

Integrated Receivables – Wholesale Lockbox Services

General. PNC's Integrated Receivables Service ("IR") is a comprehensive lockbox receivables solution that enables the Customer to manage the Customer's accounts receivable activity more effectively. The IR solution helps to increase straight-through-processing rates and reduce days sales outstanding. IR consolidates posting data for electronic payments (ACH, EDI, Wire, Credit Card and RTP). More detailed descriptions of IR and procedures for its use may be provided in Supporting Documentation, such as user guides, implementation documents and other materials PNC may provide, which may be updated from time to time.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement. "Item" or "Items" mean any checks, drafts, or other orders for payments to be processed under this Service.

Optional Services.

- A/R Matching. Incoming payments and remittances are matched against the Customer's A/R file and posting data may be enriched with applicable information as agreed upon during the setup process.
- Data Entry. Fields are captured for the posting file based on the Customer's processing instructions.
- Exception Manager. Exceptions are presented according to the Customer's processing instructions and the Customer may review and decision online via PINACLE®, PNC's online and mobile banking platform for businesses and institutions.
- ReConnect. Incoming remittances are attempted to be matched with electronic payments based on the information contained within the payment and remittance.
- Remittance On-Site Service. The Customer may scan checks and associated remittance documents to transmit directly into its lockbox.

PNC Rights and Obligations.

- Inspection and Processing of Remittance Items. Envelopes will be picked up from the Customer's lockbox, and Items will be inspected and processed as follows:
 - Payees. An Item without an acceptable payee designation may not be deposited. If the endorsement of a payee (other than the Customer's) is missing, the Item may not be deposited.
 - Dates. An Item will be deposited even though it is stale-dated, post-dated or does not bear a date.
 - Amounts. If the written and numeric amounts of an Item differ, the written amount will control unless the written amount is ambiguous. If the amount of an Item cannot be determined or if the amount is missing, the Item may not be deposited.
 - Alterations. If PNC determines, in PNC's sole discretion, that an Item appears altered, the Item may not be deposited.
- PNC has no responsibility to look for or to detect Items bearing the words "paid in full" or any restrictive endorsement or other legend on or with the Item. Such Items will be deposited to the Customer's Account and PNC will have no liability to the Customer or to other parties (including, but not limited to, the payer and/or the drawee / maker's bank) as a result of such deposit.
- The Customer may instruct PNC to return to the Customer all unprocessed Items that are denominated in foreign currency and drawn upon a foreign bank. Without such instruction, PNC, in PNC's sole discretion, will send the Item for collection and either credit the Customer's Account when final payment is received or provide provisional credit for the U.S. dollar equivalent of the Item at PNC's current exchange rate. The Customer bears the risk of any fluctuation in exchange rates.
- Deposits are subject to PNC's Funds Availability Policy, verification of each image, and subsequent collection of the Items.

Processing Procedures.

- Items deemed unacceptable for deposit will be sent to the Customer along with copies of accompanying documents and other miscellaneous written communications received through the lockbox. PNC may elect to provide an Image Replacement Document as a substitute for a check when a negotiable Item is returned to the Customer.
- PNC has the right to credit or debit the Customer's Account for returned Items or to correct processing mistakes.
- If the Customer elects to receive copies of lockbox-processed work in a paper format, the Customer acknowledges and agrees that any couriers of such paper documents are not managed by PNC and that the Customer accepts the risk of transmitting such paper documents through the mail, including any problems incurred as a result of the inability to reconstruct lockbox documents or as a result of any disclosure of the paper documents and contents of the documents. Originals will not be returned.

Image Delivery.

- Images of the Items received into the lockbox may be available upon request.
- Images are maintained for a period in accordance with PNC's record retention policies.

Customer Obligations.

- The Customer must maintain a deposit Account at PNC to which all deposits will be processed.
- The Customer must provide a list of acceptable payees. Items found acceptable for deposit will be endorsed, subject to the standard lockbox processes. The Customer will be responsible to PNC for any liability PNC incurs as a result of applying the endorsement, including liability to a paying bank, a payee or any other party impacted by the application of the endorsement.
- Based on service elections and instructions, the Customer may be required to take certain actions or provide information or other specified requirements as determined by PNC.

Remittance On-Site Service (Optional).

- In addition to the other applicable terms, the Customer must obtain, at the Customer's own expense, a scanner that meets the requirements of the Service. Installation software must be downloaded on the computer connected to the scanner.
- The Customer must store remittance materials in a secure location that can only be accessed by authorized personnel. Original remittance documents should be kept for a minimum of fourteen (14) days after deposit. Materials should then be destroyed. During the fourteen (14) day storage period, if requested by PNC, the Customer must provide either the original check or an imaged copy of any check that was transmitted to PNC using this Remittance On-Site Service.
- After the Customer sends an image of an original check for deposit, the original check may not be redeposited, even if the substitute check PNC created from the Customer's remote capture or an image of such a substitute check is returned. The Customer must employ appropriate measures to ensure that original checks are not redeposited, and the Customer is responsible for any loss that may arise as a result of unauthorized access to or use of such original checks or check images.
- When PNC transfers or presents a check image, or a substitute check created from that check image, PNC makes certain representations and warranties under contract or under applicable law, including, without limitation, Check 21, clearinghouse rules and Federal Reserve Operating Circulars. The Customer is deemed to make to PNC any representation or warranty that PNC makes to any person (including without limitation a collecting bank, a Federal Reserve Bank, a paying bank, a returning bank, the drawee, the drawer, any endorser, or any other transferee).
- The Customer is responsible for determining whether an original check is eligible for deposit. In addition to other requirements, the Customer must not deposit (i) a check image created from any check or Item that is not eligible for conversion to a substitute check, including but not limited to non-U.S. dollar denominated checks, checks drawn on foreign banks, forward or return Items in carrier

documents, or photocopies in lieu of mutilated Items, or (ii) an electronically created image that did not actually originate from a paper Item.

- The Customer must ensure that prior to transmission to PNC the check image satisfies the quality standards as specified in PNC's documentation. The Customer assumes sole responsibility for ensuring that all information from the original check is accurately captured in the resulting check image. PNC is not responsible for processing a check image that is illegible or does not meet the quality standards.
- The Customer agrees that PNC may provide the Customer's virtual endorsement to each check image submitted through the Service.
- The Customer must train all operators that are using this service to help the operators understand the operator's roles and responsibilities. The Customer must perform regular audits of the Customer's remote deposit procedures and adjust as necessary.
- Scanners are only permitted to be used within the United States.
- PNC can restrict or limit usage of the Service if we detect changes to the usage of the Service or your business that increase the risk to PNC, as determined in our sole discretion.
- Customer may only use this Service to deposit items received for normal business operations and should not use the Service as a mechanism to transfer funds between related accounts or companies at PNC or another financial institution.

PNC Canada Branch Customers Using Integrated Receivables.

- Acceptable payees on Items received for processing in the lockbox will be restricted to your legal name, including registered trade names, as reflected on your Account, or reasonable variations thereof, and upon our consent, Items payable to your related affiliates. You represent and warrant that no Items payable to unrelated third parties shall be directed to the lockbox for processing.
- An Item will be deposited into the Account even though it is stale-dated or does not bear a date. Postdated Items will be returned to you along with any accompanying documents that are related to the Items unless you subscribe to exception processing, not to exceed 365 days for future processing.
- Items that are denominated in a currency other than in U.S. or in Canadian currency and which are drawn upon a bank other than a U.S. or Canadian bank ("foreign currency") will not be processed. These Items will be returned to you unless you have instructed us to forward the Item to a PNC U.S. lockbox processing location for processing to an Account maintained by you at PNC.

PNC Canada Branch Customers Using Remittance On-Site.

- The terms "Image", "Image Printout" and "Return Replacement Document" have the meanings given to those terms in CPA Rule A10.
- Customer acknowledges and agrees that when you create an Image using this Service, you are acting as PNC's agent for the purpose of creating the Image, and that any Image that you create in this way will be treated for legal purposes as if PNC had created the Image itself under CPA Rules. You agree to abide by all laws and rules applicable to you and to us related to the creation, storage and destruction of Images, including CPA Rule A10. You may not further delegate the role as our agent.
- If the Image Printout or an Image is returned for any reason, we will return the cheque to you as a Return Replacement Document ("RRD") as defined in CPA Rule A10. Subject to our right to refuse any Item for deposit, you may re-deposit any cheque that was deposited using this Service by sending us another Remittance Deposit file containing an Image or the RRD. After you have sent us an Image for deposit, you may not deposit the original cheque with us or with any other financial institution, even if an Image Printout is returned. You must employ appropriate measures to ensure that original cheques are not deposited.
- Upon reasonable written notice to you, you agree that we can inspect the location where you keep the original cheques and imaged cheques, but we have no obligation to conduct an inspection.
- Scanners may be located in the United States or Canada.