

Automated Clearing House (ACH) Origination Service

General. PNC's Automated Clearing House (ACH) Origination Service enables the customer to authorize PNC to send instructions for the transfer of funds through the ACH Network. By using the Service, the customer warrants that the customer will comply with and be bound by the Nacha Operating Rules and Guidelines (Nacha Rules). PNC recommends that the customer obtain a copy of, and become familiar with, the Nacha Rules. PNC may terminate or suspend the customer's use of the Service for breach of the Nacha Rules. The customer agrees to provide PNC with any information reasonably requested to validate the nature and lawfulness of the customer's business, and the customer agrees that, upon reasonable notice, PNC may audit the customer's compliance with these terms and conditions, any applicable regulatory policies and guidelines, and the Nacha Rules, as applicable to the customer's use of the Service. The customer agrees to provide PNC with any documentation reasonably requested to review or audit the customer's compliance with the Nacha Rules or this Agreement, including inspection of the customer's premises as PNC, in PNC's sole discretion, deems necessary.

In the event of a conflict between Terms and Conditions in this Service Schedule and the Terms and Conditions in the Treasury Management Services Agreement, these Terms and Conditions shall control with respect to this Service. More detailed descriptions of the Service and procedures for its use will be provided in implementation documents, which will be updated from time to time. The availability of certain features is subject to change at any time. Capitalized terms used in this Service Schedule and not otherwise defined in this Agreement have the meanings defined in the Nacha Rules.

By using this Service, the customer agrees to be bound by the selected Security Procedures, including secondary authorization, as applicable, and any additional Security Procedures or instructions that PNC may provide or require. By continuing to use this Service, the customer agrees that the applicable Security Procedures are suitable to the customer's circumstances.

Definitions Applicable to the ACH Origination Service:

- "Effective Entry Date" means the banking day the customer specifies in an Entry on which the Receiver's deposit account is to be credited or debited for the Entry.
- "On Us Entry" means a Credit Entry or a Debit Entry to an account of a Receiver at PNC.
- "Settlement Date" means the date on which the ACH Operator transfers funds between the Originating Depository Financial Institution and the Receiving Depository Financial Institution. For an On Us Entry, the Settlement Date is the date on which PNC debits or credits the Receiver's account and the customer's account with PNC, respectively, for the amount of the Entry.
- "Third-Party Sender" means a type of third-party service provider that acts as a financial intermediary between an Originator and PNC.
- "Nested Third-Party" means a Third-Party Sender that has an agreement with another Third-Party Sender to act on behalf of an Originator and does not have a direct agreement with PNC.

Originating Entries - Client Administration. The customer may issue instructions to originate Credit Entries or Debit Entries which conform to the format requirements of the Nacha Rules, as well as the requirements and cut-off times contained in this Agreement and the documentation for the customer's chosen method of origination (e.g., Direct File Transmission, API, or PINACLE®, PNC's online and mobile banking platform for businesses and institutions). The customer must provide and maintain all hardware, software and applicable communication lines under the customer's control necessary to use the Service. When issuing instructions, the customer must complete standard identity authentication protocols that PNC agrees the customer may use. An instruction to originate an ACH Entry shall not be considered received until PNC has performed all required Security Procedures.

Restrictions. The customer must notify PNC in advance, and be approved by PNC, as part of the implementation process if the customer intends to originate Same Day ACH Entries. Failure to do so will result in processing for the Settlement Date of the next banking day for Entries that have an Effective Entry Date of the current banking day (other than On Us Entries). The customer must also notify PNC in advance, and be approved by PNC, before the customer may originate Entries with the Standard Entry Class Codes of: WEB, TEL, POP, ARC, BOC or IAT. Failure to do so will result in file suspension for transactions containing WEB, TEL, POP, ARC, BOC or IAT Entries. The applicable documentation may also identify other restrictions on the types of ACH transactions that the customer may originate. Failure to comply with any noted restrictions will result in the rejection of restricted Entries, or the suspension or termination of ACH Origination Services.

International ACH Transaction Entries. International ACH Transactions (IAT) are those payments that have been funded internationally or are being sent to the office of a financial agency located outside of the United States , using the domestic United States ACH Network. If the customer is approved for, and originates, IAT Entries , the customer represents and warrants that the customer understands the entries will only be delivered to another U.S. financial institution and PNC is not providing a full cross border payment service. The customer has obtained authorization for such IAT Entry as may be required by the laws or payment system rules of the receiving country. The customer accepts the risks regarding IAT Entries, including that the application of foreign law and payment system rules to an IAT Entry may produce outcomes different from the outcomes that would result from handling of the same item under laws or payment system rules in the United States. The customer is responsible for understanding the laws and rules applicable to cross-border payments in the applicable receiving country.

Settlement Account. The customer's designated account must be maintained for settlement purposes during the term of this Service. Upon termination of this Service, the customer agrees to keep available balance in the account in such amount, and for such period of time, and to provide such security as PNC reasonably determines is necessary, to cover the potential return or reversal of Entries the customer has originated through PNC.

The Customer's Representations and Warranties. The customer represents and warrants to PNC that for each ACH Entry the customer submits to PNC for processing: (i) the customer has obtained all authorizations from the Receiver which are required by the Nacha Rules, by Regulation E, other applicable law and this Agreement; (ii) such authorizations are valid and have not been revoked by operation of law or otherwise; (iii) the customer will retain all such authorizations for a period of two (2) years after the customer's termination or revocation, or for such longer period as may be required by the Nacha Rules or applicable law, and provide a copy to PNC upon request; (iv) each Entry has been submitted with the customer's authorization and in accordance with these Terms and Conditions, including applicable Security Procedures; (v) each Entry is for an amount which, as of the applicable Settlement Date, will be due and owing, has been specified to be paid or is a correction of a previously transmitted erroneous Entry; (vi) each Entry also conforms in all other respects to the Nacha Rules and applicable law; (vii) the customer is in compliance with all ordinances, statutes and regulations applicable to the conduct of the customer's business; and (viii) all of the customer's actions hereunder are performed in compliance with all applicable provisions of the Nacha Rules as the rules may be amended from time to time. Any warranties and indemnities that the customer provides under the Nacha Rules are in addition to, and not in limitation of, the warranties and indemnities that the customer provides under this Agreement.

Processing and Transmission - PNC's Obligations. PNC will process the transaction file containing the customer's Entries and transmit the Entries (other than On Us Entries) to the ACH Operators to meet the Effective Entry Date specified in the file, provided that PNC receives the file from the customer within the cut-off times provided in the documentation, and the file meets all other requirements in this Agreement and the documentation for this Service.

A file transmitted to PNC electronically is considered to have been received when PNC has actually received the entire file and authenticated it according to the agreed upon Security Procedures. If PNC receives a file from the customer after the applicable cut-off time, PNC will use reasonable efforts to process that file so that settlement can be completed as scheduled. However, PNC will not be liable to the customer or to any third party if settlement is not met. PNC will communicate days on which PNC does not process files and changes to those days as those days occur. When secondary authorization is required, an instruction will not be considered to be received until secondary (or tertiary) approval is complete.

If an Entry is returned through the ACH Network, PNC will debit or credit the account accordingly, and PNC will notify the customer no later than the next banking day after PNC has credited or debited the account. Unless PNC agrees to do so, PNC will have no obligation to retransmit a returned or rejected Entry unless the reason for the return was an error by PNC. Except in cases of such error, the customer must retransmit the returned or rejected Entry to PNC. PNC will not be liable for any losses caused by delays, acts or omissions by the ACH Operator, the Receiving Depository Financial Institutions or any other third party.

Credit Entries. The customer authorizes PNC to debit funds from its account to process payments in accordance with the customer's instructions. PNC will charge the account on the Settlement Date for the total amount of the customer's Credit Entries. PNC may not process payment instructions that will exceed available funds in the account or any applicable limits on the Settlement Date. Unless other arrangements are agreed to by PNC, PNC may but shall not be obligated to debit any other PNC account the customer has. This authorization includes the right to debit investment accounts that are linked to the customer's account or the customer's other PNC accounts. If the customer uses PNC's ACH Credit Express Service or is required to prefund, the customer must have sufficient available funds in the account to cover the total amount of the Credit Entries at the time PNC receives the Entries, as PNC will debit the account at that time.

Debit Entries. PNC will credit the customer's account on the Settlement Date for funds PNC receives in settlement for the customer's Debit Entries. These funds will be available to the customer on the Settlement Date; however, if any Debit Entries are returned to PNC in accordance with the Nacha Rules, or if any Debit Entries originated by the customer were unauthorized, PNC will charge the amount of such Debit Entries (plus any fees that the Nacha Rules require PNC to pay for such unauthorized Debit Entries) to the account or any other PNC account the customer has, in addition to such other rights as PNC may have at law or in equity.

ACH Entry Limits. PNC will establish separate limits (Limits) for the customer's ACH Credit Entries and ACH Debit Entries, subject to credit approval. The Limit for ACH Credit Entries is the maximum dollar amount of accumulated ACH Credit Entries for which PNC has not received final payment from the customer and which, subject to this Agreement, PNC will process for the customer. The Limit for ACH Debit Entries is the maximum dollar amount of accumulated ACH Debit Entries for which PNC has not received final payment from the Receiving Depository Financial Institution and which, subject to this Agreement, PNC will process for the customer. PNC may change the customer's Limits at any time in PNC's sole discretion. If PNC receives an ACH transaction file from the customer containing Entries which alone, or in combination with any other aggregated Entries, exceeds the customer's Limit for that type of Entry, PNC may decline to process the ACH transaction file in PNC's sole discretion. PNC's election to process any ACH transaction file which exceeds any of the customer's Limits will not affect or limit PNC's right to reject any future ACH transaction file which exceeds the customer's Limit. PNC will not be liable for delaying or not processing an ACH file if such processing would cause the customer's Limit to be exceeded.

Disclosure to Nacha. The customer agrees that PNC may provide to Nacha such information about the customer's business and Entries as Nacha may request in accordance with the Nacha Rules, or if PNC has reasonable indications that the customer's ACH activity may be harmful to the ACH Network and/or other ACH participants.

Credit Reports. The customer authorizes PNC to obtain credit reports and other information about the customer and the customer's business from time to time as PNC may determine in PNC's sole discretion to be necessary or advisable to enable PNC to establish and review the customer's Limits. The customer authorizes those persons with whom the customer does or has done business to provide such information to PNC upon request. PNC reserves the right to require the customer to pre-fund its ACH Entries, or PNC may implement other risk mitigation procedures for the customer at any time. The customer will be notified in writing in advance of the implementation of a prefunding or other risk mitigation requirements.

Transaction Monitoring. PNC will monitor the customer's transaction activity and may reduce or remove the customer's access to the service based on such monitoring, or may delay, reject or block any funds subject to potential fraud or compliance review.

Termination. In addition to the termination provisions elsewhere in this Agreement, PNC reserves the right to suspend or terminate the customer's ACH Origination Services, or any Originator or Nested Third-Party associated with the customer, if the customer is a Third-Party Sender, immediately upon notice to the customer in the event of excessive rates of returns, as determined in PNC's sole discretion, upon any breach associated with these Terms and Conditions or for the customer's non-compliance with the Nacha Rules.

Third-Party Sender - Approval Requirements. The customer must notify PNC in writing, and be approved by PNC, before the customer may act as a Third-Party Sender or enter into a Nested Third-Party relationship. The customer should refer to the Nacha Rules to determine if it is acting as a Third-Party Sender or has Nested Third-Party relationships. Upon request, the customer agrees to provide PNC with a list of the customer's customers and other parties involved in the customer's use of the ACH Service. The customer, the customer's customers and third parties involved in the ACH Service must agree to follow PNC's established third-party management procedures and the Nacha Rules. PNC reserves the right to deny, discontinue or suspend ACH Services with respect to the customer, any of the customer's customers, or any other third parties for any reason, including failure to comply with PNC's third-party management procedures or the Nacha Rules. The customer understands that PNC may prohibit certain high-risk businesses or activities, including those of the customer or any Nested Third-Party. The customer understands that PNC will register all Third-Party Senders and Nested Third-Parties as required by Nacha Rules.

Third-Party Sender - Customer's Clients. The customer acknowledges and agrees that the customer's customers are not PNC's customers or joint customers of the customer and PNC. The customer releases PNC from all claims or causes of action the customer may have against PNC arising from any service agreement between the customer and the customer's customers. The customer is solely responsible for identifying and fulfilling any compliance requirement or obligation that the customer has with respect to the customer's customers and any third parties involved in the ACH Service. Among other things, before originating Entries through PNC for an Originator, the customer must conduct "know your customer" due diligence and obtain and verify, at a minimum, the Originator's name, physical address, phone number and taxpayer identification number, as well as verify that the Entries the customer will originate through PNC are for the Originator's lawful business activity. The customer should periodically audit and access such customers and/or the customer's Entries to determine compliance with these terms and conditions, and to verify upon request the number of banks the customer uses to originate Entries for the customer's customers. The customer shall establish and maintain policies and procedures reasonably designed to comply with the laws on money laundering and terrorist financing, and the laws administered by the U.S. Treasury Department's Office of Foreign Assets Control (together, the AML Laws). At a minimum, the customer's program to comply with the AML Laws (AML program) shall include the following elements: (i) written risk-based policies, procedures and internal controls, (ii) a designated compliance officer responsible for implementing the AML program, (iii) ongoing training for appropriate persons, and (iv) independent testing to monitor and maintain an adequate AML program. The

customer agrees to respond to reasonable inquiries from PNC regarding the customer's implementation of the customer's AML program and to provide PNC with such documentation of the customer's compliance with this section as PNC may reasonably request. The customer shall make any updates to the customer's compliance program that PNC requests. The customer shall maintain all records relating to compliance with the AML Laws. The customer shall provide PNC with a copy of any records relating to the customer's customer immediately upon PNC's reasonable request. This Agreement is not intended to and is not a substitute for the customer's independent assessment of its legal or regulatory obligations with respect to the customer's customers.

Third-Party Sender - Representations and Warranties. In addition to the representations and warranties provided elsewhere in this Service Schedule, the customer, as a Third-Party Sender, represents and warrants as follows (i) the customer, on behalf of its Originators, authorizes PNC to originate Entries on behalf of its Originators to Receivers' accounts, and the customer's Nested Third-Party, on behalf of the Originator, has authorized the Third-Party Sender to originate entries on behalf of the Originator to the Receiver's accounts ; (ii) the customer will immediately notify PNC of any Nested Third-Party arrangements; (iii) the customer agrees that the customer is responsible for any Nested Third-Party's compliance with Nacha Rules; (iv) the customer's Nested Third-Parties agree that the Nested Third-Parties are responsible for the Nested Third-Parties other Nester Third-Party Senders' compliance with the Nacha Rules, as applicable; (iv) the customer understands and agrees that PNC may audit compliance with this Agreement and the Nacha Rules by the Third-Party Sender, any Nested Third-Party and their respective Originators; (v) the customer understands and agrees that it may audit the compliance with its origination agreements and the Nacha Rules by its Nested Third-Parties, any further Nested Third-Parties and their respective Originators, as applicable; (v) the customer understands that is must provide information to PNC as required by the Nacha Rules, including for registration in Nacha databases; (vi) the customer understands that the customer's Nested Third-Parties must provide information to the customer as required by the Nacha Rules, including for registration in Nacha databases; (vii) the customer's Originators have agreed to assume the responsibilities as an Originator under the Nacha Rules; (viii) the customer understands and agrees that it is generally obligated to perform the requirements of the Nacha Rules otherwise applicable to the Originating Depository Financial Institution; and (ix) the customer understands that the customer and any Nested Third-Parties are required to establish and monitor the customer's and any Nested Third-Parties' respective Originators' exposure limits.

Third-Party Sender Agreements. The customer, as a Third-Party Sender, understands and agrees that (i) before permitting an Originator to originate any Entry directly or indirectly through the customer or PNC, the customer will enter into an agreement with its Originator that satisfies the requirements of the Nacha Rules; (ii) all customers for whom the customer originates ACH Entries through PNC, directly or indirectly, have acknowledged in a written agreement that the customers may not originate Entries that violate the laws of the United States, that the customers will be bound by the Nacha Rules, and that the customers have assumed the responsibilities of an Originator under the Nacha Rules; (iii) before permitting a Nested Third-Party to originate any Entry directly or indirectly through itself or PNC, it must enter into an agreement with the Nested Third-Party that satisfies the requirements of the Nacha Rules for origination agreements as if the customer was the Originating Depository Financial Institution; (iv) its Nested Third-Party agrees that, before permitting another Nested Third-Party to originate any Entry directly or indirectly through itself or the customer, it will enter into an agreement with such other Nested Third-Party that satisfies the requirements of the Nacha Rules for origination agreements as if the Nested Third-Party was the Originating Depository Financial Institution.

Information Requests. Within two (2) banking days of PNC's written or oral request, the customer must provide information that PNC reasonably requests to comply with any laws, regulatory policies and guidelines and the Nacha Rules that relate to the customer's use of this Service, which includes, without limitation, (i) information to identify the customers for which the customer is originating or intends to originate Entries including names, addresses, taxpayer identification numbers and business activities and (ii) information to complete any questionnaires or other documentation required by PNC in order for the customer to use this Service.

Joint and Several Liability. The customer as a Third-Party Sender and the customer's Originators, including indirect Originators that the customer has through Nested Third-Parties, shall be jointly and severally liable for all obligations related to the retention and delivery of any records, documentation or data regarding records of authorization of Entries, copies of items and copies of Eligible Source Documents, required by Originating Depository Financial Institutions or Receiving Depository Financial Institutions pursuant to any laws, regulations or Nacha Rules. Additionally, the customer as a Third-Party Sender and the customer's Nested Third-Parties shall be jointly and severally liable for performance of all Third-Party Sender obligations under the Nacha Rules.