## Your Vitacost™ Healthy Perks MasterCard® Credit Card account agreement.

This card is issued by Comenity Capital Bank pursuant to a license from MasterCard. MasterCard is a registered trademark of MasterCard International Incorporated. This Agreement covers the Terms and Conditions of your account with us. In this document, you will find important information about using and managing your account, including a Privacy Statement and information concerning your billing rights. Your use of the account, or failure to close the account within the 30 days of receiving this document, indicates your acceptance of the terms of this agreement, including the assessment of any interest charges and fees. **Section I of this Agreement also includes a Jury Trial Waiver and an Arbitration Provision in the event of a dispute.**

- **You have a right to reject this Arbitration Provision.**
- **If you do not reject this Arbitration Provision, it will be part of this Agreement and will:**
  - **Eliminate your right to a trial by jury; and**
  - **Substantially affect your rights, including your right to bring, join in or participate in class proceedings.**

Please read each section carefully and keep this document for your records.

## In the following sections, you will find information on:

**Financial terms of your account:** An at-a-glance summary of the fees and charges associated with your account

**A. Getting started**: the basics of your account

**B. Keeping your account in good standing**: avoiding default, and what to do if your card is lost or stolen, as applicable

**C. Learning more about your account**: credit plans, and credit limits, and how payments are calculated and applied

**D. Interest, fees and charges**: when and how fees and costs are applied to your account

**E. Other important information**: legal rights, costs, and how we'll handle changes to your account

**F. Disputes and reporting to consumer reporting agencies**: data we provide, and receive from, consumer reporting agencies, and what to do if you think there is an error on your periodic statement

**G. Optional products**: how to protect your account from fraud or theft, and information on services that can help pay your debt in case of emergencies

**H. Communicating with us**: what happens when you contact us

**I. Arbitration and jury trial waiver**: how we'll resolve disagreements, including a jury trial waiver and Arbitration provision

**Privacy statement:** how we collect, use, share, and protect your personal information; and the privacy choices you can make.

## Financial terms of your account

| Interest Rates and Interest Charges | |
|---|---|
| **Annual Percentage Rate (APR) for Purchases** | **15.99%, 19.99%, or 24.99%** when you open your account, based on your creditworthiness.<br><br>After that, this APR will vary with the market based on the Prime Rate. |
| **APR for Balance Transfers and Cash Advances** | **24.99%**<br>This APR will vary with the market based on the Prime Rate. |
| **Paying Interest** | Your due date is at least 23 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on balance transfers and cash advances on the transaction date. |
| **Minimum Interest Charge** | If you are charged interest, the charge will be no less than $2.00 per credit plan |
| **For Credit Card Tips from the Consumer Financial Protection Bureau** | **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 http://www.consumerfinance.gov/learnmore.** |

| Fees | |
|---|---|
| • Annual Fee | **None** |
| **Transaction Fees** | |
| • Balance Transfer | The greater of **$10** or **3%** of the amount of the balance transfer. |
| • Cash Advance | The greater of **$10** or **5%** of the amount of the cash advance. |
| • Convenience Checks | The greater of **$10** or **5%** of the amount of the convenience check. |
| • Foreign Transaction | **3%** of each transaction in U.S. dollars. |
| **Penalty Fees** | |
| • Late Payment | Up to **$35.00** |
| • Returned Payment | Up to **$35.00** |

**How We Will Calculate Your Balance:** We use a method called "daily balance." See your Account agreement for more details.

**Billing Rights:** Information on your rights to dispute transactions and how to exercise those rights is provided in your account agreement.

Comenity Capital Bank 1-877-882-3535 (TDD/TTY 1-888-819-1918)
**New York Residents:** New York Residents may contact the New York state Department of Financial Services by telephone or visit its website for free information on comparative credit card rates, fees, and grace periods. New York Department of Financial Services 1 (800) 518-8866 or www.dfs.ny.gov.

**Rate Information**: The following chart provides details on your variable rate(s) as of March 1, 2014. We divide the APR by 365 to determine the daily periodic rate.

| | Add to Index | APR | Daily Periodic Rate |
|---|---|---|---|
| Tier 3 Purchase APR | 12.74% | 15.99% | 0.04380% |
| Tier 2 Purchase APR | 16.74% | 19.99% | 0.05476% |
| Tier 1 Purchase APR | 21.74% | 24.99% | 0.06846% |
| Balance Transfers and Cash Advances | 21.74% | 24.99% | 0.06846% |

We'll charge you a minimum interest charge of $2.00 per credit plan for any billing period in which interest is due. For additional information, see Rates in Section D.

**Minimum Payment:** The Minimum Payment Due is the total of minimum payments for Regular Revolving and Promotional Credit Plan purchases plus any Past Due amounts. The total Minimum Payment Due on your account won't be less than $25.00. If your Account balance is less than $25.00, you must pay the amount indicated on your Statement in full. The Minimum Payment Due for each Regular Revolving and Cash Revolving Credit Plans will be:

- The greater of:
  - 1% of the New Balance, excluding any new Regular Revolving or Cash Revolving Credit Plan Finance Charges shown on the Statement; or
  - $5.00
- Plus any new Regular Revolving or Cash Revolving Credit Plan Finance Charges shown on the Statement rounded up to the nearest $1.00.

See Minimum Payment in Section C below for promotional credit plan minimum payment calculations.

The APR information described below is accurate as of March 1, 2014. Due to a change in the index, this information may have changed. To find out more, call us at 1-877-882-3535 (TDD/TTY: 1-888-819-1918), or write us at Comenity Capital Bank, PO Box 183003, Columbus, Ohio 43218-3003 or visit our website at vitacostmastercard.com.

## A. Getting Started

### Definitions

In this Agreement, "We," "Us" and "Our" mean Comenity Capital Bank. "You" and "Your" mean each person who submits an application or solicitation for an Account with us. "Account" means your credit card account with us. "Card" means each credit card we issue for your Account, as applicable. "Credit Plan" means one or more payment program options Vitacost.com may ask us to offer from time to time.

### Upholding your Agreement

- You agree to the terms of this Agreement, and promise to do everything required of you. If you sign or submit an application or solicitation to obtain credit from us, you'll be legally bound by this Agreement. You're also legally bound if you sign a charge slip, or permit someone else to use the credit provided.
- You agree that the credit extended under your Account will be used only for personal, family or household purposes and not for business or commercial purpose.
- If the Account is a joint Account, you and the joint Account holder will be bound by this Agreement. Each of you will be jointly and individually responsible for repaying all amounts due. If more than one person is responsible for this Account, we will only provide billing statements and communications to one of you.
- Any authorized user of your Account will be bound by the terms of this Agreement. One additional Card may be issued with the individual name of an authorized user embossed on the Card. If you want to revoke the use of your Account by an authorized user, either write us at the address, or call us at the phone number, shown on your Statement.
- You agree to pay for all transactions made on your Account by an authorized user, whether or not such transactions were authorized by you or made for your benefit.

### Card signature (as applicable)

For your own protection, please sign your Card before using it. Keep in mind that your signature on the Card isn't a prerequisite to your obligation to pay amounts incurred on your Account.

### Using your Account

- Your Account may be used to make purchases from anywhere MasterCard is accepted.
- We reserve the right to not honor transactions related to, including, but not limited to, gambling, ATM usage at casinos, and illegal activities.
- You may obtain a loan from us under your Account by using your Card or a convenience check as follows: by purchasing goods or services with your Card or your Account number; by obtaining a cash advance from a financial institution, by use of an ATM; by using a convenience check; or, by incurring charges authorized by this Agreement.
- From time to time, in our sole discretion, we may send you convenience checks for use in borrowing under this Agreement. All convenience checks you use will be treated as cash advances under this Agreement, and subject to the terms and fees that apply to cash advances, unless we advise you otherwise.
- You agree that convenience checks that you use will not be returned to you.
- You may not use the convenience checks to make payments on any Comenity Capital Bank Account.
- You agree not to use a convenience check, and we do not have to pay any convenience check:
  - if you are in default under this Agreement;
  - if payment of that convenience check would cause your outstanding cash advance balance to exceed your cash advance limit; or
  - if we cancel or suspend your right to use convenience checks
- From time to time, in our sole discretion, we may offer you the ability to transfer account balances from other credit card accounts you may have to the Account. We may, in our sole discretion, offer promotional plans for such balance transfers.
- You may use the Card to obtain cash advances through certain ATMs. You will be given a Personal Identification Number (PIN) which must be used in order to obtain an ATM cash advance.
  - Some limitations on ATM cash advances may apply, such as limitations on dollar amount, number, or currency denominations.
  - You agree that any charges imposed by third parties for use of their ATM facilities will be added to your Account balance as a cash advance.
- If you make a purchase or obtain a cash advance in a foreign currency, it will be converted by MasterCard into U.S. dollars in accordance with MasterCard Operating Regulations in effect at the time the transaction is processed.
  - The currency conversion rate in effect on the processing date may differ from the rate in effect on the transaction date or the posting date.
  - The currency conversion rate used may be the same as, greater than, or less than the amount that would be calculated by conversion through a financial institution in the country in which the purchase or cash advance occurred.

### Making payments

- Pay your Account by sending a check, money order, or cashier's check payable in U.S. dollars, to the name and address shown on your Statement specified for payments. Please don't send cash.
- Be sure to include your payment stub, do not staple your payment to the stub, use the envelope provided with your Statement and don't send any correspondence with your payment.
- If your payment doesn't meet these requirements, it may not be credited to your Account for up to five days, or may be rejected.
- All written communications concerning disputed amounts, including any check or other payment instrument marked with "payment in full" or similar language, must be sent to 6550 North Loop 1604 East, Suite 101, San Antonio, Texas 78247-5004.
  - We may accept a payment sent to any other address without losing any of our rights.
  - No payment shall operate as an accord and satisfaction without our prior written approval.

## B. Keeping your account in good standing

### Avoiding default

**You'll be in default under this Agreement if you:**

- Fail to make any payment when due
- Violate any provision of this Agreement
- Pass away
- Become the subject of bankruptcy or insolvency proceedings
- Supply us with misleading, false, incomplete or incorrect information
- Are unable or unwilling to perform the terms or conditions of this Agreement
- Fail to supply us with any information we deem necessary
- Default under any other loan or agreement you have with us or any of our affiliates
- Become incompetent
- Exceed your Credit Limit
- Issue a payment returned unpaid by your bank for any reason

If we consider your Account in default, we may suspend your ability to make charges, close your Account, require you to pay the full amount you owe immediately or take any other action permitted by law. If applicable law requires us to do so, we'll tell you in advance and/or give you the opportunity to remedy your default.

### Reporting a lost or stolen card (as applicable)

If you notice the loss or theft of your credit card or a possible unauthorized use of your card, you should write to us immediately at PO Box 183003, Columbus, Ohio 43218-3003 or call us at 1-877-882-3535 (TDD/TTY: 1-888-819-1918). You will not be liable for any unauthorized use that occurs after you notify us. You may, however, be liable for unauthorized use that occurs before your notice to us. In any case, your liability will not exceed $50.

## C. Learning more about your account

### Credit Plans

- Your Account may consist of a non-promotional ("Regular Revolving") Credit Plan and one or more promotional Credit Plans. Credit Plans offered and their particular features (including but not limited to minimum purchase requirements and minimum payment) may vary occasionally at our discretion and include one or more Regular Revolving or promotional Credit Plans.
- We may offer different promotional Credit Plans from time to time.
- If a promotional Credit Plan is offered at the time you open your Account, this Agreement will include information about the terms for the Plan, by use of an insert, attachment, or other written information provided as part of this Agreement.
- Normal late fees, returned payment fees and all other provisions apply to any promotional Credit Plan, unless inconsistent with a particular Credit Plan offering.
- If the promotional Credit Plan purchase isn't paid in full before the promotional period ends, the balance will be transferred to your Regular Revolving balance.
- Promotional Credit Plans may include:
  - o Waive Interest, Payment Required
  - o Waive Interest, Equal Payment
  - o Waive Interest, Low Payment
  - o Defer Interest, Equal Payment
  - o Defer Interest, Payment Required
  - o Defer Interest, Low Payment
  - o Low APR, Equal Payment
  - o Budget Payment

### Skip-payment option

- At our discretion, we may allow you to skip making the Minimum Payment.
- Finance Charges will be assessed during the skip-payment period, but a late fee won't be imposed. This will not be considered a waiver of any of the rights granted by this Agreement.
- All other terms of your Account apply during the skip-payment period.

### Credit limit

- Your Credit Limit is the total maximum amount we permit you to owe us at any time.
- You may not exceed any Credit Limit that we set for your Account.
- If you do exceed your Credit Limit, we can still charge you for all transactions, interest and other charges without giving up any of our rights under this Agreement.
- We may change your Credit Limit at any time.

### Account cancellation

- You may cancel your Account. You're still obligated to pay the full amount you owe us.
- We may cancel your Account at any time, for any reason.
- We may refuse to authorize any transaction on your Account. We may also suspend your Account and your right to use your Card, including each Card you give to others.
- We may stop offering any Credit Plan at any time, for any reason.
- Cancellation or suspension of your Account doesn't negate your obligation to pay any amount you owe us.
- Cancellation of your Account includes each Card you give to others.
- Cards are issued with an expiration date. We have the right not to renew your Account.

### Minimum Payment

- You can pay all of your Account balance at any time without penalty.
- You must pay at least the Total Minimum Payment for each billing period by the Payment Due Date shown on your Statement.
- The Minimum Payment is the total of the minimum payments for the Regular Revolving and promotional Credit Plans plus any Past Due amounts.
- The Total Minimum Payment won't be less than $25.00. If your Account balance is less than $25.00, you must pay the amount indicated on your Statement in full.
- The minimum payment for each Credit Plan is calculated as follows:
  - o The minimum payment for the Waive Interest, Payment Required and Defer Interest, Payment Required Credit Plans will be the greater of:
    - (a) $5.00 or
    - (b) 1% (rounded up to the nearest $1.00) of the New Balance shown on your Statement for that Credit Plan.
  - o The minimum payment for the Waive Interest, Equal Payment and Defer Interest, Equal Payment Credit Plans will be the amount of the purchase divided by the number of months between the date of the purchase and the promotional period end date (minimum $5.00) rounded up to the nearest $1.00.
  - o The minimum payment for the Low APR, Equal Payment Credit Plan will be the amount of the purchase including the calculated interest charges that will be assessed from the date of purchase through the end of the promotional period divided by the number of months between the date of the purchase and the promotional period end date (minimum $5.00) rounded up to the nearest $1.00.
  - o The minimum payment for the Waive Interest, Low Payment and Defer Interest, Low Payment Credit Plans will be the greater of:
    - (a) $5.00 or
    - (b) 1.0% (rounded up to the nearest $1.00) of the New Balance shown on your Statement for that Credit Plan.

### Payment application

- We reserve the right to apply payments equal to or less than the Total Minimum Payment however we see fit, which may result in balances subject to lower interest rates being paid prior to other balances. This may also result in higher interest charges.
- Any payment you make in excess of the required Total Minimum Payment will be allocated to your Account as required by applicable law.
- Excess payments received before a deferred interest promotion expires are applied to the deferred interest promotional balance first in the last two billing periods of the promotional period.

## D. Interest, fees and charges

### Interest charges

- There is no period in which you can pay back a cash advance, any other transaction treated as a cash advance under this Agreement, or a balance transfer to avoid incurring a Finance Charge. For a cash advance using a convenience check, the date of the advance is the date the convenience check is presented to us or our agent for payment. For all other cash advances, the date of the advance is the date you obtained the advance.
- If you make a purchase under a Regular Revolving Credit Plan, interest charges won't be imposed in any billing period in which (i) no Previous Balance exists or (ii) payments received and credits issued by the Payment Due Date, equal or exceed the Previous Balance.
- If the New Balance shown on your last Statement isn't paid in full by the Payment Due Date shown on your last Statement, there will be an interest charge on each purchase from the date of purchase.
- If you make a purchase under any Waive Interest Credit Plan, we won't charge interest on the purchase if you pay the total purchase amount before the end of the promotional period. If you don't pay the total purchase amount before the end of the promotional period, we'll add the remaining amount to your Regular Revolving balance. We'll also begin charging interest on the purchase from the first day after the promotional period ends.
- If you make a purchase under any Defer Interest Promotional Credit Plan and don't pay the total amount before the end of the promotional period, we'll add the remaining purchase amount and the amount of accrued interest to your Regular Revolving balance.
- If you make a purchase under a Low APR, Equal Payment Credit Plan, interest will be assessed from the date of purchase through the end of the promotional period.

### How we calculate Interest Charges on your Account

We calculate interest separately for each Credit Plan, using a "Daily Balance" to determine interest charges for each billing period. Our calculation method is as follows:

- We start with the beginning balance on your Account each day (including unpaid interest charges and fees).
- We subtract any payments or credit adjustments (treating any net credit balance as a zero balance) and add new transactions and debit adjustments posted as of that day. This gives us the "Partial Daily Balance" for the day.
- We then multiply the Partial Daily Balance for the day by the Daily Periodic Rate. This gives us the "Daily Interest Charge" for the day, which we add to the day's Partial Daily Balance.
- We've now determined the "Daily Balance," which will be the beginning balance for the following day. This results in daily compounding of interest charges.
- At the end of each billing period, we add together each Credit Plan's Daily Interest Charge, which gives us the total interest charge.
- Your Statement will show a Balance Subject to Interest Rate, which is the sum of the Daily Balances for each day in the billing period divided by the total number of days.

### Rates

- The Index in effect for each billing period will be the highest "Prime Rate" of interest as published in the "Money Rates" section of The Wall Street Journal for the calendar month preceding the month in which the billing period begins, rounded upward if necessary, to the nearest .001% ("Index").
- Any variable APR may increase if the Index increases.
- An increase or decrease in the APR will result in a corresponding increase or decrease in the amount of interest and may increase the Total Minimum Payment.

### Other fees and charges

You agree to pay the following fees and charges:

- **Late Fee**: If you don't pay at least the Minimum Payment Due by the Payment Due Date, we will charge you a late fee.
  - o The fee is $25.00 if you were not charged a late fee during any of the prior six billing periods.
  - o Otherwise, the fee is $35.00.
  - o This fee will never exceed the minimum payment due that was due immediately prior to the date on which the fee was assessed.
- **Returned Payment Fee**: We may charge you a fee for each payment that your bank doesn't honor for any reason.
  - o The fee is $25.00 if you were not charged a returned payment fee during any of the prior six billing periods.
  - o Otherwise, the fee is $35.00.
  - o This fee will never exceed the minimum payment due that was due immediately prior to the date on which the fee was assessed.
- Although we may decide to do so, we aren't required to attempt to collect a payment more than once.
- **Document Fees**: If we provide you with a copy of any Statement, sales draft or similar document at your request (except in connection with billing error inquiries or resolution), we may charge the Account the following fee(s), subject to any limitations of applicable law:
  - o Statement copy - $6.00
  - o Sales/Credit Draft copy - $6.00
  - o Check/Money Order copy - $6.00
- **Alternative Payment Method Fee**: We may offer alternative payment methods that allow you to make individual, expedited payments to your Account over the phone. If you choose to use this payment method, we may assess the current fee we charge for this service, subject to any limitations of applicable law. Currently, that fee is up to $15.00 but may change. We'll let you know the current fee before you authorize any payment(s), and you can withdraw your request if you don't want to pay the fee.
- **Cash Advance Fee**: For any cash advance obtained in person from a financial institution or through an ATM, you will pay a transaction fee equal to the greater of $10 or 5% of the amount of the cash advance. You take a cash advance if you use a convenience check; get money through an automated teller machine (ATM); or get money through a financial institution.
- **Convenience Check Fee**: For any convenience check written against your Account, you will pay a transaction fee equal to the greater of $10 or 5% of the amount of the convenience check.
- **Balance Transfer Fee**: For any balance transfer from another account, you will pay a transaction fee equal to the greater of $10 or 3% of the amount of the balance transfer.
- **Foreign Transaction Fee**: For any charge or cash advance outside the United States or in a foreign currency, you will pay a transaction fee equal to 3% of the U.S. dollar amount of the transaction. If a charge or cash advance is converted into U.S. dollars our network providers (Visa, MasterCard, and Discover) will select either (1) a rate from the range of rates available in wholesale currency markets for the applicable central processing date, which may vary from the rate the network provider itself receives, or (2) a government-mandated rate in effect for the applicable central processing date.
- **Return Convenience Check Fee**: For each convenience check written against your Account which fails to clear and is returned unsatisfied, you will pay a fee of up to $35.
- **Stop Payment Fee**: For each convenience check written against your Account on which you request us to stop payment, you will pay a fee of up to $35, regardless of whether we actually stop payment on the convenience check.

## E. Other important information

### Collection costs

To the extent not prohibited by applicable law, you agree to pay the reasonable costs for collecting amounts due, including reasonable attorney's fees and court costs incurred by us or another person or entity.

### Changes

We may add, change, or delete the terms of your Account. If required by applicable law, we will give you advance written notice of the change(s) and a right to reject the change(s).

### Security Interest

You grant us a security interest in all goods you purchase through the use of the Account, now or at any time in the future and in all accessions to and proceeds of such goods. We waive any security interest we may have in your principal dwelling, to the extent that it would otherwise secure any obligation arising hereunder.

### Changes to your information

You agree to notify us immediately of any changes to your name, mailing address, electronic mail address or telephone number(s).

### Governing Law

THIS AGREEMENT IS GOVERNED BY UTAH AND APPLICABLE FEDERAL LAW. THIS IS THE LAW WE ARE SPEAKING OF WHEN WE REFER TO A TERM PERMITTED OR REQUIRED BY APPLICABLE LAW.

### Transfer of Rights/Assignment

Your rights under this Agreement can't be transferred by you, by operation of law or otherwise, but your obligations will be binding upon your estate or personal representatives. We may transfer or assign your Account and/or this Agreement, or any of our rights under this Agreement, to another person or entity at any time without prior notice to you or your consent.

### No Waiver of Rights

We can delay enforcing our rights under this Agreement without losing them.

### Severability

If any provision of this Agreement is in conflict with applicable law, that provision will be considered to be modified to conform with applicable law.

### Notice to New Jersey Residents

All provisions of this agreement are valid, enforceable and applicable in New Jersey.

## F. Disputes and Reporting to Consumer Reporting Agencies

**Credit Reports**

- You give us permission to investigate your credit record.
- You agree that a credit report may be requested in connection with the processing of your credit application. A report may also be requested in connection with a credit extension, credit limit request, Account renewal or update, Account collection action, or dispute investigation. Upon request, we will tell you the name and address of any consumer reporting agency that furnished a report on you. You consent to the obtaining of such reports by signing or otherwise submitting an application or solicitation.
- You understand that we may report negative information (such as, late payments, missed payments, or other defaults) about your Account to consumer reporting agencies.
- You give us permission to provide information about your Account to consumer reporting agencies and other creditors, as well as to the retailer whose name appears on your Card.

**Credit report disputes**

If you believe the Account information we reported to a consumer reporting agency is inaccurate, you may submit a direct dispute to Comenity Capital Bank, PO Box 182120, Columbus, Ohio 43218-2120.

Your written dispute must provide sufficient information to identify the Account and specify why the information is inaccurate:

- Account Information: Your name and Account number
- Contact Information: Your address and telephone number
- Disputed Information: Identify the Account information disputed and explain why you believe it is inaccurate
- Supporting Documentation: If available, provide a copy of the section of the credit report showing the Account information you are disputing

We will investigate the disputed information and report the results to you within 30 days of receipt of the information needed for our investigation. If we find that the Account information we reported is inaccurate, we will promptly provide the necessary correction to each consumer reporting agency to which we reported the information.

**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: Comenity Capital Bank, PO Box 182620, Columbus, Ohio 43218-2620

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:

Comenity Capital Bank
PO Box 182620, Columbus, Ohio 43218-2620

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.

## G. Optional products

**Credit insurance (as applicable)**

Purchasing credit insurance is optional. If you do choose to carry credit insurance coverage, the premium charge will be added to your Account as a purchase on the last day of each billing period. You can cancel your coverage at any time.

**Account Assure Pro Debt cancellation (as applicable)**

- Purchasing Account Assure Pro is optional.
- Your decision whether or not to purchase Account Assure Pro won't affect your application for credit or the terms of any existing credit agreement you have with us.
- The monthly fee for Account Assure Pro is based on the outstanding monthly balance on your Account each month and will be added to your Statement.
- We'll provide additional information before you're required to pay for Account Assure Pro. This will include a copy of the terms and conditions pertaining to Account Assure Pro.
- You can cancel your Account Assure Pro at any time.
- There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under Account Assure Pro.
- Be sure to carefully read the Addendum for a full explanation of the terms of Account Assure Pro.

## H. Communicating with us

**Communicating to you about your Account**

If we need to contact you to service your Account or to collect amounts you owe to us, you give direct consent to us, as well as servicers, agents, contractors and collectors of your Account, to communicate with you in any way, such as calling, texting, or electronic mail via:

1) a cell, landline, or text number you provide, use to contact us, or at which we believe we can reach you (even if it is not yours),
2) any electronic mail address you provide to us or one of our merchants,
3) automated dialer systems and automatic telephone dialing systems,
4) pre-recorded or artificial voice messages and other forms of communications.

You also agree that these communications aren't unsolicited for purposes of any state or federal law, and you understand that this may result in additional mobile, text message, or data charges.

**Phone monitoring**

- To provide you with high-quality service, phone communication with us is monitored and/or recorded.
- You agree that we monitor and/or record any phone calls between you and us.
- Please inform all authorized cardholders of this provision, including anyone acting on your behalf or making payments on this Account.

**For Wisconsin residents:**

If you are married, please contact us immediately upon receipt of this Agreement at 1-877-882-3535 (TDD/TTY 1-888-819-1918) and provide us with the name and address of your spouse. We are required to inform your spouse that we have opened a credit account for you.

**For bankruptcy notifications:**

All bankruptcy notices and related correspondence to Comenity Capital Bank should be sent to the following address: Comenity Capital Bank, Bankruptcy Department, PO Box 183043, Columbus, Ohio 43218-3043.

## I. Arbitration and jury trial waiver

**A. Jury trial waiver**

**TO THE EXTENT PERMITTED BY LAW, YOU AND WE WAIVE ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF A LAWSUIT ARISING OUT OF OR RELATED**

**TO THIS AGREEMENT. THIS JURY TRIAL WAIVER SHALL NOT AFFECT THE ARBITRATION PROVISION BELOW (INCLUDING THE JURY TRIAL WAIVER CONTAINED THEREIN). YOU AND WE EACH REPRESENT THAT THIS WAIVER IS GIVEN KNOWINGLY, WILLINGLY AND VOLUNTARILY.**

**B. Notice and cure**

Prior to bringing a lawsuit or initiating an arbitration that asserts a claim arising out of or related to this Agreement (as further defined below, a "Claim"), the party asserting the Claim (the "Claimant") shall give the other party (the "Defendant") written notice of the Claim (a "Claim Notice") and a reasonable opportunity, not less than 30 days, to resolve the Claim. Any Claim Notice to you shall be sent in writing to the address we have in our records (or any updated address you subsequently provide to us). Any Claim Notice to us shall be sent by mail to Comenity Capital Bank, PO Box 182436, Columbus, Ohio 43218-2436 (or any updated address we subsequently provide). Any Claim Notice you send must provide your name, address and Account number. Any Claim Notice must explain the nature of the Claim and the relief that is demanded. You may only submit a Claim Notice on your own behalf and not on behalf of any other party. No third party, other than a lawyer you have personally retained, may submit a Claim Notice on your behalf. The Claimant must reasonably cooperate in providing any information about the Claim that the other party reasonably requests.

**C. Arbitration provision**

**READ THIS ARBITRATION PROVISION CAREFULLY. IF YOU DO NOT REJECT THIS ARBITRATION PROVISION IN ACCORDANCE WITH PARAGRAPH C.1. BELOW, IT WILL BE PART OF THIS AGREEMENT AND WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY YOU OR WE WILL RESOLVE ANY CLAIM WHICH YOU OR WE HAVE AGAINST EACH OTHER NOW OR IN THE FUTURE.**

**1. Your Right to Reject: If you don't want this Arbitration Provision (and any prior arbitration agreement between you and us ("Prior Arbitration Agreement")) to apply, you may reject it by mailing us a written rejection notice which gives the name of each Cardholder and contains a statement that you (both of you, if more than one) reject the Arbitration Provision of this Agreement. The rejection notice must be sent to us at Comenity Capital Bank, PO Box 182422, Columbus, Ohio 43218-2422. A rejection notice is only effective if it is signed by you (all of you, if more than one) and if we receive it within thirty (30) calendar days after the date we first provide you with a credit card agreement or written notice providing you a right to reject this Arbitration Provision. Your rejection of this Arbitration Provision will not affect any other provision of this Agreement or your ability to obtain credit.**

**2. Parties Subject to Arbitration:** Solely as used in this Arbitration Provision (and not elsewhere in this Agreement), the terms "we," "us" and "our" mean (a) Comenity Capital Bank, any parent, subsidiary or affiliate of the Bank and the employees, officers and directors of such companies (the "Bank Parties"); and (b) any other person or company that provides any services in connection with this Agreement if you assert a Claim against such other person or company at the same time you assert a Claim against any Bank Party.

**3. Covered Claims:** "Claim" means any claim, dispute or controversy between you and us that in any way arises from or relates to this Agreement, the Account, the issuance of any Card, any rewards program, any prior agreement or account. "Claim" includes disputes arising from actions or omissions prior to the date any Card was issued to you, including the advertising related to, application for or approval of the Account. "Claim" has the broadest possible meaning, and includes initial claims, counterclaims, cross-claims and third-party claims. It includes disputes based upon contract, tort, consumer rights, fraud and other intentional torts, constitution, statute, regulation, ordinance, common law and equity (including any claim for injunctive or declaratory relief). "Claim" does not include disputes about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof (including, without limitation, the prohibition against class proceedings, private attorney general proceedings and/or multiple party proceedings described in Paragraph C.7 (the "Class Action Waiver"), the last sentence of Paragraph C.13 and/or this sentence); all such disputes are for a court and not an arbitrator to decide. However, any dispute or argument that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide.

**4. Starting an Arbitration:** Arbitration may be elected by any party with respect to any Claim, even if that party has already initiated a lawsuit with respect to a different Claim. Arbitration is started by giving a written demand for arbitration to the other party. We will not demand to arbitrate an individual Claim that you bring against us in small claims court or your state's equivalent court, if any. But if that Claim is transferred, removed or appealed to a different court, we then have the right to demand arbitration.

**5. Choosing the Administrator:** "Administrator" means the American Arbitration Association ("AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org; JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com; or any other company selected by mutual agreement of the parties. If both AAA and JAMS cannot or will not serve and the parties are unable to select an Administrator by mutual consent, the Administrator will be selected by a court. The arbitrator will be appointed by the Administrator in accordance with the rules of the Administrator. However, the arbitrator must be a retired or former judge or a lawyer with at least 10 years of experience. You get to select the Administrator if you give us written notice of your selection with your notice that you are electing to arbitrate any Claim or within 20 days after we give you notice that we are electing to arbitrate any Claim (or, if you dispute our right to require arbitration of the Claim, within 20 days after that dispute is finally resolved). If you do not select the Administrator on time, we may do it. Notwithstanding any language in this Arbitration Provision to the contrary, no arbitration may be administered, without the consent of all parties to the arbitration, by any Administrator that has in place a formal or informal policy that is inconsistent with the Class Action Waiver.

**6. Court and Jury Trials Prohibited; Other Limitations on Legal Rights: IF YOU OR WE ELECT TO ARBITRATE A CLAIM, YOU WILL NOT HAVE THE RIGHT TO PURSUE THAT CLAIM IN COURT OR HAVE A JURY DECIDE THE CLAIM. ALSO, YOUR ABILITY TO OBTAIN INFORMATION FROM US IS MORE LIMITED IN AN ARBITRATION THAN IN A LAWSUIT. OTHER RIGHTS THAT YOU WOULD HAVE IF YOU WENT TO COURT MAY ALSO NOT BE AVAILABLE IN ARBITRATION.**

**7. Prohibition Against Certain Proceedings: IF YOU OR WE ELECT TO ARBITRATE A CLAIM: (1) NEITHER YOU NOR WE MAY PARTICIPATE IN A CLASS ACTION IN COURT OR IN CLASS-WIDE ARBITRATION, EITHER AS A PLAINTIFF, DEFENDANT OR CLASS MEMBER; (2) NEITHER YOU NOR WE MAY ACT AS A PRIVATE ATTORNEY GENERAL IN COURT OR IN ARBITRATION; (3) CLAIMS BROUGHT BY OR AGAINST YOU MAY NOT BE JOINED OR CONSOLIDATED WITH CLAIMS BROUGHT BY OR AGAINST ANY OTHER PERSON; AND (4) THE ARBITRATOR SHALL HAVE NO POWER OR AUTHORITY TO CONDUCT A CLASS-WIDE ARBITRATION, PRIVATE ATTORNEY GENERAL ARBITRATION OR MULTIPLE-PARTY ARBITRATION.**

**8. Location and Costs of Arbitration:** Any arbitration hearing that you attend must take place at a location reasonably convenient to you. We will pay any and all fees of the Administrator and/or the arbitrator if applicable law requires us to, if you prevail in the arbitration or if we must bear such fees in order for this Arbitration Provision to be enforced. If you demand an arbitration, we will pay your reasonable attorneys' and experts' fees if you prevail or if we must bear such fees in order for this Arbitration Provision to be enforced. Also, we will bear any fees if applicable law requires us to.

**9. Governing Law:** This Arbitration Provision involves interstate commerce and is governed by the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (the "FAA"), and not by any state arbitration law. The arbitrator must apply applicable substantive law consistent with the FAA and applicable statutes of limitations and claims of privilege recognized at law. The arbitrator may award any remedy provided by the substantive law that would apply if the action were pending in court (including, without limitation, punitive damages, which shall be governed by the Constitutional standards employed by the courts). At the timely request of either party, the arbitrator must provide a brief written explanation of the basis for the award.

**10. Right to Discovery:** In addition to the parties' rights to obtain discovery pursuant to the arbitration rules of the Administrator, either party may submit a written request to the arbitrator to expand the scope of discovery normally allowable under the arbitration rules of the Administrator. The arbitrator shall have discretion to grant or deny that request.

**11. Arbitration Result and Right of Appeal:** Judgment upon the arbitrator's award may be entered by any court having jurisdiction. The arbitrator's decision is final and binding, except for any right of appeal provided by the FAA. However, if the amount of the Claim exceeds $50,000 or involves a request for injunctive or declaratory relief that could foreseeably involve a cost or benefit to either party exceeding $50,000, any party can, within 30 days after the entry of the award by the arbitrator, appeal the award to a three-arbitrator panel administered by the Administrator. The panel shall reconsider anew any aspect of the initial award requested by the appealing party. The decision of the panel shall be by majority vote. Reference in this Arbitration Provision to "the arbitrator" shall mean the panel if an appeal of the arbitrator's decision has been taken. The costs of such an appeal will be borne in accordance with Paragraph C.8. above.

**12. Rules of Interpretation:** This Arbitration Provision shall survive the repayment of all amounts owed under this Agreement, the closing of the Account, any legal proceeding and any bankruptcy to the extent consistent with applicable bankruptcy law. In the event of a conflict or inconsistency between this Arbitration Provision, on the one hand, and the applicable arbitration rules or the other provisions of this Agreement, on the other hand, this Arbitration Provision shall govern. This Arbitration Provision replaces any Prior Arbitration Agreement.

**13. Severability:** If any portion of this Arbitration Provision, other than the Class Action Waiver, is deemed invalid or unenforceable, the remaining portions shall nevertheless remain in force. If a determination is made that the Class Action Waiver is unenforceable, only this sentence of the Arbitration Agreement will remain in force and the remaining provisions shall be null and void, provided that the determination concerning the Class Action Waiver shall be subject to appeal.

**14. Special Payment:** If (1) you submit a Claim Notice in accordance with Paragraph B above on your own behalf (and not on behalf of any other party); (2) we refuse to provide you with the relief you request; and (3) an arbitrator subsequently determines that you were entitled to such relief (or greater relief), the arbitrator shall award you at least $5,100 (plus any fees and costs to which you are entitled).

## Pricing Addendum

| Interest Rates and Interest Charges | |
|---|---|
| **Annual Percentage Rate (APR) for Purchase** | Prime rate plus **12.74%, 16.74% or 21.74%**<br>This APR will vary with the market based on the Prime Rate. |
| **APR for Balance Transfers and Cash Advances** | Prime rate plus **21.74%**.<br>This APR will vary with the market based on the Prime Rate. |
| **Paying Interest** | Your due date is at least 23 days after the close of each billing cycle. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on cash advances and balance transfers on the transaction date. |
| **Minimum Interest Charge** | If you are charged interest, the charge will be no less than $2.00 per credit plan. |

| Fees | |
|---|---|
| • Annual Fee | **None** |
| **Transaction Fees** | |
| • Balance Transfer | The greater of **$10** or **3%** of the amount of the balance transfer. |
| • Cash Advance | The greater of **$10** or **5%** of the amount of the cash advance. |
| • Convenience Check | The greater of **$10** or **5%** of the amount of the convenience check. |
| • Foreign Transaction | **3%** of each transaction in U.S. dollars. |
| **Penalty Fees** | |
| • Late Payment | Up to **$35** |
| • Returned Payment | Up to **$35** |
| **Balance Computation Method** | We use a method called "daily balance (including new purchases)." |