

Instant Payments Service

General. PNC's Instant Payments Service enables the Customer to send and receive payments and Non-Payment Messages in near real time through The Clearing House (TCH) RTP® Network and the Federal Reserve's FedNow® Network.

Capitalized terms not defined below have the meaning provided in the Treasury Management Services Agreement.

Definitions Applicable to the Instant Payments Service:

- “Applicable Network” refers to either The Clearing House (TCH) RTP® Network and the Federal Reserve's FedNow® Network, as applicable.
- “Instant Payment” means a payment method allowing the Receiver to receive funds immediately, at any time, with near real time settlement, using The Clearing House (TCH) RTP® Network or the Federal Reserve's FedNow® Network.
- “Non-Payment Message” means a message that is not an Instruction, payment message, or response to an Instruction that is transmitted to the Applicable Network, including a Request for Information, a Request for Payment and a Request for Return of Funds.
- “On Behalf Of (OBO) Account Holder” means a PNC account holder that is a Sender or Receiver of Instant Payments on behalf another Person, the Payer or the Payee.
- “OBO Payment” means an Instant Payment sent on behalf of another Person, the Payer.
- “Payee” means a Person other than the Receiver who is identified to receive a payment from the Payer or Sender.
- “Payer” means a Person other than the Sender who instructs and has an obligation to give value for a payment to the Receiver or Payee.
- “PINACLE®” means PNC's online and mobile banking platform for businesses and institutions.
- “Person” means any natural person or corporation, partnership, sole proprietorship, joint venture or other form of entity or organization.
- “Receiver” means the Person that will receive an Instant Payment through the Receiving Financial Institution.
- “Receiving Financial Institution” means the financial institution that holds the Receiver's account and receives an Instant Payment.
- “Request for Information” means a message a Receiving Financial Institution submits to request additional information in connection with an Instant Payment.
- “Request for Payment” means a message that a Sending Financial Institution may submit upon request of a Sender to request an Instant Payment from another Person.
- “Request for Return of Funds” means a message that a Sender may submit to request the return of funds related to an Instant Payment.
- “RTP” means a real-time payment made through the TCH RTP Network, or internal book transfer (when both the Sender and Receiver have accounts at PNC).
- “Sender” means the entity that will send an Instant Payment.
- “Sending Financial Institution” means the financial institution that holds the Sender's Account and initiates an Instant Payment.

Terms and Conditions. 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 the Instant Payments Service.

Supporting Documentation. More detailed descriptions of the Instant Payment Service and procedures for its use may be provided in Supporting Documentation, which may be updated from time to time. The availability of certain features is subject to change at any time. Customer agrees to comply with the Supporting Documentation PNC provides to Customer that will identify additional requirements for this Service.

Network Used. Customer shall not be obligated to select between the two Applicable Networks. Features and functionality may not be available for both networks and are subject to change at any time. Upon receipt of the Customer's Instant Payment Instruction, PNC shall determine the appropriate network, based on availability, network eligibility criteria and transactional limits. Pricing does not vary based on the Instant Payment network used. The Customer may distinguish the network used to send Instant Payments through available reporting.

Compliance. The Clearing House (TCH) RTP® and Federal Reserve's FedNow® Network rules and standards apply to the Instant Payments Service. Customer agrees to comply with such operating rules, including any formatting requirements and specifications, and reasonably cooperate with PNC to enable PNC to fulfill its compliance obligations.

The Instant Payments Service should only be used to effectuate or send Instant Payments between a Payer, Sender, Payee, and Receiver who are residents of or otherwise domiciled in the U.S., and whose accounts are located in the U.S. Customer must include the applicable legal name(s) in all Instant Payment message name fields. Customer may not omit, delete, or alter information about any Person required to be identified on an Instant Payment for the purpose of (i) avoiding detection of that information, or (ii) making the Instant Payment appear domestic when it is not.

Reliance on Networks. This Service relies on the Applicable Networks. PNC shall have no liability to Customer in connection with any action, delay, performance or failure to perform, of the Applicable Network, other technology provider or other financial institution used in connection with this service. PNC and the Applicable Networks may monitor Instant Payments in accordance with their respective operating rules, standards, and internal risk management procedures. PNC may reject or delay an Instant Payment or Non-payment Message that does not conform with such rules, standards or procedures.

Security Procedures. By using this service, 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, Customer agrees that the applicable Security Procedures are suitable to its circumstances.

Client Administration. Customer must provide and maintain all hardware, software and communication lines under Customer's control necessary to use the service. Customer is responsible for the accuracy and completeness of any data transmitted to PNC.

Debiting the Account. PNC will debit Customer's Account in the amount of the transaction at the time Customer initiates each Instant Payment. PNC will not debit Customer's Account if PNC rejects or if PNC is otherwise notified that the Instant Payment was rejected. PNC may not process Instant Payments that will exceed available funds in Customer's Account or any applicable limits.

Issuing Instant Payments. Instant Payments are available in a number of channels, including PINACLE, API, and Direct File Transmission. Customer must follow the procedures and instructions in the documentation, online or otherwise, including any formatting specifications, for each channel. Failure to do so will result in failure or delay. Customer must notify PNC immediately if there is a problem with issuing Instructions in any channel.

Until Customer has completed all required Security Procedure including secondary (or tertiary) authorization, an Instant Payment or Non-payment Message shall not be considered received by PNC. Instructions that are not fully and properly authenticated on the date the Instruction is issued may be canceled without further notice to Customer, even if the Instruction is future-dated.

PNC will process fully and properly authenticated Instant Payments on the date received or on the date requested for future-dated transfers, provided that such Instant Payments are received by PNC as specified in the documentation.

PNC will include in an outgoing Instant Payment all information required by Applicable Law, Applicable Network rule, or which PNC believes is reasonably necessary to facilitate execution of the Instant Payment. PNC assumes no responsibility to monitor, audit or report to Customer any information contained within the message text of any Instant Payment or Non-payment Message. PNC will provide Customer with the status of Instant Payments that are accepted by PNC via PINACLE or another type of notification.

Limits and Risk Management. PNC may impose limits or other restrictions on Instant Payments, including by dollar amount, number of or type of Payee(s), Request for Payment criteria and/or any other criteria. PNC may impose or require other risk mitigation or monitoring procedures related to Customer's use of Instant Payments.

Although Instant Payments typically provide near immediate settlement, near immediate settlement is not guaranteed. Any payment Instruction can be delayed due to compliance and risk management reviews conducted by the Sending Financial Institution, Receiving Financial Institution or intermediaries, or due to occasional technical issues. Funds availability to the Receiver depends on the Receiving Financial Institution's posting practices and funds availability policy, over which PNC has no control. PNC will have no liability for such delays in processing or funds availability.

Amendment or Cancellation of Instant Payments. All requests to amend or cancel Instant Payments are subject to PNC's review and approval. For future-dated entries in PINACLE, Customer may request to amend or cancel the Instant Payment if the request is submitted before PNC sends the Instant Payment to the Applicable Network, or if the Instruction is pending completion of all Security Procedures.

After PNC sends the Instant Payment to the Applicable Network, Customer may not amend or cancel an Instant Payment without the consent of the Receiving Financial Institution. Customer may request cancellation or amendment, but Customer acknowledges and agrees that the Receiving Financial Institution has no obligation to return any or all funds associated with that Instant Payment.

By giving Authorized Persons the ability to initiate and/or approve payment orders, Customer acknowledges that Customer is granting Authorized Persons authority to independently request amendment or cancellation of the Instant Payment.

Request for Information Messages. Customer may view and respond to a Request for Information message to provide more information about an Instant Payment that Customer sent. If Customer responds to Request for Information message, Customer is responsible for ensuring that Customer has the proper authority to provide such a response, and Customer must comply with applicable laws, regulations and rules, including with privacy, confidentiality and data security in providing such responses.

Request for Payment Messages:

If approved by PNC, Customer may initiate a Request for Payment message to Persons that are known to Customer and who would reasonably expect to receive Request for Payment messages from Customer. Each Request for Payment message is a request that another Person send an Instant Payment to the requester.

When submitting a Request for Payment message, Customer warrants that each Request for Payment message is made for a legitimate purpose and is not fraudulent, harassing or otherwise unlawful. A legitimate purpose for a Request for Payment includes a request for an Instant Payment for (i) a current sale or transaction or (ii) an amount that is due, owed or otherwise agreed to be paid to the requester. PNC does not guarantee that there will be a response to a Request for Payment message initiated by Customer.

Disputes. A Person who receives a Request for Payment can dispute that the Request for Payment was sent for a legitimate purpose. Customer is responsible for responding to all questions, disputes and issues that arise in connection with each Request for Payment message initiated by Customer. Customer agrees to provide any information and documentation supporting the Request for Payment message within the time limit PNC will communicate to Customer. If Customer does not provide information or documentation supporting the Request for Payment message within the time limit provided, any funds Customer received in response to the Request for Payment message may be returned. If PNC or the Applicable Network determines that any Request for Payment was not sent for a legitimate purpose, any funds received in response to the Request for Payment message will be returned. PNC will debit Customer's account or any of Customer's other accounts with PNC for the amount of the returned payment.

In addition to any other rights, PNC reserves the right to suspend Customer's ability to initiate Requests for Payment messages immediately upon PNC's determination (or the determination by the Applicable Network) that Customer's Requests for Payment messages are suspected to be misused.

Response to Incoming Request for Payment Messages:

Customer may respond to incoming Request for Payment messages. After review of an incoming Request for Payment Message, Customer can: 1) accept the incoming Request for Payment message and Customer can

submit an Instruction to send an RTP to the initiator of the message, 2) reject the incoming Request for Payment message or 3) take no action on the incoming Request for Payment message.

OBO Account Holders. Customer must notify PNC and obtain PNC's approval prior to acting as an OBO Account Holder. If Customer is approved to act as an OBO Account Holder, Customer understands that PNC or the Applicable Network reserves the right to require Customer to obtain a third-party audit of its compliance with the rules for OBO Payments, and to permit review of such audit results or findings. PNC may revoke approval to perform OBO activities if PNC suspects fraud, unlawful activity, or violation of Applicable Network rules and standards.

Customer must report to PNC all instances of fraud or unauthorized activity related to use of the Instant Payment service as soon as practicable. Moreover, OBO Account Holders must require the Payer for whom it is sending Instant Payments or the Payee for whom it is receiving Instant Payments to report any fraud related to the use of the Instant Payment service to the Customer, who must relay such information to PNC as soon as practicable.

No Nested OBO Activity. Customer may not permit the Payer for whom it is sending Instant Payments or the Payee for whom it is receiving Instant Payments to send or receive payments on behalf of another Person.