

**DEPARTMENT STORES NATIONAL BANK CREDIT CARD DISCLOSURES**

<b>Store Accounts</b>	
<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>24.50%*</b> for Revolving, Major Purchase and Special Event Accounts. This APR will vary with the market based on the Prime Rate. <b>0%</b> for Club Accounts
<b>How to Avoid Paying Interest</b>	For Revolving Account purchases, your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on those purchases if you pay the Revolving Account balance in full by the due date each billing cycle.  For Major Purchase Account purchases, your due date is at least 25 days after the close of each billing cycle. We will not charge you interest on those purchases if you pay the Major Purchase Account balance in full by the due date each billing cycle.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$2.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	<b>To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>.</b>
<b>Fees</b>	
<b>Penalty Fees</b> • Late Payment • Returned Payment	Up to <b>\$35</b> Up to <b>\$35</b>

**How We Will Calculate Your Balance:** We use a method called “Average Daily Balance (including new Purchases).” See your Credit Card Agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your Credit Card Agreement.

You need not accept the credit card or pay any fee unless you use the card or have already used the account.

\*The purchase APR is equal to the Prime Rate plus a margin of 21.25%.

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## DEPARTMENT STORES NATIONAL BANK CREDIT CARD AGREEMENT

This Credit Card Agreement ("Agreement") governs your open-end credit plan ("Credit Plan") which includes the following accounts to the extent you or a joint cardholder apply and are approved: the Revolving Account, the Major Purchase Account, the Club Account and the Special Event Account (each an "Account"). In this Department Stores National Bank ("DSNB") Credit Card Agreement, the words "you" and "your" mean any person who has requested and is issued a DSNB Credit Card ("credit card") and any other person responsible for complying with this Agreement. The words "we", "us" and "our" mean Department Stores National Bank, 701 E 60th St. N, Sioux Falls, SD 57104, and any person to whom this Agreement or the indebtedness created under this Agreement may be assigned. Please read this Agreement and keep it for future reference.

**1. Use of Your Card and Store Accounts:** Your Card and each Store Account subject to the terms of this Agreement may only be used to purchase goods and services for personal, family and household use.

**2. Promise to Pay:** In return for extending credit to you on one or more Accounts that are subject to the terms of this Agreement from time to time, you promise to pay us for all purchases that you make on any Account at retailers authorized to accept our credit card. You also promise to pay us for all other charges mentioned below, in accordance with the terms of this Agreement. You agree to make your payment by check, money order or similar instrument payable in U.S. dollars drawn on a financial institution located in the United States ("payment"). We also reserve the right to accept payments made in foreign currency and instruments drawn on funds on deposit outside the U.S. If we do, we select the currency conversion rate. We will then credit your Account in U.S. dollars.

**3. Billing Statement:** We will send you a monthly billing statement ("Statement") after each billing cycle at the end of which you have a debit or credit balance of more than \$1.00. Purchases made on your Revolving Account, Major Purchase Account, Club Account and Special Event Account will appear on one Statement. Your payment is due at the address shown on your Statement on or before the Payment Due Date shown on that Statement.

**4. Types of Store Accounts:** The types of Store Accounts that are subject to the terms of this Agreement are the Revolving Account, Major Purchase Account, Club Account and Special Event Account (each a "Store Account"). You may make a purchase on your Revolving Account for any merchandise or service offered by retailers authorized to accept our credit card without any minimum purchase requirements. You may make a qualifying purchase on a Major Purchase Account, Club Account or Special Event Account as permitted by us, subject to minimum purchase requirements. Your desire to charge purchases to a Major Purchase Account, Club Account or Special Event Account must be indicated at the time of purchase. Purchases made on a Major Purchase Account, Club Account or Special Event Account will be reflected on your sales receipt.

**5. How to Avoid Paying Interest on the Revolving and Major Purchase Account:** If you make purchases during a billing cycle when there is no Previous Balance on the Statement or the sum of payments and credits (excluding credits for returns of purchases made during the billing cycle) is at least equal to the Previous Balance (these purchases are "New Purchases"), no Interest Charges are added to these Store Accounts for that billing cycle for the New Purchases. If you pay the New Balance for that billing cycle by the Payment Due Date, you can avoid Interest Charges for the New Purchases during the next billing cycle. If you pay less than the New Balance for that billing cycle, you can avoid Interest Charges on that portion of that Store Account balance paid but we will assess Interest Charges on any unpaid portion until you pay the full balance you owe on that Store Account. If you make a purchase during a billing cycle with an unpaid Previous Balance, we assess Interest Charges on the purchase from the date it is added to the balance. We continue to assess Interest Charges until you pay the full balance you owe on that Store Account.

The allocation of payments and credits may affect how you may avoid Interest Charges. Payments and credits are applied to each Store Account at our discretion and in accordance with law. **The method of assessing Interest Charges described in this section may result in a Statement with only an Interest Charge.**

**6. Interest Charge – Balance Computation Method:** An Interest Charge will be imposed on each balance within each Store Account that is subject to Interest Charges by applying a Daily Periodic Rate, multiplied by the number of days in the billing cycle, to the Average Daily Balance for purchases (including new transactions) for that Store Account, which appears on your Statement as the Balance

Subject to Interest Rate, and by assessing certain fees which are explained below. To get the Balance Subject to Interest Rate for each Store Account, we take the beginning balance of each Store Account each day, add any new purchases, any Interest Charges applied to the previous day's balance, and new fees, and subtract any new payments and credits. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the Balance Subject to Interest Rate. (This results in daily compounding of Interest Charges.)

**7. Cost of Credit - The cost of credit is determined as follows:**

**A.** the Daily Periodic Rate applicable to purchases for the billing cycle is 1/365th of the Annual Percentage Rate (regardless of leap years) in effect for the billing cycle as disclosed below, rounded to five decimal places. The Annual Percentage Rate may be changed quarterly. It will be calculated by taking the rate disclosed as the "Prime Rate" in the "Money Rates" section of *The Wall Street Journal* on the 15th day of March, June, September and December of each year (or the next business day if the 15th day falls on a weekend or holiday) and adding 21.25% to that rate. As of June 1, 2014, the **ANNUAL PERCENTAGE RATE** so calculated is **24.50%**, which corresponds to a Daily Periodic Rate of .06712%. The variable Annual Percentage Rate may increase. Any change in the Annual Percentage Rate will go into effect on the first day of the billing cycle that begins after the first day of the next calendar quarter and may result in an increase or decrease in the Interest Charge imposed on a Store Account and in the Minimum Payment Due.

**B.** There will be a Minimum **INTEREST CHARGE** of \$2.00 in any billing cycle in which the **INTEREST CHARGE** resulting from application of the Daily Periodic Rate would be less than \$2.00.

**C.** The information about the cost of the card is accurate as of June 1, 2014. This information may have changed after this date. To find out what may have changed, write to us at P.O. Box 8051, Mason, OH 45040.

**8. Minimum Payment:**

**A. Minimum Payment Due:** Each month, for each Store Account with a balance, you agree to pay at least the Minimum Payment Due, which is the sum of a Monthly Minimum plus all unpaid Late Payment Fees, any credit protection charges (if enrolled) applied that month and any delinquent Monthly Minimums by the Payment Due Date. The Monthly Minimum for each Store Account is calculated as follows:

**1. Revolving Account:** The greater of \$25.00 or 3.25% of the New Balance on your Statement for the Revolving Account, rounded up to the next whole dollar amount, or the entire New Balance for the Revolving Account if it is under \$25.00.

**2. Major Purchase Account:** The greater of \$25.00 or 3.25% of the New Balance on your Statement for the Major Purchase Account, rounded up to the next whole dollar amount, or the entire New Balance for the Major Purchase Account if it is under \$25.00.

**3. Club Account:** The greater of \$25.00 or 1/12 of the highest New Balance for the Club Account since it last had a \$0 balance, rounded up to the next whole dollar amount, or the entire New Balance for the Club Account if it is under \$25.00.

**4. Special Event Account:** The greater of \$25.00 or 3.25% of the New Balance for the Special Event Account on your Statement, rounded up to the next whole dollar amount, or the entire New Balance for the Special Event Account if it is under \$25.00.

**B. Level Payments:** Since the Minimum Payment for a Club Account is based on the highest New Balance for the Club Account until the balance is paid in full, the Minimum Payment for a Club Account will not decrease as the New Balance for the Club Account decreases, even if you pay more than the Minimum Payment required for the Club Account. Your Minimum Payment will increase, however, if a new purchase increases the New Balance in the Club Account above a previous high.

**9. Additional Payment Information:** You may pay all or part of your Account balance at any time. However, you must pay, by the Payment Due Date, at least the Minimum Payment Due as calculated above. If you pay more than the Minimum Payment Due and there is still a balance due, you must continue to make your Minimum Payment Due in future months. Payments in excess of the Minimum Payment Due will be applied in accordance with law, and payments equal to or less than the Minimum Payment Due and credits will be applied at our discretion. If we accept any late payment or partial payment, whether or not marked as payment in full, it will not affect the due date of any payment due under this Agreement, it will not act as an extension of time or a waiver of any amount then remaining unpaid, and it will not affect any of our rights under this Agreement including our right to declare the entire balance for all Accounts to be due. Returns and credits are not applied toward your Minimum Payment Due.

**10. Promotions:** We may offer you promotional terms from time to time for all or a part of any balances. Any promotional terms may apply for a limited period of time. They will be governed by the terms of the promotional offer and this Agreement, in accordance with law. They may include the Special Event Account and Club Account offers described below. Your promotional terms will end when the promotional period expires. (a) Special Event Account: No Interest Charges will be imposed on the Special Event Account balance if you pay the balance in full by the end of the promotional period for that Special Event Account balance. We will impose Interest Charges on the Special Event Account balance from the date of purchase if you do not pay the balance in full by the end of the promotional period. If you have not paid a Special Event Account balance in full by the end of the promotional period, any remaining balance, including any Interest Charges for that balance, will be transferred to the Major Purchase Account and subject to the terms for the Major Purchase Account. The promotional offer will specify any minimum purchase amount. (b) Club Account: No Interest Charges will be assessed on your Club Account balance during the promotional period. The promotional offer will specify any minimum purchase amount.

**11. Late Payment Fee:** We may add a late payment fee for each billing cycle in which you have a past due payment. For late payment fee purposes, you have a past due payment any time you fail to pay the Minimum Payment Due by the Payment Due Date. The fee will be \$25; or \$35 for any additional past due payment during the next six billing cycles after a past due payment. However, the fee will not exceed the amount permitted by law.

**12. Returned Payment:** We may add a returned check fee for a returned payment. A returned payment is an electronic debit, payment check, or similar payment instrument, which is returned unpaid. We may add this fee the first time your payment is returned, even if it is not returned upon resubmission. The fee will be \$25; or \$35 for any additional returned payment during the next six billing cycles after a returned payment. However, the fee will not exceed the amount permitted by law.

**13. Document Production Fee:** We may charge you a fee of \$3.00 per item if you request copies of previously provided records, such as Statements and sales checks. We will not charge you for documents produced in connection with a Billing Error investigation.

**14. Default/Collection Costs:** If we fail to receive any Minimum Payment Due, if you declare bankruptcy, or if you die, it will be a default, and, subject to any right you may have under state law to receive notice of and to cure such default, we may declare the entire unpaid balance in any or all Accounts due and payable. If an Account is referred to an attorney who is not our salaried employee and we prevail in a suit against you to collect the amount you owe, in addition to the full amount owed and any court costs, you agree to pay our reasonable attorney's fees, to the extent permitted by law. No attorney's fees will be imposed in any state, or in any amount, unless permitted by law. To the extent permitted by law, after we declare the entire unpaid balance due, we may continue to impose Interest Charges under the terms set forth in this Agreement each month until we obtain a court judgment for the amount you owe.

**15. Credit Limit:** You agree not to go over the credit limit individually assigned to each Store Account. We may refuse to authorize any transaction on a Store Account which would exceed your credit limit. If you owe more than your credit limit we can require you to immediately pay the excess. Available credit cannot be moved between Store Accounts. We can increase or decrease your credit limit at any time without giving you notice in advance unless required by law.

**16. Change In Terms/Change In Address:** We may change any term of this Agreement or add a new term at any time, including changes to the Minimum Payment schedule(s) or the Interest Charge rates, and may apply the new terms to any unpaid balances, as well as to any future balances, unless prohibited by applicable law. When required by applicable law, we will mail you prior notice of the change(s). You agree to notify us promptly in writing if you move. Until we receive written notice of your new address, we will continue to send Statements and other notices to the address in our records.

**17. Lost or Stolen Cards or Account Numbers:** You must call us if any card or account number is lost or stolen. You must also call us if you think someone used or may use them without permission. When you call, we may require you to provide information to help our investigation. We may require you to provide this information in writing. For example, we may ask you to identify any charges that were not made by you or someone authorized by you. We may also ask you to confirm that you received no benefit from those charges.

**18. Closing an Account:** You may close an Account subject to the terms of this Agreement by notifying us in writing or over the phone. If you close your Revolving, Major Purchase, Club or Special Event Account, we will close all of your other Accounts. If you close an Account, you must still repay the total balance in accordance with this Agreement. We may also close any of your Accounts or suspend Account

privileges at any time for any reason. We may do this without prior notice to you unless required by law. You must return any card to us upon request.

**19. Credit Investigation:** You give us permission to investigate your credit history by obtaining consumer reports and by making direct inquiries of businesses where you have accounts and where you work. We may request a consumer report from consumer reporting agencies in considering your application for one or more Accounts and later in connection with an update, renewal, extension of credit, or in connection with the collection of one or more Accounts. Upon your request we will tell you whether or not a consumer report was requested and the name and address of any consumer reporting agency that furnished the report.

**20. Disputed Accuracy of Credit Report:** We may report information about each of your Accounts to credit reporting agencies. Late payments, missed payments, or other defaults on an Account may appear on your credit report. If you request cards on your Credit Plan for others, we may report information on all Accounts under that Credit Plan in the names of those other people as well. If you think we reported erroneous information to a credit reporting agency, write to: Credit Bureau Dispute Verification, P.O. Box 8218, Mason, OH 45040-8218. In doing so, please identify the inaccurate information and tell us why you believe it is incorrect. If you have a copy of the credit report that includes the inaccurate information, please send a copy of that report to us as well. We will promptly investigate the matter and notify you in writing of the results. If we agree with you, we will contact each credit reporting agency to which we reported and request a correction.

**21. Governing Law:** You understand and agree that this Agreement is entered into between you and us in South Dakota and any credit we extend to you is extended from South Dakota. You further understand and agree that this Agreement is governed only by applicable federal law and the law of the State of South Dakota, whether or not you live in South Dakota and whether or not you use your credit card in South Dakota.

**22. Identifying Information:** The identifying information you provided in your credit application (including name, address, telephone number, email address and social security number) as well as any updates to that information is provided to DSNB, Macy's, Inc. and their affiliates.

**23. Assignment:** We may assign the Credit Plan that is subject to the terms of this Agreement and any of our rights under this Agreement to our affiliates or some other financial institution or company without prior notice to you. Following such assignment, that entity will take our place in this Agreement.

**24. Acceptance of this Agreement:** The use of this Credit Plan by you or anyone you authorize means that you accept this Agreement and agree to be bound by its terms.

**25. Disputed Amounts:** All communications concerning disputed amounts, including any check or other payment instrument in an amount less than the full amount due that you send to us marked "paid in full", or which you otherwise tender as full satisfaction of a disputed amount, must be sent to us at the address for billing inquiries shown below in the section regarding your right to dispute billing errors under federal law.

**26. Telephone Monitoring:** We treat every customer call confidentially. To ensure that you receive accurate and courteous customer service, on occasion, your call may be monitored and/or recorded.

**27. No Waiver by Us:** We reserve the right, at any time and in our sole discretion, not to impose part or all of any fee or other amount imposed pursuant to this Agreement or not to exercise any right as set forth in this Agreement and in doing we will not waive our right to impose any such fee or exercise any such right in the future. Without limiting the foregoing, we may, at our option: (a) accept late or partial payments or checks or money orders whether or not marked as payment in full or tendered with other conditions or limitations, (b) agree to extend the due date of any payment due under this Agreement for any length of time and/or (c) release any other person responsible under this Agreement, without notifying you and without releasing you from your obligation to pay all amounts owing under this Agreement in full, or to otherwise perform the terms and conditions of this Agreement.

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### **Your Billing Rights: Keep This Document For Future Use**

**This notice tells you about your rights and our responsibilities under the Fair Credit Billing Act.**

#### **What To Do If You Find A Mistake On Your Statement**

If you think there is an error on your statement, write to us at:

Department Stores National Bank  
P.O. Box 8066

Mason, OH 45040

In your letter, give us the following information:

- Account information: Your name and account number.
- Dollar amount: The dollar amount of the suspected error.
- Description of problem: If you think there is an error on your bill, describe what you believe is wrong and why you believe it is a mistake.

You must contact us:

- Within 60 days after the error appeared on your statement.
- At least 3 business days before an automated payment is scheduled, if you want to stop payment on the amount you think is wrong.

You must notify us of any potential errors in writing. You may call us, but if you do we are not required to investigate any potential errors and you may have to pay the amount in question.

### **What Will Happen After We Receive Your Letter**

#### **When we receive your letter, we must do two things:**

1. Within 30 days of receiving your letter, we must tell you that we received your letter. We will also tell you if we have already corrected the error.
2. Within 90 days of receiving your letter, we must either correct the error or explain to you why we believe the bill is correct.

#### **While we investigate whether or not there has been an error:**

- We cannot try to collect the amount in question, or report you as delinquent on that amount.
- The charge in question may remain on your statement, and we may continue to charge you interest on that amount.
- While you do not have to pay the amount in question, you are responsible for the remainder of your balance.
- We can apply any unpaid amount against your credit limit.

#### **After we finish our investigation, one of two things will happen:**

- If we made a mistake: You will not have to pay the amount in question or any interest or other fees related to that amount.
- If we do not believe there was a mistake: You will have to pay the amount in question, along with applicable interest and fees. We will send you a statement of the amount you owe and the date payment is due. We may then report you as delinquent if you do not pay the amount we think you owe.

If you receive our explanation but still believe your bill is wrong, you must write to us within 10 days telling us that you still refuse to pay. If you do so, we cannot report you as delinquent without also reporting that you are questioning your bill. We must tell you the name of anyone to whom we reported you as delinquent, and we must let those organizations know when the matter has been settled between us.

If we do not follow all of the rules above, you do not have to pay the first \$50 of the amount you question even if your bill is correct.

### **Your Rights If You Are Dissatisfied With Your Credit Card Purchases**

If you are dissatisfied with the goods or services that you have purchased with your credit card, and you have tried in good faith to correct the problem with the merchant, you may have the right not to pay the remaining amount due on the purchase.

To use this right, all of the following must be true:

1. The purchase must have been made in your home state or within 100 miles of your current mailing address, and the purchase price must have been more than \$50. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own the company that sold you the goods or services.)
2. You must have used your credit card for the purchase. Purchases made with cash advances from an ATM or with a check that accesses your credit card account do not qualify.
3. You must not yet have fully paid for the purchase.

If all of the criteria above are met and you are still dissatisfied with the purchase, contact us in writing at:  
Department Stores National Bank

P.O. Box 8066

Mason, OH 45040

While we investigate, the same rules apply to the disputed amount as discussed above. After we finish our investigation, we will tell you our decision. At that point, if we think you owe an amount and you do not pay, we may report you as delinquent.

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**Notice to Wisconsin Residents:** You must promptly provide your spouse's name and address to us by calling 1-800-243-6552.