

### Check Positive Pay and Related Services

PNC's Check Positive Pay Services help the customer mitigate fraud through early detection of fraudulent, counterfeit and altered checks. Check Positive Pay can be used in conjunction with Full Account Reconciliation Processing (ARP) or as a standalone product. Customer must successfully complete implementation testing or submit a successful production file to activate the service. PNC will confirm activation.

To use the Check Positive Pay service, Customer submits, at minimum, the following information to PNC via a file transmission or PINACLE®: i) payee name, ii) account number, iii) the check amount, iv) the check number, and v) check issue date. PINACLE is PNC's online and mobile banking platform for businesses and institutions.

PNC compares checks presented to PNC for payment against Customer information and identifies mismatches in payee name, check amount, and check number ("Exceptions"), provided each of these have been submitted properly. Customer must review such Exceptions in a timely manner and determine whether to "Pay" or "Return" the checks with Exceptions.

If Customer does not review and decision the Exceptions by the applicable cutoff time, the default action is to "Return" any checks containing unreviewed Exceptions. Though not recommended, Customer may change the default decision to "Pay," although this option reduces the effectiveness of Check Positive Pay.

The Check Positive Pay service may include i) review and identification of Exceptions, which result from checks presented for cash to a bank employee in a PNC Branch ("Teller Line Review"), and ii) "Point of Sale Positive Pay," where a third-party vendor compares customer-supplied information with checks presented for cash at participating retailers. Teller Line Review and Point of Sale Positive Pay are not available in Canada.

#### Optional Check Services

- **Stale Date.** During implementation, Customer may select a maximum age of checks that may be paid without additional review. PNC will detect checks that are at or above the maximum age and create an Exception for customer review and decision.
- **Maximum Dollar.** During implementation, Customer may select a maximum amount for checks that may be paid without additional review. PNC will detect checks that are at or above the maximum amount and create an Exception for customer review and decision.
- **Post Date.** During implementation, Customer may choose to have PNC detect postdated checks and create an Exception for customer review and decision.

#### PNC Obligations:

- Provide an Exception Report each business day, showing mismatches between properly submitted customer information and checks presented for payment.
- Apply Customer's decision when provided timely.
- Apply Customer's default decisions to Exceptions not decided by the deadline.

- For US accounts with Teller Line Review enabled, reject checks presented for cash to a bank employee in a PNC Branch that do not match the customer-supplied check issue or when no check issue information has been provided.

Customer Obligations:

- Successfully complete any required implementation testing for Check Positive Pay.
- Provide complete, accurate and timely check issue information, in a format that adheres to PNC requirements, at least twenty-four (24) hours prior to distributing the check for payment. Failure to do so can result in incomplete or delayed Exception reporting.
- Review Exception report and decision items as “Pay” or “Return” in PINACLE by the 5:00 PM Eastern Time on the day of presentment for US accounts, 3:00 PM Eastern Time for Canada accounts
- Use proper MICR encoded checks within applicable ANSI specifications. For Canada clients, must also follow Payment Canada cheque printing specification and rules.