

# CUSTOMER DISCLOSURE ON BUSINESS RESILIENCY PLANNING



In accordance with FINRA Rule 4370, we have set forth below a brief explanation of how PNCI's business resiliency plan addresses the possibility of a future significant business disruption and the plan to respond to events of varying scope. Consistent with our commitment to provide exceptional customer service and pursuant to FINRA requirements, PNCI maintains an active business resiliency-planning program.

Our business resiliency strategy is multifaceted and multidimensional, addressing the following issues in the context of both short-term and long-term disruptions:

- Business Processes
- Technology
- Personnel
- Facilities
- Communication (internal and external)

In the event of a short-term disruption, such as an evacuation of one or more primary sites, alternative recovery site arrangements have been made. Different courses of action will be pursued depending on the impacted sites. To the extent necessary, critical processing will be rerouted to processing locations that are a significant distance from the affected processing location. Critical staff will be relocated to another local site displacing less-critical staff from their workspaces or to a "hot" alternate site dedicated to recovery, which is not occupied during normal operations.

In the event of a long-term disruption, such as structural damage to one or more primary sites or occupation of a primary site being prohibited for a significant period of time, alternative staff recovery site arrangements exist, and alternative technology recovery sites exist. Critical processing will be rerouted to processing locations that are a significant distance away from the affected processing location. Critical staff will be relocated to a site that has the capacity to sustain a long period of disruption. Agreements have been reached with local telecommunication carriers to reroute incoming customer calls so that PNC Investments should be able to provide uninterrupted customer service.

In addition, alternative technology recovery sites have been established for all proprietary applications required

to process business activities. The recovery architecture of the applications has been designed so that the recovery-time objectives stated in our business impact analysis and business resiliency plans should be met. Each technology recovery site utilizes utility services that are separate from those used by the applicable primary technology site to minimize the probability of a disruption impacting both sites.

Communication with customers, vendors and employees is critical to PNCI's ability to provide exceptional customer service during a disruption. Our business resiliency plan provides for employee communications from the executive leadership throughout the employee population. Emergency employee contact lists are updated throughout the year to ensure that these lists are accurate. Vendor and customer contact information is also updated throughout the year.

We acknowledge that testing is a key element to ensuring that our business resiliency plan is comprehensive, adequate and accurate. Regularly scheduled testing occurs across all product lines within the firm. PNCI has established a structured scenario-based testing approach based on process-risk valuation and recovery-time objectives for both business processes and the technology supporting them. Testing is multifaceted and includes:

- Employee Call Tree Testing
- Crisis Management Testing
- Business Resiliency Testing
- Alternate Staff Recovery Site Testing
- Application and Infrastructure Recovery Testing

In conclusion, PNCI has a robust business resiliency program that is focused on customer service, the safety of employees and risk mitigation. Commitment from all levels of management to maintain the program is demonstrated through active participation in strategy planning, regular testing and identifying areas for continued process improvement.

If you have any questions regarding our business resiliency plan or seek additional information relative to your Account, please contact your PNCI representative or call customer service at 1-800-622-7086.