

PNC SPEND WISE PURCHASE APR REDUCTION PROGRAM

As used in this description of the **PNC Spend Wise APR Reduction Program** (the **Margin Reduction Program** in your Agreement), **Account** is your PNC Spend Wise credit card account. **Review Period** means the first 12 billing cycles following Account opening and each twelve (12) billing cycle period thereafter. **Review Period End Date** means the last day of the last billing cycle in a Review Period. **Net Purchases** means Purchases minus merchant credits and plus or minus appropriate purchase adjustments posted to your Account. Net Purchases does not include cash advances or balance transfers, nor does it include, among other things, interest or fees assessed to your Account. **Purchases** means use of your card or your account number to buy or lease goods or services from a participating merchant.

We will review your Account once each year as of the applicable Review Period End Date to determine whether you have qualified for a two (2) percentage point reduction of the standard purchase margin that applies to your Account (**Margin Reduction**).

To qualify for a Margin Reduction, during the Review Period you must:

- 1.) have made at least three thousand dollars (\$3,000) in Net Purchases; AND
- 2.) have made at least your minimum payment due by each Due Date in the Review Period.

If you qualify for a Margin Reduction, the Margin Reduction will apply to your Account beginning the first day of the first billing cycle following the applicable Review Period. We use the date a purchase, merchant credit, or other adjustment posts to your Account to determine Net Purchases made during a Review Period.

You will no longer be eligible for a Margin Reduction once your standard purchase margin is reduced to 8.74%. You will not be eligible for a Margin Reduction if your Account was subject to a hardship or similar special program during the applicable Review Period or if a Margin Reduction would result in a negative standard purchase APR. The APR Reduction Program does not apply to your standard cash advance margin and will not impact any promotional APR that applies to your Account.

Full program details are contained within the **PNC Spend Wise Consumer Credit Card Agreement** provided when you open your account.

Examples of how the APR (Margin) Reduction Program works

Example 1: For the purposes of this example, let's call our customer "Amelia."

Amelia's PNC credit card account was opened on January 1, 2024. The first Review Period End Date for Amelia's account was January 1, 2025. When Amelia's PNC credit card account was opened, the standard purchase margin that applied to the account was 18.74%. On or about January 2, 2025, we reviewed Amelia's account and determined that during Amelia's first Review Period, Amelia made \$3,500 in Net Purchases and made at least the minimum payment due on the account by each Due Date. As a result, Amelia qualified for a Margin Reduction of two percentage points. Beginning with the billing cycle starting on January 2, 2025, Amelia's purchase margin was reduced by two percentage points to 16.74%. As explained above, the margin is added to the index value to determine the Purchase APR that applies to Amelia's Account. In this example, Amelia's next Review Period is from January 2, 2025, through January 1, 2026. On or about January 2, 2026, we again reviewed Amelia's account to see if Amelia qualified for another Margin Reduction. We determined that during this Review Period, Amelia made \$3,000 in Net Purchases on January 1, 2026, and made at least the minimum payment due on the account by each Due Date. \$500 of the purchases, however, did not post to Amelia's account until January 3, 2026. Because Amelia did not make at least three thousand dollars in Net Purchases during this Review Period, Amelia did not qualify for another Margin Reduction. The next Review Period on Amelia's account is January 2, 2026, through January 1, 2027. The next time we will review Amelia's account to determine whether Amelia qualifies for a Margin Reduction is on or about January 2, 2027.

Example 2: For the purposes of this example, let's call our customer "Fred."

Fred's PNC credit card account was opened on January 1, 2024. The first Review Period End Date for Fred's account was January 1, 2025. Fred made \$3,500 in purchases that posted to his account on December 24, 2024. Fred returned \$700 of those purchases on December 29, 2024, but those returns weren't credited to Fred's account until the second Review Period, on January 4, 2025. In this example, Fred made at least \$3,000 in Net Purchases for the first Review Period; however, as of January 4, 2025, Fred's Net Purchase balance is minus \$700 because of the merchant return credit. To make up for the merchant return credit of \$700, assuming there are no other purchase adjustments during the second Review Period, Fred will need to make at least \$3,700 in purchases during the second Review Period to have made \$3,000 in Net Purchases (\$3,700 – \$700 merchant credit = \$3,000 in Net Purchases) as well as make at least the minimum payment due on the account by each Due Date to qualify for a Margin Reduction at the end of the second Review Period.