

**GE CAPITAL RETAIL BANK
THE JCPENNEY REWARDS CREDIT CARD ACCOUNT
PRICING INFORMATION**

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	26.99%
How to Avoid Paying Interest	Your due date is at least 23 days after the close of each billing cycle. We will not charge you any interest on purchases if you pay your entire balance by the due date each month.
Minimum Interest Charge	If you are charged interest, the charge will be no less than \$2.00.
Fees	
Penalty Fees	
• Late Payment	Up to \$35

How We Will Calculate Your Balance: We use a method called “daily balance”. See the credit card agreement below for more details.

**THE JCPENNEY REWARDS CREDIT CARD
ACCOUNT AGREEMENT**

1. CONTRACT. This Agreement (“Agreement”) is a contract for the extension of credit. It controls your jcpenny rewards credit card account. This Agreement includes this document and the following documents:

- The application or any other document you submitted to us in connection with the account; and
- The privacy policy that is enclosed with or attached to this document.

By opening or using your account, you agree to the terms of this Agreement. This Agreement starts when (i) you give us an account application we approve or (ii) you use your account or let someone else use it, whichever occurs first.

2. PARTIES. The parties to this Agreement are you and GE Capital Retail Bank. GE Capital Retail Bank is located at 170 West Election Road, Suite 125, Draper, Utah 84020. GE Capital Retail Bank sometimes is called “us”, “we” or “our” in this Agreement, and all persons who we approve to use the account may be referred to as “you” or “your”.

3. PROMISE TO PAY. You promise to pay us for all credit that we extend on your account, including credit extended when you let another person use your account. You also promise to pay us for all other amounts owed to us under this Agreement.

4. CHANGING TERMS. Subject to the requirements and limitations of applicable law, we may change, add to or delete any of the terms of this Agreement, including the interest rates, fees and charges.

5. GOVERNING LAW. Except as provided in the **Dispute and Claim Resolution (Including Arbitration) provision, this Agreement and your account are governed by federal law and, to the extent state law applies, the laws of Utah without regard to its conflicts of law principles. This Agreement has been accepted by us in Utah.**

6. CREDIT CARD. We have issued or will send you a jcpenny rewards credit card for your use. You are not permitted to allow anyone else to use your credit card, but if you do, you will be responsible for such use. You will destroy all the credit card(s) issued on your account if we ask you to do so.

7. AUTHORIZED USER/JOINT ACCOUNT. If you ask us to send a credit card to another person that you want to let use your account, you will be responsible for all transactions made by that person. That person will be considered an authorized user. If another person is approved on the account, that person will be considered a joint accountholder. Each joint accountholder may use the account and agrees to the terms of this Agreement. No matter which joint accountholder uses the account, each of you must pay back the full amount owed on the account. We may treat each of you as one accountholder. For example, giving notice to one of you is considered the same as giving notice to both of you. Also, we may follow the instructions that we get from one of you even if they differ from instructions given by the other accountholder.

8. USING YOUR ACCOUNT. You may use your account only as stated in this Agreement. You may use your account to make purchases of goods or services from jcpenny stores, jcp.com, or other companies authorized to accept the jcpenny rewards credit card. There are two types of purchases that may be made from jcpenny: Regular Charges and Major Purchase Charges. Merchandise that is identified as a Major Purchase Charge item can be charged to your account as a Major Purchase Charge. All other charges are Regular Charges. You may use your account only for lawful personal, family or household purposes.

9. CREDIT LIMITS.

A. Assigning Credit Limit. We will assign a credit limit on your account. This is the highest amount of total credit we will extend to you on your account. We may increase or decrease this limit at any time.

B. Exceeding your Credit Limit. We may refuse to authorize you to use your account if that use (including any fees associated with that use) will cause the total you will owe on your account to be more than your credit limit. If we approve a purchase that causes the total you will owe on your account to be more than your credit limit, we do not give up any of our rights under this Agreement and we do not treat it as an increase in your credit limit.

C. Limiting Purchases. We reserve the right to not approve purchases on your account. To prevent fraud, we may also limit the number or dollar amount of purchases you can make in a particular amount of time.

10. INTEREST. This section explains (i) the interest rates that will apply to your account, (ii) when interest will be charged on your account, and (iii) how the amount of interest is calculated. Interest will be imposed in amounts or at rates not in excess of those permitted by applicable law.

A. Rates. The following rate applies to purchases. The Annual Percentage Rate (APR) applicable to your account is shown in the table at the beginning of this Agreement and will also be shown on your billing statement.

We calculate interest on the balance of your account each day. We use a daily rate to calculate the interest each day. The daily rate is equal to the APR divided by 365.

Purchase Rate. The daily rate for purchases is **.07395% (APR 26.99%)**.

B. When We Charge Interest. We charge interest on your purchases from the date you make the purchase until you pay the purchase in full, except as set forth below:

- We will not charge you interest during a billing cycle on any purchases (i) if you had no balance at the beginning of the billing cycle, or (ii) if you had such a balance, that balance was satisfied in full by payments and credits by the due date in that billing cycle.
- We will credit, as of the beginning of the billing cycle, any payment you make by the due date that we allocate to purchases (i) if you had no balance at the beginning of the previous billing cycle, or (ii) if you had such a balance, that balance was satisfied in full by payments and credits by the due date in the previous billing cycle.

C. How We Calculate Interest. During billing cycles in which interest is charged, for each balance type on your account we figure the interest charge on your account by applying the daily rate to the "daily balance" of your account for each day in the billing cycle. A separate daily balance will be calculated for the following balance types: purchases and other balances that are subject to different interest rates, Major Purchase Charges or special promotions.

To calculate the daily interest charge, we do the following steps each day for each balance type:

- First, we determine the "daily balance". To determine the daily balance, we take the beginning balance each day, add any new charges and fees posted that day, and subtract any payments and credits posted that day. This gives us the daily balance. Insurance premiums, if any, are not included in the daily balance subject to interest charge.

We apply fees among various balance types as follows:

- (a) late payment fees are treated as new purchases; and
- (b) debt cancellation fees are added to the Regular Charge balance.

- Second, we calculate the amount of interest charged. To do this, we multiply the applicable daily rate by each daily balance on your account.
- Third, we add the interest amount to the daily balance, and the sum will become the beginning balance for the following day.

Your interest charge for the billing cycle is the sum of the interest amounts that were charged each day during the billing cycle for each balance type. We charge a minimum of \$2.00 of interest in any billing cycle in which you owe interest and this charge is added proportionately to each balance type.

11. FEES. We charge the following fees. The table at the beginning of this Agreement shows the amount of each fee.

Penalty Fees.

A **Late Payment Fee** if we do not receive at least the total minimum payment due on your account as shown on your billing statement by 5:00 p.m. (ET) on the due date. The amount of the late payment fee will be equal to: (1) \$25 if you have paid at least your total minimum payment due by the due date in each of the prior six billing cycles or (2) \$35 if you have failed to pay at least the total minimum payment due by the due date in any one or more of the prior six billing cycles. However, if the late payment fee would exceed the total minimum payment for which the late payment fee is assessed, the amount of the late payment fee will instead be equal to the amount of the total minimum payment that was due.

12. PAYMENTS.

A. Required Payment and Crediting of Payment. Each billing cycle you must pay at least the total minimum payment by 5:00 p.m. (ET) on the payment due date. You may at any time pay, in whole or in part, the total unpaid balance without any additional charge for prepayment. If you have a balance subject to interest, earlier payment may reduce the amount of interest you pay. Any payments received after 5:00 p.m. (ET) will be credited as of the next day. We may delay making credit available on your account in the amount of your payment.

B. Minimum Payment. Your total minimum payment will be calculated as shown below. Your total minimum payment will not be less than the total of any unpaid interest and insurance premiums due. If your new balance on your billing statement is less than the amount in section 1.(a) below, then your total minimum payment will be equal to the new balance. Your total minimum payment will be:

1. The greater of:

- (a) \$25, or \$35 if you have failed to pay at least the total minimum payment due by the due date in any one or more of the prior six billing cycles, or
- (b) the sum of any past due amounts, any credit insurance premiums, the minimum payment on the Regular Charge balance, and the minimum payment on the Major Purchase Charge balance, calculated as follows:
 - (i) for the Regular Charge balance, 5% of the new Regular Charge balance, rounded down to the whole dollar;
 - (ii) for the Major Purchase Charge balance, 2.5% of your highest Major Purchase Charge balance since your Major Purchase Charge balance was zero, rounded down to the whole dollar.

OR

2. If you are charged a late payment fee during a billing cycle, for the next four months, we will make the following calculation each month as long as you make at least the total minimum payment each month as shown in section 1 above. We will calculate if the total of your payments is at least equal to the sum of the following: (A) the interest billed on your statement each month, plus (B) 1% of the new balance shown on your billing statement each month, plus (C) the late payment fee that was assessed in the billing cycle before the four month period. If for the four month period the sum of your payments is not at least equal to the sum of A, B and C, then your total minimum payment for future billing cycles will be the greater of either:

- (a) the minimum payment calculation shown in section 1 above, or
- (b) the sum of:

- (i) 1% of the new balance shown on your billing statement plus interest and late payment fees charged to your account in the current billing cycle, rounded down to the whole dollar; PLUS
- (ii) any past due amounts.

C. How to Make a Payment. To make a payment you must follow all the instructions below and the instructions on your billing statement. If you do not, crediting of your payment to your account may be delayed up to five days.

1. Do the following: (a) make your payment in United States dollars by check, money order, or similar instrument from a bank located in the U.S.; (b) send the payment coupon from your billing statement with your payment; (c) send the payment and payment coupon in the envelope provided with your billing statement to the payment address listed on your billing statement; and (d) send only one payment and one payment coupon in each envelope. Alternatively you may make your payment online at the website address shown on your billing statement, provided you make your payment in United States dollars from a bank located in the U.S.

2. Do not do the following: (a) staple, paper clip, tape or fold your payment or payment coupon; (b) include any other papers or items with your payment; or (c) send us cash.

D. Other Ways to Make a Payment. jcpenny stores take payments that you make to them as a convenience to you. We may not credit those payments to your account until we receive them. Under ordinary circumstances, any payment made at a jcpenny store will be credited as of the day you make such payment in the store. We may allow you to make payments over the phone as an accommodation to you, but we may charge you a fee to do so.

E. Disputed Amounts. If you send us correspondence about a disputed amount, you must send it to the address for billing inquiries shown on your billing statement. You may not send it to the payment address shown on your billing statement. By “disputed amount”, we mean a payment of less than the full balance on your account that is labeled as “payment in full” or similar language, or is given to us as full satisfaction of a disputed amount, or is given to us with other conditions or limitations. We may accept these types of payments without giving up any of our rights.

F. Authorization. When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment, and you will not receive your check back from your financial institution.

G. Payment Allocation. We reserve the right to select the method by which the required total minimum payment is allocated to different balances on your account. Some or all of the required total minimum payment on your account will be applied to lower APR balances before higher APR balances. The payment allocation method that we use may result in higher interest on your account or reduced savings attributable to any special promotions. Any payment you make in excess of the required total minimum payment will be allocated to balances with higher APRs before balances with lower APRs, unless applicable law requires or permits otherwise (such as when your account has a certain type of special promotion).

13. SPECIAL PROMOTIONS. At times, we may offer you special promotions when you use your account for certain transactions. These special promotions will have some terms that are different from the terms in this Agreement. The provisions of this Agreement apply to any special promotion, unless otherwise provided under the terms of the special promotion. Please see any special promotion advertising (including in-store signs) or other disclosures provided to you for the full terms of any special promotion offered.

14. UNAUTHORIZED USE. If you notice the loss or theft of your credit card or possible unauthorized use of your card, you should call us immediately at: 1-800-542-0800 (Puerto Rico and U.S. Virgin Islands residents, call 1-800-981-8400).

You will not be liable for any unauthorized use on your account.

You agree that unauthorized use does not include use by a person to whom you have given your card or allowed to use your account. You will be responsible for all use by such a person.

15. YOUR CREDIT REPORTS AND ACCOUNT INFORMATION.

A. Using and Sharing Your Information. When you applied for an account you gave us information about yourself. You also agreed that we could ask others for information about your creditworthiness and that we could ask consumer reporting agencies for your consumer report. We use this information in considering your application. We also use this information for any updates, renewals or extensions of credit on your account. We use this information to review and collect your account. We use this information to provide you with offers. We may give information about you or your account to consumer reporting agencies and other proper parties. This information may include your performance under this Agreement.

B. Inaccurate Information. Tell us if you think we reported wrong information about you to a consumer reporting agency (also called a credit bureau). Write to us at P.O. Box 965007, Orlando, FL 32896-5007 (Puerto Rico and U.S. Virgin Islands residents, write to P.O. Box 364788, San Juan, PR 00936-4788). In your written communication, tell us what information is wrong and why you think it is wrong. If you have a copy of the credit report that includes the wrong information, send a copy of it with your written communication. We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

16. USE OF INFORMATION ABOUT YOU AND YOUR ACCOUNT. You authorize and direct us to give information about you and your account to jcpenny and its affiliates and licensees (the “jcpenny family”). The jcpenny family will use the information in connection with jcpenny credit programs. The jcpenny family will also use the information for things like creating and updating their customer records for you, assisting them in better serving you, and providing you with notices of special promotions, marketing materials and tailored offerings. We will use information about you and your account as set forth in the privacy policy that is attached to or enclosed with this document.

17. CHANGE OF ADDRESS/PHONE NUMBER. You agree to tell us right away if you change your address or phone number(s). We will contact you at the address in our records until we are able to update our records with your new address.

18. CONSENT TO COMMUNICATIONS. You consent to us contacting you using all channels of communication and for all purposes (including collection purposes), using all contact information you provide to us. You also consent to us and any other owner or servicer of your account contacting you about your account, including using text messages, any automatic telephone dialing system and/or an artificial or prerecorded voice when contacting you, even if you are charged for the call under your phone plan. You are responsible for any charges for contacting you that may be billed to you by your communications carriers.

19. TELEPHONE MONITORING. For quality control purposes, you permit our employees, agents, and representatives to listen to or record telephone calls between you and us.

20. CLOSING YOUR ACCOUNT.

A. When You May Close Your Account. You may close your account at any time by writing or calling us and asking us to close your account. You must send this writing to the Customer Service address shown on your billing statement or call us at the customer service number shown on your billing statement. We will close your account after we get your request.

B. When We May Close Your Account. Subject to the requirements and limitations of applicable law, we may close your account at any time and for any reason.

C. After You or We Close Your Account. If you or we close your account, you must stop using it. You will still have to pay us the full amount you owe on your account. This Agreement controls your account until you pay it in full.

21. DEFAULT. Subject to the requirements and limitations of applicable law, you are in default if you:

- Make a late payment;
- Do not follow any other term of this Agreement; or
- Become bankrupt or insolvent.

If you default or upon your death, we may, subject to the requirements and limitations of applicable law: (i) make the full amount owing on your account due right away; (ii) bring a legal action to collect all amounts owed; and/or (iii) take any action allowed by law. We may also reduce your credit limit or close your account at any time whether or not you are in default.

22. COLLECTION COSTS. If we ask an attorney to collect your account, we may charge you our collection costs. Collection costs may include court costs and reasonable attorneys' fees. We will charge these costs only if the attorney we ask to collect is not our salaried employee and the law allows us to do so.

23. DISPUTE AND CLAIM RESOLUTION (INCLUDING ARBITRATION) PROVISION.

General/Requirement to Arbitrate. PLEASE READ THIS PROVISION CAREFULLY. UNLESS YOU SEND US THE REJECTION NOTICE DESCRIBED BELOW, THIS PROVISION WILL APPLY TO YOUR ACCOUNT, AND MOST DISPUTES BETWEEN YOU AND US WILL BE SUBJECT TO INDIVIDUAL ARBITRATION. THIS MEANS THAT: (1) NEITHER A COURT NOR A JURY WILL RESOLVE ANY SUCH DISPUTE; (2) YOU WILL NOT BE ABLE TO PARTICIPATE IN A CLASS ACTION OR SIMILAR PROCEEDING; (3) LESS INFORMATION WILL BE AVAILABLE; AND (4) APPEAL RIGHTS WILL BE LIMITED. This Provision replaces any existing arbitration provision with us and will stay in force no matter what happens to your Account, including termination. Upon demand, and except as otherwise provided below, you and we must arbitrate individually any dispute or claim between you, any joint cardholder and/or any additional cardholder, on the one hand; and us, our affiliates, agents and/or jcpenny, on the other hand, if the dispute or claim arises from or relates to your Account. However, we will not require you to arbitrate: (1) any individual case in small claims court or your state's equivalent court, so long as it remains an individual case in that court; or (2) any claim by us that only involves our effort to collect money you owe us. However, if you respond to a collection lawsuit by claiming that we engaged in any wrongdoing, we may require you to arbitrate.

YOU AGREE NOT TO PARTICIPATE IN A CLASS, REPRESENTATIVE OR PRIVATE ATTORNEY GENERAL ACTION AGAINST US IN COURT OR ARBITRATION. ALSO, YOU MAY NOT BRING CLAIMS AGAINST US ON BEHALF OF ANY CARDHOLDER WHO IS NOT A JOINT OR ADDITIONAL CARDHOLDER WITH YOU ON YOUR ACCOUNT (AN "UNRELATED CARDHOLDER"), AND YOU AGREE THAT NO UNRELATED CARDHOLDER MAY BRING ANY CLAIMS AGAINST US ON YOUR BEHALF. CLAIMS BY YOU AND BY AN UNRELATED CARDHOLDER MAY NOT BE JOINED IN A SINGLE ARBITRATION. Only a court may decide whether any part of this paragraph is enforceable. If it is finally determined that this paragraph is not fully enforceable, only this sentence of the Provision will remain in force and the remainder of the Provision will be null and void, provided that the court's determination concerning the enforceability of this paragraph shall be subject to appeal.

Starting an Arbitration. If you or we elect to arbitrate a claim, the electing party must notify the other party in writing. This notice can be given after the beginning of a lawsuit and can be given in papers filed in the lawsuit. Otherwise, your notice must be sent to GE Capital Retail Bank, Legal Operation, P.O. Box 29110, Shawnee Mission, KS 66201, ATTN: ARBITRATION DEMAND, and our notice must be sent to the most recent address for you in our files. The party seeking arbitration must select as the arbitration administrator either the American Arbitration Association ("AAA"), 1633 Broadway, 10th Floor, New York, NY 10019, www.adr.org, (800) 778-7879, or JAMS, 620 Eighth Avenue, 34th Floor, New York, NY 10018, www.jamsadr.com, (800) 352-5267. If neither the AAA nor JAMS is able or willing to handle the dispute, then the parties will resolve their dispute in court.

The arbitration administrator will appoint the arbitrator and tell the parties what to do next. The arbitrator must be a lawyer with at least ten years legal experience. In making decisions or awarding remedies, the arbitrator must apply the same law and legal principles that would apply in court, but may use different procedural rules. If the administrator's rules conflict with this Provision, this Provision will control.

Arbitration Location and Fees. The arbitration will take place by phone or at a location reasonably convenient to you. Upon your request, we will normally pay all the fees the administrator or arbitrator charges, if we believe you are acting in good faith. We will always pay these arbitration costs, as well as your legal fees and costs, to the extent required under applicable law or in order for this Provision to be enforced.

Governing Law. This Provision is governed by the Federal Arbitration Act (the "FAA"). Utah law shall apply to the extent state law is relevant under Section 2 of the FAA in determining the validity of this Provision. The arbitrator must follow: (1) the substantive law, consistent with the FAA, that would apply if the matter had been brought in court, (2) this Provision, and (3) the administrator's rules.

The arbitrator's decision will be final and binding, except for any appeal right under the FAA. Any court with jurisdiction may enter judgment upon the arbitrator's award.

Rejecting this Provision. You may reject this Provision, in which case only a court may be used to resolve any dispute or claim. Rejection will not affect any other aspect of the cardholder agreement. To reject, you must send us a notice within 60 days after you open your account or we first provide you with a right to reject this Provision. The notice must include your name, address, and account number and be mailed to GE Capital Retail Bank, P.O. Box 965012, Orlando, FL 32896-5012. This is the only way you can reject this Provision.

24. WAIVER. We may decide to give up any of our rights under this Agreement. This includes our right to impose the full amount of any charge. If we do, we do not give up any of our other rights under this Agreement. If we give up any of our rights in one situation, we do not give up the same right in another situation. Except as we may agree in a signed writing, we do not give up any rights if we (a) accept a late or partial payment, (b) accept a check or other payment marked "payment in full" or tendered with other conditions or limitations, (c) extend the due date of any payment due under this Agreement, and/or (d) release any collateral or person responsible for your obligations under this Agreement.

25. ASSIGNMENT. We may sell, assign or transfer any or all of our rights or duties under this Agreement or your account. This includes our rights to payments. We do not have to give you prior notice of such action. You may not sell, assign or transfer any of your rights or duties under this Agreement or your account.

26. SEVERABILITY. If any part of this Agreement is found to be void or unenforceable under applicable law, all other parts of this Agreement will still apply.

27. ENTIRE AGREEMENT. This Agreement, along with the other documents listed in section 1 above, are the entire agreement between you and us relating to your account. These documents replace any other agreement relating to your account that you and we made earlier or at the same time. This Agreement may not be changed except as provided in this Agreement.