory and administrative requirements, Seller and Purchaser shall make and file, in a timely manner, a joint election(s) to have the rules in section 22 of the Income Tax Act (Canada), and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the accounts receivable that are the subject of such election, and shall designate therein that portion of the Purchase Price allocated to the accounts receivable that are the subject of such election in accordance with the procedures set out in Section 3.4 of this PR Purchase Agreement as the consideration paid by Purchaser to Seller. Seller and Purchaser shall prepare and file their respective Tax Returns in a manner consistent with such election.

(c) Nothing in this Section 7.4 shall require Purchaser to (1) register for any tax accounts in Canada, which registration would cause Purchaser to become Tax resident in Canada, (2) file any Tax Returns (other than the specific elections contemplated in this Section) in Canada or (3) otherwise be subject to Taxes in Canada.

Section 7.5 Coordination. Notwithstanding anything in this PR Purchase Agreement to the contrary, in the event there is a conflict between this Article VII and any provision of any other article of this PR Purchase Agreement, this Article VII shall control.

Section 7.6 Tax Treatment of Payments. Purchaser, Seller and their respective Affiliates shall treat any and all payments under this Article VII or Section 6.02(a)(4)(D)-(E) of the SPA as an adjustment to the Purchase Price for Tax purposes, unless they are required to treat such payments otherwise by applicable Tax Laws.

Section 7.7 Allocation of Certain Taxes. In the case of any Straddle Period, (a) the amount of ad valorem (real property and personal property) Taxes and other Taxes not described in clause (b) below for the portion of the Straddle Period that ends on the PR Closing Date shall be deemed to be the amount of such Tax for the entire Straddle Period multiplied by a fraction the numerator of which is the number of days in the portion of such Straddle Period ending on the PR Closing Date and the denominator of which is the number of days in such Straddle Period, and (b) the amount of any sales or use Taxes, value-added Taxes, employment related Taxes, withholding Taxes and Taxes based on or measured by income, receipts or profits of the PR Branch (or, with respect to the Purchased Assets or Assumed Liabilities, Seller) for the portion of a Straddle Period ending on the PR Closing Date shall be determined based on an interim closing of the books on the PR Closing Date.

ARTICLE VIII

CLOSING CONDITIONS

Section 8.1 Conditions to Each Party's Obligations under this PR Purchase Agreement. The respective obligations of each of Seller and Purchaser to effect the transactions contemplated hereby shall be subject to the fulfillment or written waiver by Seller and Purchaser prior to the PR Closing of each of the following conditions:

(a) All Requisite PR Regulatory Approvals shall have been obtained and shall be in full force and effect and all related waiting periods required by applicable Law shall have expired or been terminated early.

(b) No relevant Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order (whether temporary, preliminary or permanent) which is in effect and prohibits consummation of the transactions contemplated hereby.

(c) The Stock Sale and the other transactions contemplated by the SPA shall have been consummated either substantially contemporaneously with or prior to the PR Closing.

Section 8.2 Conditions to Obligation of Seller. The obligation of Seller to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Seller, prior to the PR Closing, of each of the following conditions:

(a) The representations and warranties of Purchaser set forth in Section 5.2(a), Section 5.2(b) and Section 5.2(g) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this PR Purchase Agreement and as of the PR Closing Date as though made on and as of the PR Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). All other representations and warranties of Purchaser set forth in Section 5.2 shall be true and correct as of the date of this PR Purchase Agreement and as of the PR Closing Date as though made on and as of the PR Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date; and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the (x) Closing and (y) USVI Closing are to occur substantially contemporaneously with the PR Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 5.02(a) of the SPA and Section 9.2(a) of the USVI Purchase Agreement to be so true and correct as of the PR Closing) has not had, and would not reasonably be expected to have, a material adverse effect on Purchaser's ability to satisfy its obligations hereunder and to consummate the transactions contemplated hereby (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or material adverse effect).

(b) Purchaser shall have complied with or performed in all material respects all obligations required to be complied with or performed by it under this PR Purchase Agreement at or prior to the PR Closing.

(c) Seller shall have received a certificate dated as of the PR Closing Date and validly executed on behalf of Purchaser by an appropriate senior officer certifying that the conditions specified in Section 8.2(a) and Section 8.2(b) have been satisfied.

Section 8.3 Conditions to Obligation of Purchaser. The obligation of Purchaser to effect the transactions contemplated hereby is also subject to the fulfillment or written waiver by Purchaser, prior to the PR Closing, of each of the following conditions:

(a) The representations and warranties of Seller set forth in Section 5.1(a), Section 5.1(b) and Section 5.1(g) shall be true and correct in all respects (except for any de minimis breach), in each case as of the date of this PR Purchase Agreement and as of the PR Closing Date as though made on and as of the PR Closing Date (except to the extent such representations and warranties speak as of an earlier date, in which case as of such earlier date). The representations and warranties of Seller set forth in Section 5.1(l) shall be true and correct in all material respects as of the date of this PR Purchase Agreement and as of the PR Closing Date as though made on and as of the PR Closing Date. All other representations and warranties of

Seller set forth in Section 5.1 shall be true and correct as of the date of this PR Purchase Agreement and as of the PR Closing Date as though made on and as of the PR Closing Date, except (1) that those representations and warranties which address matters only as of a particular date shall be true and correct as of such particular date; and (2) where the failure, individually or in the aggregate, of such representations and warranties to be so true and correct (and, if the (x) Closing and (y) USVI Closing are to occur substantially contemporaneously with the PR Closing, when taken together with the failure, individually or in the aggregate, of the representations and warranties referenced in the last sentence of Section 5.03(a) of the SPA and Section 9.3(a) of the USVI Purchase Agreement to be so true and correct as of the Closing) has not had, and would not reasonably be expected to have, a Material Adverse Effect (disregarding for purposes of this clause (2) any qualification in the text of the relevant representation or warranty as to materiality or Material Adverse Effect).

(b) Seller shall have complied with or performed in all material respects all obligations required to be complied with or performed by it under this PR Purchase Agreement at or prior to the PR Closing.

(c) Purchaser shall have received a certificate dated as of the PR Closing Date and validly executed on behalf of Seller by an appropriate senior officer of Seller certifying that the conditions specified in Section 8.3(a) and Section 8.3(b) have been satisfied.

(d) No Governmental Authority shall have imposed or conditioned any Requisite PR Regulatory Approval upon any Burdensome Condition.

ARTICLE IX

TERMINATION

Section 9.1 Termination. This PR Purchase Agreement may be terminated at any time prior to the PR Closing as follows:

(a) by written agreement of Seller and Purchaser;

(b) by either Seller or Purchaser, if the SPA has been terminated in accordance with its terms by the Party seeking to terminate this PR Purchase Agreement under this Section 9.1(b);

(c) by either Seller or Purchaser, by giving written notice of such termination to the other Party, if any condition to such terminating Party's obligations hereunder has not been satisfied or waived and the PR Closing shall not have occurred on or prior to March 26, 2020 (the "PR Outside Date"); provided that the terminating party pursuant to this Section 9.1(c) is not then in material breach of its representations, warranties, covenants or obligations under the SPA or this PR Purchase Agreement; provided, further that (x) if the PR Closing shall not have occurred prior to such date and

all the conditions to the PR Closing, other than the conditions set forth in Section 8.1(a), shall have been satisfied or shall be capable of being satisfied at such time and the extending party is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA, the PR Outside Date may be extended on one occasion by Seller or Purchaser by written notice to the other Party to June 26, 2020 and such date, if and as so extended, shall be the PR Outside Date and (y) if the Outside Date is extended under Section 7.01(b) of the SPA, then the PR Outside Date shall automatically be extended to the same date as the extended Outside Date;

(d) by Purchaser (provided Purchaser is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA), if Seller has breached any representation or warranty or any such representation or warranty becomes untrue, or breached or failed to perform any covenant or agreement, contained in this PR Purchase Agreement or the SPA, which breach, failure to be true, or failure to perform (in the case of any representation or warranty, taken together with all breaches, failures to be true or inaccuracies with respect to any representations and warranties of Seller set forth in the SPA), would give rise to a failure of the conditions set forth in Section 8.3(a) or Section 8.3(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice thereof is given by Purchaser to Seller and (2) the PR Outside Date (as such date may be extended in accordance with the terms of this PR Purchase Agreement); or

(e) by Seller (provided Seller is not then in material breach of any of its representations, warranties, covenants or obligations set forth herein or in the SPA), if Purchaser has breached any representation or warranty or any such representation or warranty becomes untrue, or breached or failed to perform any covenant or agreement, contained in this PR Purchase Agreement or the SPA, which breach, failure to be true, or failure to perform (in the case of any representation or warranty, together with all breaches, failures to be true or inaccuracies with respect to the representations and warranties of Purchaser set forth in the SPA), would give rise to a failure of the conditions set forth in Section 8.2(a) or Section 8.2(b) and is not capable of being cured within the earlier of (1) thirty (30) days after written notice is given by Seller to Purchaser and (2) the PR Outside Date (as such date may be extended in accordance with the terms of this PR Purchase Agreement).

Section 9.2 Effect of Termination.

(a) Except as provided in paragraph (b) below, if this PR Purchase Agreement is terminated in accordance with this Article IX, this PR Purchase Agreement shall thereafter become void and have no effect, and none of Parent, Purchaser or Seller shall have any liability to each other or their respective Affiliates, directors, officers, shareholders, partners, agents or employees in connection with this PR Purchase Agreement, except that (1) the obligations of the parties contained in Section 6.6, this Section 9.2, Article X and any relevant definitions shall survive any termination of this PR Purchase Agreement and (2) termination will not relieve any party from liability or damages arising out of its fraud or intentional breach of any provision of this PR Purchase Agreement occurring prior to termination.

(b) If this PR Purchase Agreement is terminated by Purchaser or Seller pursuant to Section 9.1(c) and, at the time of such termination, (1) the condition to the PR Closing set forth in Section 8.1(a) has not been satisfied or waived in writing, (2) all the other conditions to the PR Closing set forth in Section 8.1 and Section 8.3 shall have been satisfied (or are capable of being satisfied) or waived in writing and (3) the Closing under the SPA has not occurred, then Purchaser shall promptly, but in no event later than two (2) days after the date of such termination, reimburse Seller for all reasonable and documented out-of-pocket fees, expenses and costs expended or incurred by it and its Affiliates in connection with the transactions contemplated by this PR Purchase Agreement or the termination of this PR Purchase Agreement, including in respect of counsel and financial advisors; provided that Purchaser shall not be required to reimburse Seller more than \$2,000,000.00, in the aggregate, under Section 7.02(b) of the SPA, this Section 9.2(b) and Section 10.2(b) of the USVI Purchase Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.1 Exclusive Remedy. Except as otherwise specifically provided in this PR Purchase Agreement or in the case of fraud or intentional misconduct, the remedies provided in Article VI of the SPA shall be the exclusive monetary damage remedies of the parties hereto from and after the PR Closing in connection with any breach of a representation or warranty, or non-performance, partial or total, of any covenant or agreement of this PR Purchase Agreement except as to calculation and final determination of the Final Closing Statement, as to which Section 3.3 shall control exclusively. The remedies that may be available to a party hereto under Section 8.09 of the SPA shall not be limited by the foregoing.

Section 10.2 Miscellaneous. The provisions of Article VIII of the SPA are incorporated by reference herein *mutatis mutandis*, except that Section 8.12 of the SPA, as applied herein, shall be subject to Section 3.3(c).

Section 10.3 SPA Closing. If the PR Closing does not occur substantially contemporaneously with the Closing, then the definition of “Material Adverse Effect” under this PR Purchase Agreement will be as follows:

“Material Adverse Effect” means, as the case may be, any event, change, development, occurrence, or effect that:

(a) is material and adverse to the business or condition (financial or otherwise) of the Purchased Assets and the Assumed Liabilities (taken as a whole); or

(b) would materially impair the ability of Seller to perform its respective obligations under this PR Purchase Agreement or otherwise materially impede or delay the consummation of the transactions contemplated by this PR Purchase Agreement;

provided that, in determining whether a Material Adverse Effect has occurred with respect to clause (a), there shall be excluded any event, change, development, occurrence or effect to the extent attributable to or resulting from (1) changes occurring after the date of this PR Purchase Agreement of any type in general economic conditions or in equity or debt market conditions, including trading levels and volatility in any capital market; (2) changes occurring after the date of this PR Purchase Agreement in the financial services industry in general and changes occurring after the date of this PR Purchase Agreement affecting financial institutions in Puerto Rico in particular; (3) changes occurring after the date of this PR Purchase Agreement in GAAP or regulatory accounting requirements or authoritative interpretations thereof; (4) changes occurring after the date of this PR Purchase Agreement in applicable Law or the interpretation or enforcement thereof by Governmental Authorities; (5) changes occurring after the date of this PR Purchase Agreement in economic, business, credit or financial conditions or trends generally affecting the banking sector in the United States and its territories generally, and in Puerto Rico in particular, including changes in the credit markets, any downgrades in the credit markets, or adverse credit events resulting in deterioration in the credit markets generally, and in Puerto Rico in particular, as well as changes after the date of this PR Purchase Agreement to any previously applied asset marks resulting therefrom; (6) the announcement or performance of this PR Purchase Agreement or the transactions contemplated hereby; (7) failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including the underlying causes thereof; (8) changes occurring after the date of this PR Purchase Agreement in national or international political or social conditions, including the engagement by the United States or Canada in hostilities, whether or not pursuant to the declaration of a national emergency, including in Puerto Rico, or war, or the escalation after the date of this PR Purchase Agreement of such an engagement, or the occurrence after the date of this PR Purchase Agreement of any military or terrorist attack upon or within the United States, or any of its territories, possessions or diplomatic or consular offices or upon any military installation, equipment or personnel of the United States (including Puerto Rico); (9) actions or omissions of Seller or its Affiliates (including the Bank Entities) that are required to be taken by Seller or its Affiliates by this PR Purchase Agreement or actions, or effects of actions, taken by Seller or any of its Affiliates or the Bank Entities that are taken at the written direction of or with the prior written consent of Purchaser or its Affiliates; or (10) natural disasters, epidemics or “acts of God,” in each case, occurring after the date of this PR Purchase Agreement; provided that, in the case of clauses (1), (2), (3), (4), (5), (8) and (10) only, if such event, change, development, occurrence or effect is disproportionately adverse to the Purchased Assets and the Assumed Liabilities (taken as a whole) as compared to the assets and liabilities of other banking institutions operating in the business and locations in which the PR Branch operates, then the disproportionate aspects of such event, change, development, occurrence or effect will be taken into account in determining whether a Material Adverse Effect has occurred.

[Remainder of page left intentionally blank]

IN WITNESS WHEREOF, each of the parties hereto has caused this PR Purchase Agreement to be duly executed as of the date first above written.

THE BANK OF NOVA SCOTIA

By: /s/ Ignacio Deschamps

Name: Ignacio Deschamps

Title: Group Head, International Banking & Digital
Transformation

ORIENTAL BANK

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

OFG BANCORP

By: /s/ José R. Fernández

Name: José R. Fernández

Title: President, CEO & Vice Chairman of the Board

[Signature Page to the Sale and Purchase Agreement (PR)]

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