

The Clearing House Token Service Rules

Effective August 25, 2022

I. Purpose of the Token Service Rules

These Token Service Rules govern the rights and responsibilities of The Clearing House (“TCH”) and Token Participants, and define the roles of other parties, with respect to TCH’s service that issues Tokens and provides certain information and management functionality regarding such Tokens (“Token Service”).

II. Defined Terms

Capitalized terms not defined in this section have the meanings ascribed to them in the RTP Operating Rules or EPN Operating Rules, as applicable.

- A. Counterparty. A financial institution that is the ODFI of an Entry in which the Receiver’s account is identified by a Token; or an RTP Participant that is the Sending Participant or Message Sending Participant of a Message in which the Receiver or Message Receiver’s account, as applicable, is identified by a Token; or an RTP Participant that is the Receiving Participant or Message Receiving Participant of a Message in which the Sender or Message Sender’s account, as applicable, is identified by a Token.
- B. Counterparty Participant. A Counterparty that is a Participant in the RTP System or EPN.
- C. Eligible Account Number. An account number associated with a routing number owned by a Token Participant and for which the Token Participant has authorized TCH to issue one or more Tokens.
- D. Entry. Entry has the meaning ascribed to it in the EPN Operating Rules.
- E. Message. Message means either a Payment Message or Non-Payment Message as such terms are defined in the RTP Operating Rules.
- F. Person. Any natural person or corporation, partnership, sole proprietorship, joint venture, or other form of entity or organization.
- G. Technical Agent. An agent of a Token Participant or Sponsored Token Requestor that is appointed using a process TCH specifies, and which provides the technical means by which such Token Participant or Sponsored Token Requestor may obtain and manage Tokens on

behalf of the Token Participant or Sponsored Token Requestor under these Token Service Rules. A Technical Agent may be a financial institution, technology service provider, or other organization approved by TCH.

- H. Token. An identifier issued by TCH that is associated with an Eligible Account Number and may be used in lieu of an account number in Messages, Entries, or both. For the avoidance of doubt, a UPIC that is issued under Appendix I-B to the EPN Rules is not a Token.
- I. Token Participant. A Participant in the RTP System, EPN, or both, and that enrolls in the Token Service as set forth in Rule III.A.
- J. Token Requestor ID. A unique identifier TCH issues to identify either the Person that requests or receives a Token.
- K. Token User. A Person that uses a Token in Messages, Entries, or both.
- L. Token Requestor. Either (i) a customer of a Token Participant that is sponsored by the Token Participant to enable such customer to request Tokens from the Token Service (referred to as a “Sponsored Token Requestor”), or (ii) a Token Participant when it requests a Token from the Token Service (referred to as a “Participant Token Requestor”).
- M. Token Participant Identifier. A Token Participant’s routing transit number that when used as an endpoint in the RTP System, ACH Network or both is used solely for the purpose of receiving Messages or Entries, as applicable, that contain the Participant’s Tokens. A Token Participant Identifier used on EPN cannot be a FedACH endpoint and must be identified as an EPN endpoint in EPN and FedACH records.
- N. Token Restrictions. The characteristics and restrictions that apply to a Token issued for a Token Participant’s Eligible Account Number. As further described in the Token Service Technical Specifications, Token Restrictions consist of the following:
 - 1. Interoperability Settings. These settings determine whether a Token can be used on the RTP System, EPN, or both networks, as further described in section VII.A.
 - 2. ACH Settings. For a Token that can be used in EPN, these settings determine whether the Token can be used for ACH credits, debits or both; and may include other settings as further described in the Token Service Implementation Guide.
 - 3. RTP Settings. For a Token that can be used in the RTP System, these settings determine whether a Token is restricted such that it may only be used in Messages with a specified counterparty account number, and may include other settings as further described in the Token Service Implementation Guide.

- O. Token Service Technical Specifications or Technical Specifications. The technical requirements and standards issued by TCH that apply to the Token Service, including but not limited to the Token Service Implementation Guide and Token Portal User Guide.

III. Eligibility and Enrollment

- A. A Participant in the RTP System, EPN, or both, is eligible to become a Token Participant. Such a Participant may become a Token Participant by enrolling in the Token Service through procedures established by TCH. By enrolling in the Token Service, a Token Participant is subject to and agrees to comply with these Token Service Rules and the Token Service Technical Specifications.
- B. During enrollment in the Token Service, a Token Participant must identify one or more of its Eligible Account Numbers. A Token Participant authorizes TCH to issue Tokens for its Eligible Account Numbers to any Token Requestor.
- C. During enrollment in the Token Service, a Token Participant must designate one or more Token Participant Identifiers for use on the RTP System, EPN, or both. A Token Participant authorizes TCH to make available its Token Participant Identifier(s) and identify it as the related Token Participant on TCH's public website or through other publicly accessible means.
- D. If a Token Participant designates a Token Participant Identifier for use on EPN, it will identify the Federal Reserve Account to be used for settlement of intra-EPN Entries that include Tokens. This settlement account may differ from the Federal Reserve Account associated with the Token Participant Identifier.
- E. A Token Participant may update its Eligible Account Numbers and Token Participant Identifier(s) from time to time through procedures established by TCH.

IV. Sponsored Token Requestors

- A. Using a process TCH specifies, a Token Participant may sponsor its customer to request and receive Tokens from TCH as a Sponsored Token Requester. Such Token Participant agrees to provide the indemnity set forth in section XI.B.2.
- B. When onboarding a Sponsored Token Requestor, the sponsoring Token Participant must provide TCH with information about the Sponsored Token Requestor's intended use of Tokens.

V. Designation of Technical Agents

- A. Using a process TCH specifies, a Token Participant may designate a Technical Agent for itself or its Sponsored Token Requestor. A Technical Agent is authorized to act on behalf of the Token Participant or on behalf of its Sponsored Token Requestor to connect to the Token Service, request and receive Tokens, perform Token management functions, and make changes to Token Restrictions as set forth in these Token Service Rules. When performing a function under these Token Service Rules, a Technical Agent must act at the direction of the Token Participant or Sponsored Token Requestor on whose behalf the Technical Agent is authorized to act.
- B. A Token Participant that designates a Technical Agent under section V.A authorizes TCH to communicate with and accept instructions from the Technical Agent on behalf of the Token Participant or its Sponsored Token Requestor, as applicable, in connection with the Token Service and warrants that it has authority to designate the Technical Agent for its Sponsored Token Requestor.
- C. TCH, in its sole discretion, may require a Token Participant or Sponsored Token Requestor to stop using a particular Technical Agent in which case the Token Participant or its Sponsored Token Requestor will need to make alternate technical connection arrangements to continue its access to and use of the Token Service.

VI. Requesting and Sharing Tokens

- A. Issuance of Token Requestor IDs.
 - 1. TCH will issue a Token Requestor ID to each Token Participant that will request Tokens as a Participant Token Requestor. TCH in its discretion may issue more than one Token Requestor ID to a Participant Token Requestor, or a Token Requestor ID for use by a Participant Token Requestor's Technical Agent.
 - 2. If a Participant Token Requestor will request Tokens for another Token Participant's accounts and share such Tokens with another party, the Participant Token Requestor must inform TCH. TCH will issue additional Token Requestor IDs to a Participant Token Requestor for it or its Technical Agent to use for such Token requests.
 - 3. TCH in its discretion will make a determination about the manner in which Token Requestor IDs will be associated with a Sponsored Token Requestor, a Sponsored Token Requestor's Technical Agent, or to other parties with which a Sponsored Token Requestor may share Tokens.
- B. Token Requests and Provisioning.

1. A Token Requestor may request Tokens for any Token Participant's Eligible Account Numbers and the Token Service will issue Tokens in response to such requests. The Token Service will not issue Tokens for account numbers that are not Eligible Account Numbers.
 2. The Token Service associates each Token with a Token Requestor ID.
 3. The Token Service will issue (i) a different Token for the same Eligible Account Number in response to each Token request that uses a different Token Requestor ID and (ii) the same Token for an Eligible Account Number in response to each Token request that uses the same Token Requestor ID
 4. The Token Requestor ID associated with a Token may identify a party other than the party that requested the Token from the Token Service or the party that has Token lifecycle management capabilities for the Token.
- C. Specific Provisioning Methods and Requirements.
1. Participant Token Requestor.
 - a. Tokens for own Accounts. As set forth in the Token Service Implementation Guide, a Participant Token Requestor or its Technical Agent must use the appropriate Token Requestor ID to request "General Use" or "Assigned" Tokens for the Token Participant's own accounts.
 - b. Tokens for another Token Participant's Accounts. A Participant Token Requestor that will request Tokens directly or through a Technical Agent for another Token Participant's accounts and share such Tokens with another party must use the Token Requestor ID associated with that other party when requesting a Token that will be shared with that party.
 2. Sponsored Token Requestor. A Sponsored Token Requestor or its Technical Agent must use the appropriate Token Requestor ID as determined by TCH when requesting Tokens.
 3. RTP In-Network Provisioning. A Sending Participant or a Message Sending Participant under the RTP Rules that is also a Participant Token Requestor under these rules may request a Token for its Customer's account at the time the Participant sends a Payment Message or a Request for Payment to the RTP System by including a code that indicates such a request in the message, as described in the RTP message specifications. Tokens provisioned in this manner will be identified with a Token Requestor ID that is associated with the RTP System. Notwithstanding the association of such Token

Requestor ID with the RTP System, TCH as the RTP System operator is not a Token Participant, Token Requestor, or Token User.

- D. Notification of Token Restrictions. If a Token Participant will share a Token with another party, it must notify the other party of the Token Restrictions that are or will be in effect at the time the Token is shared. Token Participants are not required to notify such other party of subsequent changes to a Token's Token Restrictions.

VII. Token Restrictions and Management

A. Token Restrictions

1. General. As further specified in the Token Service Technical Specifications, Tokens will be issued with certain Token Restrictions that determine how they can be used.
2. Default Settings. Unless a Token Participant modifies the ACH settings, Interoperability settings, or both, for Tokens to be issued for its Eligible Account Numbers using procedures established by TCH, Tokens will be issued with (a) interoperability settings that allow the Tokens to be used on both the RTP System and EPN, and (b) ACH settings that allow the Tokens to be used for both ACH credit and debit Entries. Notwithstanding the interoperability settings that apply to a Token, if a Token is associated with a Token Participant Identifier that is not active on the RTP System or EPN, the Token Service will cause a Message or Entry that includes the Token to be rejected by the payment system on which the Token Participant Identifier is not active.
3. Modifications. Procedures for modifying Token Restrictions are set forth in the Token Service Portal Guide. A Token Participant has the option to modify Token Restrictions for (a) all Tokens issued for its accounts, or (b) Tokens issued for its accounts that are associated with a specific Token Requestor ID.

B. Token Lifecycle Management

1. Tokens do not expire.
2. As further described in the Token Service Technical Specifications:
 - a. a Token Participant can suspend, resume, and deactivate Tokens for its own accounts that have been issued to it in its role as a Participant Token Requestor;
 - b. a Token Participant can suspend, resume, and deactivate Tokens for its own accounts that have been issued to another Token Requestor;

- c. a Participant Token Requestor can suspend, resume, and deactivate Tokens for another Token Participant's accounts that have been issued to it; and
 - d. a Sponsored Token Requestor can suspend and resume Tokens for a Token Participant's accounts, except that a Sponsored Token Requestor cannot resume a Token that a Token Participant suspended under section VII.B.2.b.
 3. The party that the Token Service identifies as associated with a Token may not be the party that has lifecycle management capabilities (suspend, resume, deactivate) for that Token.
- C. Information about Token Restrictions and Token Life Cycle Management Settings. As further described in the Token Service Technical Specifications, information about a Token's Token Restrictions and lifecycle management settings will be available to Token Participants and Sponsored Token Requestors through the Token Service as follows:
 1. Token Participants will be able to access information through the Token Service to determine the current Token Restrictions and lifecycle management settings for Tokens issued for their accounts.
 2. Sponsored Token Requestors will be able to access information through the Token Service to determine the current Token Restrictions and lifecycle management settings for Tokens associated with the Token Requestor ID they use to request Tokens.
 3. TCH is not responsible for notifying any party when a Token's Token Restrictions are modified or a lifecycle management change (suspend, resume, deactivate) is made.

VIII. Processing Entries and Messages with Tokens

- A. As further described in the Token Service Technical Specifications, in certain instances the Token Service will cause the RTP System and EPN, as applicable, to reject a Message or Entry that contains a Token or that requests a Token be issued, including when:
 1. the Token does not exist in the Token Service or has been suspended or deactivated under section VII.B.2.
 2. the Token is used in a manner that is not consistent with its Token Restrictions;
 3. the Token Service technology that is used to issue and validate Tokens is unavailable; or
 4. for RTP in-network requests, the Token Service is unable to issue a Token in response to the Token request.

- B. As further described in the Token Service Technical Specifications, during processing the RTP System and EPN, as applicable, the Token Service will cause certain changes to be made to Messages and Entries that are properly identified as including Tokens or related to previous Messages or Entries that contained Tokens. Token Participants authorize TCH to make these changes with respect to Tokens issued for their accounts.
- C. As further described in the Token Service Technical Specifications, if a Message or Entry does not include certain required information, the Token Service will not perform any functions with respect to the Message or Entry and the RTP System and EPN, as applicable, will process the Message or Entry as if it does not include a Token.
- D. Additional Terms for EPN Processing
 - 1. As further described in the Token Service Implementation Guide, when a Token management setting is updated as described in section VII.B.2, there may be a delay between the time the management setting is changed and when that change is recorded in the EPN systems used for processing Entries that contain Tokens as these updates occur at set times each EPN processing day as set forth in the Token Service Implementation Guide. TCH has no liability for continuing to process Entries that contain Tokens in accordance with the prior Token setting before such update is made to the EPN systems used for processing Entries that contain Tokens.
 - 2. If a Token Participant or Token Requestor suspends or deletes a Token after EPN has processed an Entry using that Token and prior to a Reversal of an Entry or a dishonored Return Entry that includes such Token, EPN will not reject the Reversal or dishonored Return Entry due to the inclusion of the suspended or deleted Token.
 - 3. As stated in section 7.9 of the EPN Operating Rules, Operating Circular 4 governs the settlement of Entries that are processed both by TCH and the Federal Reserve Banks. Where such Entries include a Token, Token Participants acknowledge and agree that the Entries will settle to the Federal Reserve account associated with the Token Participant Identifier however, Token Participants will receive such Entries in Files with the routing number associated with the Receiver's Account Number and not the Token Participant Identifier.

IX. Relationship to Payment System Rules

- A. When a Token is used in a Message transmitted through the RTP System, the Message is subject to the RTP Rules.

- B. When a Token is used in an Entry received through EPN, the Entry is subject to the EPN Rules and the Nacha Operating Rules as incorporated into the EPN Rules.
 - 1. ACH Authorizations. Each Token Participant agrees (i) that an Originator may use Tokens in an Entry even though the authorization from the Receiver for such Entry identifies the Receiver's account number rather than the Token and (ii) not to challenge the Originator's authorization solely for this reason.
 - 2. ACH Disputes. Token Participants that are EPN Participants acknowledge and agree that Tokens issued for their accounts may be used in documentation related to a request or dispute regarding an Entry and that where such usage occurs, (i) the Token references the Account Number associated with that Token, and (ii) the Token Participant may not reject or delay its response to the dispute solely due to the use of the Token in such documentation.
- C. For the avoidance of doubt, TCH's issuance of a Token and the use of the Token in a RTP payment or ACH Entry does not alter the rights and responsibilities between the parties to the payment except that to the extent that Article 4A of the Uniform Commercial Code would treat any changes to a payment message made by a funds transfer system as alterations by the sender's agent, such changes will be treated as alterations by the relevant Token Participant's agent.

X. Token Information and Records

- A. As further described in the Token Service Technical Specifications, the Token Service will make available information and processes that enable Token Participants to manage Tokens associated with their accounts and to identify certain parties that have obtained Tokens for the Token Participant's accounts and the related Token Restrictions for the issued Tokens. The party the Token Service identifies as associated with a Token Participant's Token may not be a Token User of the Token, as Tokens may be shared after issuance.
- B. TCH will store Tokens and their associated account numbers while the Tokens are active and for at least five years from the date that a Token was deactivated.

XI. Additional Legal Terms

- A. Compliance
 - 1. Token Participants may not use Tokens for the purpose of circumventing any laws or regulations. Token Participants that sponsor Token Requestors may not knowingly permit Token Requestors to use Tokens for the purpose of circumventing anti-money laundering monitoring systems or masking Messages or Entries from law enforcement.

2. If a Token Participant's Token is included in a Message or Entry, the Token Participant agrees to cooperate with the Counterparty as reasonably necessary for it to operate its compliance programs or respond to subpoenas or other legal process.
3. TCH will make available a complete list of Token Participant Identifiers and the Token Participants to which they belong on TCH's public website or through other publicly accessible means.
4. Token Participants agree (i) not to sponsor a party that is a Specially Designated National or is otherwise prohibited from engaging in payment activity under U.S. sanctions as a Sponsored Token Requestor and (ii) to immediately terminate sponsorship of a Sponsored Token Requestor that becomes a Specially Designated National or otherwise prohibited from engaging in payment activity under U.S. sanctions by immediately notifying TCH of the termination.

B. The Clearing House Liability and Claims Arising from Tokens

1. TCH Liability. In providing the Token Service, TCH will only be liable to a Token Participant and only for TCH's gross negligence or intentional misconduct. TCH's liability in such instances shall be limited to actual damages attributable to its gross negligence or intentional misconduct and shall not include consequential damages, even if such damages were foreseeable.
2. Participant Indemnity. Each Token Participant indemnifies and holds TCH harmless from any loss that results from (i) the inclusion of the Participant's Token in any payment, (ii) TCH's acts or omissions in its carrying out any aspect of Token Service, except as provided in section XI.B.1 regarding TCH Liability, and (iii) the acts or omissions of a Sponsored Token Requestor the Token Participant has sponsored, or such Sponsored Token Requestor's Technical Agent, that are related to use of the Token Service during such time as the Sponsored Token Requestor is sponsored by the Token Participant under section IV.

C. Confidentiality

1. For purposes of this section XI.C, "Confidential Information" shall include any and all information disclosed by TCH or by a Token Participant in the course of Token Service-related business that is not generally known or (a) marked "confidential" or "proprietary" at or before the time of disclosure thereof, if disclosed in tangible form, or (b) if disclosed orally, designated confidential or proprietary at or before the time of disclosure thereof and is identified in reasonable detail and confirmed as such in a writing delivered to the receiving party within thirty (30) days of the date of such oral

disclosure; and relates to the business or operations of TCH or the Token Participant; or any material, information, or service supplied by, or on behalf of, TCH or the Token Participant.

2. "Confidential Information" does not include any information that TCH or the Token Participant establishes by written documentation or other tangible records:
 - a. was known prior to such disclosure to the receiving party free of any obligation to keep it confidential; or
 - b. is independently developed by the receiving party without reference to, use of or access to the Confidential Information of the disclosing party; or
 - c. is within the public domain at the time of disclosure or that subsequently enters the public domain; or
 - d. is lawfully received from a third party free to disclose such information to the receiving party; or
 - e. was released without restriction pursuant to the prior written approval of the party claiming it as Confidential Information under this section;

in each case, through no breach by the receiving party of any duty to the disclosing party and through no violation by the receiving party of any applicable law.

3. All Confidential Information shall remain the property of the disclosing party. Except as otherwise provided herein, the receiving party shall not disclose, nor shall it permit any others to disclose, to any unaffiliated third party, or otherwise use, or permit any unaffiliated third party to use, any Confidential Information for any purpose other than the purpose for which the disclosure was made without the prior written consent of the disclosing party. The degree of care required of a receiving party regarding the prevention of disclosure of the Confidential Information shall be at least the degree of care the receiving party uses to protect its own similar Confidential Information and trade secrets, but in no event shall the receiving party exercise less than reasonable care.
4. The receiving party may disclose Confidential Information without prior notice to or consent of the disclosing party in response to (i) subpoenas, civil investigative demands, and similar investigative summonses compelling information about Tokens and their associated account numbers, and (ii) disclosures requested or required by a government agency with supervisory authority over the receiving party or disclosures the receiving

party makes to any such government agency for purposes of satisfying supervisory or regulatory expectations.

In addition, TCH will make available during the time period specified in section X.B. for retaining Token information Confidential Information about a Token Participant's Tokens, including their associated account numbers to (i) Counterparty Participants, as such Counterparty Participants require for legal or regulatory purposes pursuant to procedures established by TCH, and (ii) to other third parties as required under subpoenas, civil investigative demands, and other orders that compel TCH to provide such disclosure. TCH is under no obligation to provide notice to a Token Participant when TCH provides information about the Tokens associated with its accounts to a third party.

- D. Vendor Management. TCH will cooperate with Token Participants and assist Token Participants in meeting their responsibilities to regulatory authorities to conduct audits on TCH as provider of the Token Service consistent with TCH's general approach to such issues as set forth in TCH payment system rules.
- E. Token Participant Resignation and Termination; Revocation of Token Requestor Sponsorship
 - 1. Token Participant Resignation. A Token Participant may resign from the Token Service upon thirty (30) days written notice to TCH. The notice shall designate the date on which the resignation is to become effective. Shorter notice of a resignation shall be effective only if accepted by TCH. Upon resignation, all Tokens issued for the Token Participant's Eligible Account Numbers will be deactivated and no further Tokens for the Token Participant's Eligible Account Numbers will be issued.
 - 2. Token Participant Suspension or Termination. TCH may terminate or suspend a Token Participant at any time it determines in TCH's sole discretion, that the Token Participant's continued participation in the Token Service would not be in the best interests of TCH, the Token Service or other Token Participants. By way of example but not by way of limiting the discretion of TCH, such determination may be based on the following:
 - a. repeated or willful violations of the provisions of the Token Service Rules;
 - b. failure to pay to TCH, when due, any fees, dues, operating charges, or assessments owing to TCH;
 - c. the occurrence of any act, event, or condition that leads TCH to determine that a Token Participant is or is about to become insolvent or unable to meet its

obligations under these Token Service Rules or is being operated in an unsafe or unsound manner;

- d. the commencement of any proceedings by or before any regulatory body to terminate a Token Participant's deposit insurance or cause it or any of its officers or directors to desist from any alleged unsafe or unsound practice; or
- e. the continued transmission of payments that are related to the fraudulent or questionable business practices of its customer for more than sixty (60) days after receipt of notice from TCH of the fraudulent or questionable nature of the transactions.

Any suspension or termination taken under this section XI.E.2 will be effective from the time set by TCH.

Upon suspension, all Tokens issued for a Token Participant's Eligible Account Numbers will remain active and no further Tokens will be issued for the Token Participant's Eligible Account Numbers unless and until TCH unsuspends the Token Participant.

Upon termination, all Tokens issued for a Token Participant's Eligible Account Numbers will be deactivated and no further Tokens for the Token Participant's Eligible Account Numbers will be issued.

- 3. Revocation of Token Requestor Sponsorship. A Token Participant may revoke its sponsorship of a Sponsored Token Requestor. If such sponsorship is revoked, the Tokens issued to the party that had been a Sponsored Token Requestor will remain active, but TCH will stop issuing Tokens to the entity unless another Token Participant sponsors it under section IV.
- 4. Token Requestor Suspension or Termination. TCH may determine that a Sponsored Token Requestor, or a Token User or other party with whom the Sponsored Token Requestor shares Tokens, is using or intends to use Tokens in a manner that presents unacceptable risk and may suspend or terminate the Sponsored Token Requestor's access to the Token Service.

Upon suspension, TCH in its discretion will determine whether the Tokens issued to the suspended Sponsored Token Requestor will remain active or be deactivated, and TCH will stop issuing Tokens to the entity unless TCH unsuspends the Sponsored Token Requestor.

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Upon termination, TCH in its discretion will determine whether the Tokens issued to the party that had been a Sponsored Token Requestor will remain active or be deactivated, and TCH will stop issuing Tokens to that party.