

Account Reconciliation Processing Service (ARP)

PNC's Account Reconciliation Processing (ARP) Service is an information-based product that reduces the cost and time involved in manually reconciling corporate checking accounts. This service provides various reconciliation reporting options, including detailed check and deposit information, which correspond to the customer's bank statement cycle.

Customer can receive ARP data via a variety of delivery options, including transmission files, image files and PINACLE® reporting. PINACLE is PNC's online and mobile banking platform for businesses and institutions. Using PINACLE, Customer may place a stop payment on a check, inquire about the status of a check, view an image, cancel stop payment orders or print a confirmation of transactions. For US accounts, bulk imaging of paid checks is also available. For check fraud protection, Customer is strongly encouraged to enable the Check Positive Pay functionality, which is subject to applicable fees.

PNC offers two plan options which can be customized to generate the reporting output. Both ARP offerings may be used with a Demand Deposit Account or a Controlled Disbursement Account (CDA).

- **Partial ARP** (Paid Only Plan): With the Partial ARP plan, the customer is provided with a "partial" reconciliation of disbursement accounts—check information reporting of all checks paid and stopped checks during the reconciliation period.
- **Full ARP** (Issue Plan): With the Full ARP plan, the customer is provided with a "full" reconciliation of disbursement accounts, which includes comprehensive information reporting on all checks paid against the customer's account, outstanding check issues, voids, stops, corrections and adjustments during the reconciliation period.

Customer Managed Daily Check Review. In addition to ARP, Customer may implement Customer Managed Daily Check Review, also known as "Reverse Positive Pay," in which Customer accesses a report of paid checks within PINACLE® ("Paid Check Report") on a daily basis, reviews the Paid Check Report, and submits any return requests to PNC by the applicable cutoff time of 2:00 PM Eastern Time. If Customer does not submit a return request by the applicable cutoff time, items in the Paid Check Report will be paid.

- Customer is solely responsible for accessing the Paid Check Report within PINACLE.
- Customer is solely responsible for detecting errors or issues with items in the Paid Check Report. Failure to provide responses in a timely manner could result in payment of fraudulent or erroneous items.
- Customer is solely responsible for confirming the Paid Check Report is accurate and that the feature is working properly.

Optional Check Services

Stale Date. If Customer has Full ARP, Customer may select a maximum age of checks that may be paid. PNC will detect checks that are at or above the maximum age and return them unpaid. Stale Date service is not available for Partial ARP or Customer Managed Daily Check Review.

Maximum Dollar. During implementation, Customer may select a maximum amount for checks that may be paid. PNC will detect checks that are at or above the maximum amount and return them unpaid. Maximum Dollar service is not available for Customer Managed Daily Check Review.

PNC Obligations:

- Make the ARP Reconciliation Report available within five business days after the statement cutoff date.
- Unless otherwise agreed by PNC, make paid check information available online for the current period plus three months.
- Unless otherwise agreed by PNC, mail paper reports to Customer within five business days after the statement cutoff date.
- Retain stop payment records for a standard period of twelve (12) months.
- For Customer Managed Check Review, make the Paid Check Report available in PINACLE each Banking Day on the day of presentment.
- For Customer Managed Daily Check Review, apply the customer's return requests if submitted timely.

Customer Obligations:

- Select a plan type, features and output delivery options, such as by hard copy or transmission file.
- The Full ARP option requires the customer to provide PNC complete, accurate and timely check issue information, in a format which adheres to PNC requirements, at least twenty-four (24) hours prior to distributing checks for payment. Failure to do so may result in incomplete or delayed reporting.
- For Customer Managed Daily Check Review, submit any return requests to PNC by the applicable cutoff time on the day of presentment.

For Canada Branch Accounts:

- Reconciliation periods will be limited to a monthly reconciliation period.
- Encoding errors under \$20 cannot be returned in accordance with Payments Canada rules.