

Virtual Account Management Service (VAM)

PNC's Virtual Account Management Service (VAM), along with other features, provides the customer with a mechanism to set up and view financial account activity within the customer's organization. Using a single VAM Service Account, which is organized in a segregated bookkeeping/ledger account structure, the customer has the ability to establish and maintain multiple Virtual Accounts. As the owner of the VAM Service Account for which the VAM Service is eligible, the customer may: (a) create and manage Virtual Accounts for the customer's own use or use with Qualifying Affiliates; (b) view, process and manage Virtual Account Transactions; and (c) reconcile and manage funds transfers across the customer's organization.

Certain Definitions Applicable to the VAM Service:

- "Affiliate" means, with respect to the customer, an entity which directly or indirectly owns or controls, is owned or controlled by or is under common control with the customer.
- "Control" means the possession, ownership or control, directly or indirectly, of more than fifty percent (50%) of the voting power or the power to direct or cause the direction of management or policies of a person, corporation or other entity whether through the ownership of voting securities, by contract or otherwise.
- "Organization" means the customer and the customer's Affiliates.
- "Qualifying Affiliate" means an Affiliate that meets the common ownership and other criteria established by PNC.
- "Virtual Account" means a virtual ledger account, linked to the customer's VAM Account with a Virtual Account ID, that provides a segregated view of activity within the customer's VAM Account for reporting, reconciliation, tracking and internal accounting purposes. A Virtual Account is not an actual bank account maintained with PNC but is instead a virtual account linked with a Virtual Account ID to the customer's VAM Service Account.
- "Virtual Account ID" means a unique fourteen (14) digit number identifying, on PNC's records, the Virtual Account and the VAM Account to which the Virtual Account is associated.
- "VAM Entity" means any of the customer's Qualifying Affiliates for which the customer has established a Virtual Account.
- "Virtual Account Information" means any information or data regarding a Virtual Account (including any Virtual Account Transactions associated with such Virtual Account) that PNC may provide or make available to the customer via such channels or methods as PNC determines from time to time.
- "Virtual Account Transaction" means a notional representation of an underlying transaction processed with respect to the VAM Service Account but that is tracked to or otherwise associated with a Virtual Account.
- "VAM Service Account" means an actual demand deposit account (denominated in U.S. dollars) that the customer maintains with PNC and which the customer identifies for use in connection with the VAM Service.

Overview of the VAM Service:

- The funds held in the VAM Service Account are customer funds and not the funds of any VAM Entity (or of any of the customer's other Affiliates). A Virtual Account is not intended to meet the regulatory definition of a traditional account. As such, a Virtual Account is not intended to be, and does not constitute, a separate bank or financial account. A Virtual Account does not hold any deposits but is rather a reporting subledger that is linked to the VAM Service Account.

- Each Virtual Account is assigned a Virtual Account ID that will enable PNC to allocate Virtual Account Transactions to the Virtual Account (and the VAM Service Account with which it is linked) and allow such transactions to process in accordance with applicable regulatory guidelines.
- PNC's records will reflect that the customer, and not a VAM Entity, is the depositor and owner of the VAM Service Account for federal deposit insurance purposes. For the avoidance of doubt, all federal deposit insurance coverage is determined solely on the balance of the VAM Service Account, and not on the notional balance of the underlying Virtual Account(s).
- To use or receive the benefit of the VAM Service, the customer (and any of the customer's Qualifying Affiliates that the customer designates as a VAM Entity) must (a) be incorporated, organized, chartered or otherwise formed under the laws of the United States, any state thereof or the District of Columbia and (b) maintain the customer's (and any of the customer's Qualifying Affiliates that the customer designates as a VAM Entity) principal place of business in the United States. Fund transfers using the VAM Service may currently be made only in U.S. Dollars and only between bank accounts located in the United States. PNC may impose additional requirements on Affiliates for the Affiliates to be considered a Qualifying Affiliate.
- PINACLE® is PNC's online and mobile banking platform for businesses and institutions. From time to time, PNC may make Virtual Account Information available to the customer via the VAM module within PINACLE or through such other channels or methods as PNC may determine. Virtual Account Information is provided solely for informational purposes, and the customer should not rely on Virtual Account Information as an official statement of the transactions and balances in the VAM Service Account.

Establishing a Virtual Account:

- The customer may establish one or more Virtual Accounts for the customer's own entity or any of the customer's Qualifying Affiliates. The customer may not establish any Virtual Accounts for any person or entity that is not in the customer's Organization or does not meet the criteria of a Qualifying Affiliate as established by PNC from time to time.
- Each Virtual Account must be linked to a VAM Service Account. The customer must maintain at least one VAM Service Account in order to receive the VAM Service.
- The customer (and any proposed VAM Entity) must meet such other requirements and conditions as PNC may communicate to the customer from time to time.
- The customer shall not be entitled to use the VAM Service or open a Virtual Account, and/or undertake any Virtual Account Transactions on behalf of the customer or with respect to any Qualifying Affiliate, unless and until PNC has received the required documentation and/or information in a form that is satisfactory to PNC.
- Without limiting any other restrictions associated with the VAM Service, Virtual Accounts will not be available for use with respect to any VAM Entity until PNC completes any "know your customer", sanctions and other reviews and screenings that PNC may deem necessary or appropriate.
- The customer will not permit a VAM Service Account or a Virtual Account to be opened or used: (a) for personal, family or household purposes; (b) by a financial institution, a money service business, a money transmitter, a pay-day lender or any other business that otherwise provides money-movement or payment facilitation services; (c) for any high risk business activities as reasonably determined by PNC from time to time; (d) for anything other than the customer's internal business purposes or the internal

business purposes of the customer's Organization; or (e) for criminal purposes or to otherwise violate applicable laws.

- Without limiting any other rights PNC may have under the Agreement, the customer acknowledges and agrees that PNC may (a) disclose information pertaining to the customer and any VAM Entity to third parties in connection with the customer's provision of services and support related to the VAM Service; and (b) disclose any information relating to the VAM Service provided to the customer to (i) any regulator having examination or supervisory authority over PNC (or any PNC Affiliated entities) or (ii) as required by applicable laws.
- PNC may elect not to open any proposed VAM Service Account or Virtual Account or (at any time) to close or suspend any VAM Service Account or Virtual Account. PNC will endeavor to provide notice of such actions as soon as reasonably practicable.

Use of the VAM Service:

The customer acknowledges and agrees as follows:

- The customer is the only depositor of the VAM Service Account and no VAM Entity (or any Affiliate of the customer's or any other person) has any right or claim in such VAM Service Account. With respect to the VAM Service, the customer is PNC's customer, not any VAM Entity or any of the customer's other Affiliates. With respect to the VAM Service, PNC has no obligations under the Agreement (including these VAM Service Terms and Conditions) and no fiduciary duties of any kind, to any VAM Service Entity or any of the customer's other Affiliates.
- Each Virtual Account is solely an administrative mechanism to be used in connection with facilitating, reconciling, collecting, tracking and reporting fund transfers and Virtual Transactions carried out in relation to such Virtual Account. A Virtual Account is not an actual bank account (depository or otherwise). A Virtual Account (and the funds tracked by such Virtual Account) are not held for the benefit of any VAM Entity.
- To ensure proper tracking and accounting of any inbound and outbound transaction with respect to the VAM Service Account and any associated Virtual Account, the customer must ensure that the appropriate VAM Service Account number and Virtual Account ID are provided for such transaction.
- Any instructions issued with respect to any VAM Service Account (or any Virtual Account linked thereto) must be issued by the customer.
- The customer is solely responsible for (a) the VAM Service Account and any Virtual Account associated with the VAM Service Account; (b) reviewing and monitoring any Instructions related to any VAM Service Account, Virtual Account or any Virtual Transaction; and (c) any intercompany obligations or liabilities among the customer and the customer's Affiliates (including any VAM Entity) as related to the VAM Service, the VAM Service Account, any Virtual Account, any Instruction or any Virtual Transaction.
- If any VAM Entity ceases to be one of the customer's Affiliates, the customer will immediately cease to use the VAM Service Account or any Virtual Account with respect to such entity and the customer will promptly notify PNC that such entity is no longer the customer's Affiliate.
- PNC is not acting as the customer's fiduciary or agent (or the fiduciary or agent of any VAM Entity) with respect to the VAM Service.
- PNC is not providing any financial, accounting or tax advice to the customer (or any of the customer's Affiliates) with respect to the VAM Service, the VAM Service Account, any Virtual Account or otherwise. PNC is not making any representations or warranties as to whether the VAM Service is appropriate for the customer or the customer's Affiliates. PNC is not responsible for, and shall not be obligated to

inquire into, the tax or accounting treatment of the VAM Service Account, any Virtual Accounts or any Virtual Transactions. PNC strongly recommends that the customer consult tax and legal advisors regarding any impact that the use of the VAM Service may have on the customer, any of the customer's Affiliates and the customer's Organization.

Representations, Warranties and Covenants:

In addition to the customer's other representations and warranties in the Agreement, the customer represents, warrants and covenants that:

- Each VAM Entity is the customer's Affiliate and is duly organized, validly existing and in good standing under the laws of the U.S. jurisdiction in which it was formed.
- The customer has obtained all consents necessary to establish the VAM Service Account and any Virtual Account and perform any related transactions.
- The customer will not claim or represent that the Virtual Account is an actual bank account, nor will the customer claim or represent that anyone other than the customer is the owner of the VAM Service Account. Customer will not encumber, permit any lien to exist, grant any security or enter into any control account agreement (or attempt to do any of the foregoing) with respect to any Virtual Account.
- Prior to seeking VAM Entity status for any of the customer's Affiliates, the customer will enter into a valid, binding and enforceable intercompany agreement with any proposed VAM Entity, where the entity acknowledges and agrees that: (a) any use of the VAM Service, any VAM Service Account or any Virtual Account is related to the customer's provisioning of services to the entity; (b) the entity is not a third-party beneficiary under this Agreement or with respect to any VAM Service, VAM Service Account or Virtual Account; and (c) the entity shall have no direct claim against PNC related to any VAM Service, VAM Service Account or Virtual Account. The customer will promptly provide PNC with a copy of such agreement upon PNC's request.
- Customer (and the customer's Affiliates) have and will maintain true, accurate and complete books and records in accordance with applicable laws and generally accepted accounting principles that reflect the intercompany arrangements and transactions in the customer's Organization (including as related to any Virtual Account, Virtual Transactions and transactions and balances in the VAM Service Account). All such arrangements and transactions will be in accordance with customer representations, warranties, obligations and covenants set forth in the Agreement and these VAM Service Terms and Conditions.

Additional Service Terms and Conditions:

- In addition to the customer's other indemnification obligations under the Agreement, the customer shall indemnify and hold the PNC Parties harmless from any loss, liability, damage, penalty, fine, assessment, cost or expense of any kind (including attorneys' fees) ("Damages") arising out of or related to any claim, suit or proceeding asserted or threatened by: (a) any of the customer's Affiliates (including any VAM Entity) related to the VAM Service, any VAM Service Account or any Virtual Account (including any transactions related to such accounts, the tax or accounting treatment thereof, the suitability of such VAM Service or any such accounts for the customer's Organization (or the members thereof) or any actions PNC may take with respect to such VAM Service or such accounts); (b) by any of the customer's creditors (or any of the creditors of any VAM Entity) relating to the VAM Service, any VAM Service Account (and the funds therein) or any Virtual Account (and the funds tracked thereto); or (c) any Person as a result of the customer's actual or alleged breach of any of the conditions set forth in

these VAM Service Terms and Conditions or of any of the customer's representations, warranties, covenants or obligations therein. Notwithstanding the foregoing, such indemnification shall not apply to any Damages solely and directly attributable to PNC's gross negligence or willful misconduct.

- In no event shall PNC be liable to any VAM Entity for any loss or unauthorized transaction that occurs through the VAM Service or with respect to any VAM Service Account or Virtual Account.