SUMMARY OF KAY JEWELERS CHARGE ACCOUNT TERMS

Interest Rates and Interest Charges	
Annual Percentage Rate (APR) for Purchases	**5%** to **24.99%**. This APR varies by state. See Paragraph 3 of the Retail Installment Credit Agreement for details.
How to Avoid Paying Interest on Purchases	Your due date is at least 25 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.
Minimum Interest Charge	**None** to **$1.00**. The minimum interest charge varies by state. See Paragraph 5 of the Retail Installment Credit Agreement for details.
For Credit Card Tips from the Federal Reserve Board	To learn more about factors to consider when applying for or using a credit card, visit the website of the Federal Reserve Board at **http://www.federalreserve.gov/creditcard**.

Fees	
Annual Fee	**None**
Penalty Fees	
▪ Late Payment	Up to **$35**. This fee varies by state. See Paragraph 11.B of the Retail Installment Credit Agreement for details.
▪ Returned Payment	Up to **$30**. This fee varies by state. See Paragraph 11.A of the Retail Installment Credit Agreement for details.

How We Will Calculate Your Balance: We use a method called “average daily balance (including new purchases)” in all states except MN and NM; we use a method called “average daily balance (excluding new purchases)” in MN and NM. See the Retail Installment Credit Agreement for more details.

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

KAY JEWELERS
RETAIL INSTALLMENT CREDIT AGREEMENT

In this Kay Jewelers Retail Installment Credit Agreement (“Agreement”), the words “you” and “your” refer to any person who signs the Application for this Account or this Agreement, or has requested and is issued a Kay Jewelers credit card. “We” “us” and “our” refer to Sterling Jewelers Inc., d/b/a Kay Jewelers, P.O. Box 3680, Akron, OH 44309-3680, its subsidiaries and affiliates, and any person to whom this Agreement, your Account, and/or any amount due on your Account may be assigned. "Account" means your Kay Jewelers Account, which will be governed by this Agreement. "Authorized User" means any person you permit to use your Account or who has apparent authority to do so. "Card" means any access device or method by which the Account may be accessed, including the Account number. “APR” means Annual Percentage Rate. “Interest” and “Interest Charges” mean the periodic finance charges that are calculated pursuant to Paragraph 5.

1. Promise to Pay: You promise to pay us for all credit extended on this Account and all other amounts owed to us under the terms of this Agreement. You are responsible for any transactions you make or otherwise incur and any transactions incurred by anyone else you have authorized to use this Account. You are also responsible for the use of each Card issued on this Account. You may request additional Cards on this Account for yourself or others, and you may permit an Authorized User to have access to the Card or Account number. However, if you do so, you must pay us for all charges made by those persons. See Paragraph 23 for details. When you sign the Application for this Account, you will be agreeing to everything written here. Therefore, before you sign the Application, you should read this entire Agreement. The information you provide on the Application that identifies you is incorporated in this Agreement by reference. This Agreement will not be effective unless and until we approve your Application.

2. Balances: Each transaction or group of transactions subject to the same terms (such as the applicable APR and duration) shall be considered part of the same balance. The balance subject to the Regular APR and the other regular terms set forth in this Agreement is your Account's regular balance. We calculate your total regular balance each billing cycle by taking the regular balance for the prior billing cycle, adding any regular purchases, fees, Interest Charges, other finance charges, and other debits, and subtracting any payments or other credits, as of the closing date for that billing cycle. Balances subject to promotional terms are promotional balances. We calculate the total of any promotional balance by adding the promotional purchase for that balance and subtracting any payments allocated to that promotional balance or other credits. You authorize us to allocate any payment or credit among your regular, promotional, and other balances in any manner, including in a manner that may be beneficial to us, except where otherwise prohibited by applicable law. The total of your regular balance and any promotional or other balances is the "New Balance" shown on your statement.

3. Your Regular Annual Percentage Rate: If Interest Charges (which are **FINANCE CHARGES**) are assessed during a billing cycle, we will use the following Annual Percentage Rate (the "Regular APR") and corresponding monthly periodic rate, subject to any promotional terms:

If you reside in the state of:	**We apply the monthly periodic rate of:**	**ANNUAL PERCENTAGE RATE**
AL	1.75% to $750.00 1.5% over $750.00	21% 18%
AR	0.4167%	5%
CO, GA, IN, MS, OK, TN, TX, VT, WY	1.75%	21%
DC, MD	2.0%	24%
HI, MA, MN, NC	1.5%	18%
NE	1.75% to $499.99 1.5% for $500.00 and more	21% 18%
All other states	2.0825%	24.99%

4. How to Avoid Paying Interest on Purchases: Your due date is at least 25 days after the close of each billing cycle. We will not charge you interest in any billing cycle in which payments received (and if required by law, credits issued) by the due date equal or exceed the "Balance Payable To Avoid Further Interest" shown on your billing statement. The "Balance Payable To Avoid Further Interest Charges" shown on your billing statement is your New Balance less any portion of a promotional balance for which payment is not required to avoid the imposition of Interest in a billing cycle.

5. Calculation of Interest: In all states except MN and NM, we calculate Interest Charges using the average daily balance method (including current transactions). In MN and NM, we calculate Interest Charges using the average daily balance method (excluding current transactions). We calculate interest separately for each balance on your Account subject to different terms (including APR and duration). We figure the Interest Charges by applying the applicable monthly periodic rate to the "average daily balance" for that balance. To get the average daily balance for a balance, we take the beginning balance each day, add any new transactions (except we do not add in any new transactions in MN and NM); subtract any payments or credits and any Late Payment Fees, any Returned Payment Fees, and/or unpaid Interest Charges; and make other adjustments. 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 average daily balance. Any negative daily balance will be treated as zero. If Interest Charges are imposed and the total Interest that results from application of the above calculation to each balance is less than $1.00, we will impose a minimum Interest Charge of $1.00 (which is a **FINANCE CHARGE**); except in MI, MO, NY, TN, and TX, where we will impose a minimum Interest Charge of $0.70 (which is a **FINANCE CHARGE**); and in AL, AZ, CO, IN, LA, ME, MA, MN, MS, MT, NJ, OK, PA, SC, SD, VT, WV, and WY, where we will impose a minimum Interest Charge of $0.50 (which is a **FINANCE CHARGE**). Furthermore, there is no minimum Interest Charge in AR, DC, HI, MD, NE, NM, NC, and RI. You authorize us to round any calculation used to determine Interest Charges, including rounding that may cause minor variations in our favor. The applicable monthly periodic rate for a balance is the applicable Annual Percentage Rate divided by twelve (12), and rounded to the fourth decimal place.

6. Minimum Payment: You agree to pay at least the "Minimum Payment" shown on your billing statement on or before its due date. Your total Minimum Payment is the sum of any minimum payment for your regular balance, for any promotional balance, and for any other balance. We base your minimum payment for your regular balance on the highest "Regular Balance" (the New Balance less any balance with a separate minimum payment) on your Account since the Regular Balance was last reduced to zero (the "Highest Regular Balance"). Your balance is considered to be zero when opened or when there is a credit balance. We will recalculate the minimum payment if a subsequent return is made, and the Regular Balance is below the Highest Regular Balance. The minimum payment for your regular balance will be calculated as follows, except any minimum payment in excess of $25.00 will be rounded up to the nearest $5.00 increment, and the minimum payment for your regular balance will never exceed the Regular Balance:

Highest Regular Balance	**Minimum Payment**
Up to $265.00	$25.00
$265.01 to $500.00	10% of Highest Regular Balance
$500.01 to $750.00	9% of Highest Regular Balance
$750.01 to $1,500.00	7% of Highest Regular Balance
$1,500.01 to $2,500.00	6% of Highest Regular Balance
$2,500.01 & Up	5% of Highest Regular Balance

If your billing statement shows a promotional balance (such as a “No Interest” balance, a “Reduced Interest Rate” balance, and/or an “Eighteen (18) Month” balance), the minimum payment for this balance shall be calculated as specified in Paragraph 7. There shall be no separate, additional minimum payment component for a non-regular, non-promotional balance unless we provide you notice of such a requirement.

7. Promotional Terms: At our sole discretion, we may offer you promotional terms for a new purchase or for an existing balance. Any promotion will be subject to the terms of the promotional offer and this Agreement. Below is a description of some of the promotional terms that we may offer in our sole discretion from time to time.

No Interest Plans. If any single purchase is designated as purchased under a no interest plan, you will pay no interest if the promotional purchase is paid in full in the designated promotional time period (which may be 6 months, 12 months, or another period specified in the promotion). If the promotional purchase balance is not paid in full by the end of the designated promotional period, or if we do not receive a required minimum payment within 60 days of its due date, interest will be charged to your account at the Regular APR from the promotional purchase date. Unless the promotion states that there is no separate promotional minimum payment, the required minimum payment for the promotional balance will be the amount of the promotional purchase divided by the promotional period, rounded up to the nearest $5.00 increment. However, if the promotion specifies a minimum purchase amount, in no case will the minimum payment be less than the minimum purchase amount divided by the promotional period, which may shorten your repayment period in certain instances. The minimum payment will never be more than the remaining promotional purchase balance. If the promotion states that there is no separate promotional minimum payment, then the amount of the promotional balance will be included in your regular balance for the purpose of calculating your minimum payment.

Reduced Rate Plans. If any single purchase is designated as purchased under a reduced rate plan, we will calculate the Interest for the promotional balance by using an APR that is less than your Regular APR (the “Promotional APR”), in lieu of the Regular APR during the specified promotional period (which may be 6 months, 12 months, or some other period specified by us). The Promotional APR will return to your Regular APR at the expiration of the promotional period or if we do not receive a required minimum payment within 60 days of its due date. See Paragraph 3 for details. Unless the promotion states that there is no separate promotional minimum payment, the required minimum payment for the promotional balance will be the amount of the promotional purchase divided by the promotional period, rounded up to the nearest $5.00 increment. However, if the promotion specifies a minimum purchase amount, in no case will the minimum payment be less than the minimum purchase amount divided by the promotional period, which may shorten your repayment period in certain instances. The minimum payment will never be more than the remaining promotional purchase balance. If the promotion states that there is no separate promotional minimum payment, then the amount of the promotional balance will be included in your regular balance for the purpose of calculating your minimum payment.

Eighteen (18) Month Plan. If any single purchase is designated as purchased under the “Eighteen Month Plan”, no Interest will be imposed on the promotional purchase for the first twelve (12) months if you make all required minimum payments by the end of the 12th month. If we do not receive all required minimum payments by the end of the 12th month, or if we do not receive a required minimum payment within 60 days of its due date, Interest will be charged to your account at the Regular APR from the promotional purchase date. After the first twelve (12) months, we will use the specified reduced APR (the “Promotional APR”), in lieu of the Regular APR, to calculate Interest for the next six (6) months. The Promotional APR will return to your Regular APR at the expiration of the six month period or if we do not receive a required minimum payment within 60 days of its due date. See Paragraph 3 for details. The required minimum payment for the promotional balance will be 1/18th of the promotional purchase multiplied by 1.030 and rounded up to the nearest $5.00, but not less than $150.00 or not less than $250.00, based on the terms of the offer.

8. Payments: All payments must be mailed or delivered to us at the address shown on the front of the billing statement and accompanied by the payment slip. You must pay us in U.S. dollars drawn on funds on deposit in the United States using a check or similar instrument that will be processed and honored by your bank. Do not send cash payments. We can accept late or partial payments, as well as payments that reflect “paid in full” or other restrictive endorsements, without losing any of our rights under this Agreement. We credit your payments in accordance with our payment instructions on the billing statement.

9. Disputed Amounts and Legal Notices: All notices relating to legal actions, including bankruptcy notices, must be sent to us at P.O. Box 1799, Akron, OH 44309-1799. Legal notices sent to any other addresses will not satisfy any legal requirement that you provide notice to us.

10. Arbitration for Disputes – No Jury Trials or Class Actions: This paragraph describes how all Claims (as defined in subparagraph A below) will be arbitrated, at the election of you or us, on an individual (non-class, non-representative) basis instead of litigated in court.

A. The term “Claim” means any claim, dispute, or controversy between you and us arising from or relating to your Card, your Account, or this Agreement as well as any related or prior agreement that you may have had with us or the relationships resulting from this Agreement, including the validity, enforceability or scope of this arbitration provision or the Agreement. Claims arising in the past, present, or future, including Claims arising before the opening of your Account, are subject to arbitration. For purposes of this arbitration provision, “you” and “us” also includes any corporate affiliates, any licensees, predecessors, successors, assigns, any purchaser of any accounts, all agents, employees, directors and representatives of any of the foregoing, and other persons referred to below in the definition of “Claims”. “Claim” includes claims of every kind and nature, including but not limited to initial claims, counterclaims, cross-claims, third-party claims, and claims based upon contract, tort, fraud, and other intentional torts, statutes, regulations, common law, and equity. Claims and remedies sought as part of a class action, private attorney general action, or other representative action are subject to arbitration on an individual (non-class, non-representative) basis, and the arbitrator may award relief only on an individual (non-class, non-representative) basis. “Claim” also includes claims by or against any third party relating to or arising from your Card, your Account, or this Agreement. The term “Claim” is to be given the broadest possible meaning that will be enforced. “Administrator” means the American Arbitration Association, 335 Madison Avenue, New

York, NY 10017, www.adr.org, (800) 778-7879; or JAMS, 1920 Main St., Suite 300, Irvine, CA 92614, www.jamsadr.com, (949) 224-1810.

B. We OR you have the right to require that each Claim be resolved by arbitration on an individual (non-class, non-representative) basis. A Claim will be arbitrated if (1) both we and you or (2) only one or the other of we or you, exercise the right to require that the Claim be arbitrated. If, for example, we exercise our right to require that the Claim be resolved by arbitration but you do not also exercise your right to require that the Claim be arbitrated, the Claim will be resolved by arbitration. If neither we nor you request arbitration, the Claim will not be resolved by arbitration and instead will be litigated in court. The arbitrator's authority to resolve Claims is limited to Claims between you and us alone, and the arbitrator's authority to make awards or decisions is limited to you and us alone. Furthermore, Claims between you and us may not be joined or consolidated in arbitration with Claims brought by or against someone other than you, unless otherwise agreed to in writing by all parties. However, applicants, co-applicants, authorized users on a single Account, or corporate affiliates are considered one person for the purposes of this paragraph. No arbitration award will have any preclusive effect as to issues or claims in any dispute involving anyone who is not a party to the arbitration. This arbitration provision is made pursuant to a transaction involving interstate commerce and will be governed by the Federal Arbitration Act ("FAA") (9 U.S.C. §1, et seq.).

C. If we or you request arbitration of a Claim, we and you will not have the right to litigate the Claim in court. This means (1) there will be no jury trial on the Claim, (2) there will be no pre-arbitration discovery except as the Administrator's rules permit, and (3) no Claim may be arbitrated on a class-action, private attorney general, or other representative basis, and neither we nor you will have the right to participate as a representative or member of any class or group of claimants pertaining to any Claim subject to arbitration.

D. The party initiating an arbitration shall select an Administrator from the organizations listed above. If none of the Administrators listed above will accept the arbitration, the arbitration will be administered by an administrator, or adjudicated by an arbitrator, upon which you and we agree in writing. The arbitration shall be governed by the procedures and rules of the Administrator and this Agreement, which need not apply federal, state or local rules of procedure and evidence. The Administrator's procedures and rules may limit the discovery available to you or us. You can obtain a copy of an Administrator's procedures and rules by contacting the Administrator. A single, neutral arbitrator will resolve Claims. The arbitrator will be either a lawyer with at least ten years experience or a retired or former judge, selected in accordance with the rules of the Administrator. In the event of any conflict or inconsistency between this arbitration provision and the Administrator's rules or other provisions of this Agreement, this arbitration provision will govern. The arbitrator will take reasonable steps to protect customer account information and other confidential information if requested to do so by you or us. Arbitration hearings for Claims by or against you will take place in the federal judicial district in which you reside. If you make a request to us in writing, we will temporarily advance to you the filing, administrative, and hearing fees for the arbitration of your Claim against us (but not if the Claim is against you) in excess of any filing fee you would have been required to pay to file the Claim in a state or federal court (whichever is less) in the judicial district in which you reside. At the end of the arbitration, the arbitrator will decide if you have to repay the advance (and if you do have to repay, you agree to do so). Unless applicable law requires otherwise, we will pay our, and you will pay your, lawyers', experts', and witnesses' fees. The arbitrator will apply applicable substantive law consistent with the FAA and applicable statutes of limitations, will honor claims of privilege recognized at law, and will have the power to award to a party any damages or other relief provided for under applicable law. The arbitrator will make any award in writing and, if requested by you or us, will provide a brief statement of the reasons for the award.

E. Judgment upon the arbitrator's award may be entered in any court with jurisdiction. The arbitrator's decision regarding any claims will be final and binding, except for any appeal right under FAA. The appealing party will pay the appeal costs. This agreement to arbitrate shall survive any suspension, termination, revocation or closure of the Agreement or your Account, and any bankruptcy to the extent consistent with applicable bankruptcy law.

F. If any part of this arbitration provision cannot be enforced, the rest of the arbitration provision will continue to apply. However, an arbitrator cannot enlarge his or her authority over the adjudication of Claims beyond that provided by this arbitration provision by enforcing only part of this arbitration provision. If an arbitrator determines that applicable law requires this arbitration provision to be enforced in a way that would result in greater authority over Claims than otherwise allowed, such as the adjudication of claims on a class or representative basis, then the arbitrator must decline to hear the dispute and shall refer the parties to a court or other body with sufficient authority. In the event of any conflict or inconsistency between this arbitration provision and the Administrator's rules or other provisions of this Agreement, this arbitration provision will govern.

11. Fees:

A. Returned Payment Fee: If any check, instrument, or electronic authorization used to pay us is not honored upon first presentment, (for residents of MD, second presentment), even if the check, instrument or electronic authorization is later honored, we may charge you a Returned Payment Fee. Except as set forth for specified states below, this fee is up to $30.00. The fee charged generally will be the highest amount permitted by law, subject to the specified maximum. This means that the fee generally will not exceed the amount of the required minimum payment due immediately prior to the date on which the payment is returned. In addition, the first time you make a payment that is returned, the fee will not exceed $25.00. If you make another payment that is returned during the next six billing cycles, the fee will not exceed $30.00.

State	Maximum Returned Payment Fee
GA	Greater of 5% of amount of payment or $30.00
AZ, AR, CO, IL, IN, MI, NV, NC, OK, OR, RI, WV	$25.00
FL, LA	Greater of 5% of amount of payment or $25.00
CA, MD, MO, TX	$15.00
CT, HI, ID, IA, NJ, NY, UT	$20.00
DC, DE, MA, NE, NM, PA, VT, WY	None

We will add any Returned Payment Fee to your Account's regular balance.

B. Late Payment Fee: If we do not receive your minimum payment by its due date (or within seven (7) days in VA; within ten (10) days in AL, AZ, CO, DC, FL, GA, HI, ID, IL, IN, KS, KY, LA, MI, MN, MO, NE, NJ, NY, OK, SC, WV, and WY; within fifteen (15) days in CA, ME, and MA; within twenty-one (21) days in TX; within thirty (30) days in NC; and within forty (40) days in RI), we will impose a Late Payment Fee. The maximum fee is set forth below. The fee charged generally will be the highest amount permitted by law. This means that the fee generally will not exceed the amount of the required minimum payment due immediately prior to the assessment of the fee. In addition, the first time you pay late, the fee will not exceed $25.00. If you pay late again during the next six billing cycles, the fee will not exceed $35.00.

State	Maximum Late Payment Fee
AK, AR, CT, HI, MD, MI, MN, MS, NV, NH, NY, ND, OH, OR, PA, SD, WI	$35.00 (except $29.00 if the outstanding balance is $249.99 or less)
AL	5% of amount past due but not more than $35.00 and not less than $18.00
AZ, KS	$10.00 (except $5.00 if the minimum payment is $5.00 to $25.00)
CA, CO, DC, IA, LA	$15.00
DE, MT, NM, TN, VT	None
FL, NJ, TX	$10.00
GA	$25.00
ID	Greater of 5% of amount past due or $15.00 (but not to exceed $35.00)
IL, KY, WY	Greater of 5% of amount past due or $10.00 (but not to exceed $35.00)
IN	$17.50 The amount of the late payment fee is subject to change as provided in IN Code § 24-4.5-1-106.
ME	Lesser of 5% of amount past due or $10.00
MA	Lesser of 10% of outstanding balance or $10.00
MO	$10.00 (except $5.00 if the minimum payment is $5.00 to $25.00)
NE	Greater of 5% of amount past due or $5.00 (but not to exceed $35.00)
NC	$10.00 (except $5.00 if the outstanding balance is under $100.00)
OK	5% of amount past due but not more than $22.00 and not less than $5.00
RI	$12.00
SC	5% of amount past due, but not more than $17.00 and not less than $6.80. The amount of the late fee is subject to change as provided in SC Code § 37-1-109.
UT	Greater of 5% of amount past due or $30.00 (but not to exceed $35.00)
VA	5% of amount of installment (but not to exceed $35.00)
WA	$35.00 (except 10% of the average daily balance for prior 30-day period, but not less than $2.00, if the balance is less than $100.00)
WV	Lesser of 5% of amount past due or $15.00

We will add any Late Payment Fee to your Account's regular balance.

12. Security Interest: You grant us a purchase money security interest in each item of merchandise purchased on your Account to secure its unpaid purchase price (except in CT, MO (on any purchase under $150.00), and NY (on any purchase under $200.00)) until such item of merchandise is paid for in full (in NY, not to exceed five (5) years from date the purchase is posted to your Account). Solely for the purpose of determining the extent of our purchase money security interest in each such item of merchandise, your payments will be allocated first to any unpaid insurance premium, next to any unpaid Late Payment Fees, any unpaid Returned Payment Fees, any unpaid Interest, and any other unpaid fees or charges, then to pay off each purchase in the order in which the purchase was made.

13. Default/Collection Costs: If you fail to pay any minimum payment when due, or if the prospect of payment, performance, or realization of collateral is significantly impaired, to the extent permitted by applicable law 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 on the Account due and payable (except in WI you will not be in default until you fail to make a minimum payment on two occasions within a twelve (12) month period). We also may repossess any article of merchandise in which we still retain a security interest, but we will do so only in the manner and to the extent permitted by applicable law. If the Account is referred to an attorney who is not our salaried employee and we bring 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 of 15% of the total amount due (10% of any amount due in AR, 10% of any

amount due over $500.00 in NJ, and 10% of any amount due of $3,800.00 or less in OK), or such lesser amount as may be permitted by applicable law. No attorney's fees will be imposed in AL (when the unpaid balance is under $300.00), DC, IA, KS, ME, NE, OH, SD, WV, and WI, or in any state, or in any amount, where not permitted by law. In the states of CA, CT, DE, NH, and PA, we will pay your reasonable attorney's fees if you prevail in a suit we bring against you or if you prevail in a suit you bring against us under this Agreement. **Notice to New Hampshire Residents**: If you successfully assert a partial defense or counterclaim, the court may withhold part or all of any attorney's fees to which we may be entitled.

14. Closing Your Account or Limiting Your Credit: You have the right to close your Account at any time, for any reason. You will still be liable for any balances owed. We may limit or terminate the use of your Account and/or raise or lower your credit limit at any time and for any reason without advance notice to you. Some purchases will require our prior authorization, in which case you may be asked to provide identification. If our authorization system is not working, we may not be able to authorize a transaction, even if you have sufficient available credit. We will not be liable to you if this happens. We are not responsible for the refusal of anyone to accept or honor a Card associated with this Account. All Cards we issue remain our property and, if requested, you agree to return any Card issued to you. Your credit limit with us may be reduced by the amount of credit purchases you make at other retail jewelers that are affiliated with us. We may, at our discretion, permit you to make a purchase in excess of your stated credit limit. If we do so, this will not permanently increase your credit limit. To request the names of the other retail jewelers that are affiliated with us, please call our Credit Customer Service Department at 1-800-877-3616 or 1-330-668-5000, Ext. 6867.

15. Change in This Agreement: **To the extent permitted by law, we may change any term of this Agreement, including any Annual Percentage Rate or fee, as well as add and/or subtract terms. We will furnish you notice of the change to the extent required by law. If permitted by applicable law, any new terms may at our option be applied to any balance existing on the Account at the time of change, as well as to any subsequent transactions.**

16. **Credit Investigation:** You authorize us 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 this Account or any other account you have with us and later in connection with an update, renewal, extension of credit or collection of the Account or any other account you have with us. Upon your request we will disclose whether a consumer report was requested and the name and address of any consumer reporting agency that furnished the report. **We may report information about your Account to credit bureaus. Late payments, missed payments, or other defaults on your Account may be reflected on your credit report.** If you believe that we have reported inaccurate information to a consumer reporting agency, write to us at the Customer Service address listed on your billing statement and we will investigate the matter.

17. No Waiver by Us: We may, without notice to you, delay or refrain from enforcing our rights under this Agreement without losing them (e.g., we may extend the time to make some payments without extending the time to make other payments, accept late or partial payments without waiving our right to have future payments made when they are due, and/or waive any charge or fee without losing our right to impose that charge or fee when it is due under this Agreement).

18. Telephone Monitoring, Recording, and Calls: We treat every customer call confidentially. To assure that you receive the best possible customer service, and that our employees are complying with our policies and all applicable laws, your calls with us may be monitored and/or recorded. You agree that you have an established business relationship with us, that all of our contacts with you are not unsolicited, and that we may contact you from time to time regarding your Account (including for collections purposes) and products and services that we believe may be of interest to you. You further agree that all of our contacts with you may be made with an automated dialing and announcing or similar device and/or an artificial voice or prerecorded message to the extent permitted by law. You also agree that we may contact you at any telephone number you provide to us, whether a residential number or a wireless, cellular or mobile number.

19. Governing Law: This Agreement and your Account and any claim, dispute, or controversy arising from or relating to this Agreement or your Account, are governed by federal law, and to the extent that state law applies the law of the state of your billing address when this Account was opened will govern this Agreement (without regard to conflicts of laws principles), unless we receive written notice that you have moved to another state pursuant to Paragraph 20. If we receive notice of a change in your billing address, except for any Annual Percentage Rate (and corresponding monthly periodic rate) applicable to any outstanding balance, the terms applicable to the state of your new billing address will apply to all balances on your Account after we receive written notice of your new address. Any Annual Percentage Rate (and corresponding monthly periodic rate) applicable to a balance outstanding prior to notification of a change in billing address will continue to apply to such balance until it is paid off.

20. Change of Address or Other Contact Information: You agree to notify us promptly in writing of any changes to your billing address, phone number, email address, and other contact information. Until we receive written notice of your new billing address or email address, if you have elected to receive notices electronically, we will continue to send billing statements and other notices to the address we have on file for your Account. Subject to Paragraph 19, we deem you to reside at the billing address we have on file for the purpose of applying terms that vary with your state of residence.

21. Assignment: We may sell, transfer, or assign our rights or obligations under this Agreement without prior notice to you. You may not sell, transfer, or assign your rights or obligations under this Agreement or your Account.

22. Liability for Unauthorized Use: You agree to notify us promptly if your Card is lost or stolen, or of the unauthorized use of your Card, by writing to us at Kay Jewelers, P.O. Box 3680, Akron, OH 44309-3680 or by calling us at 1-800-877-3616. If you orally give us notice, you agree to confirm in writing. You may be liable for unauthorized use of your Card prior to your notification of us. You will not be liable for unauthorized use that occurs after you notify us of the loss, theft, or unauthorized use and, in any case, your liability will not exceed $50.00.

23. Authorized Users: You may request additional Cards on your Account, and you may permit an Authorized User to have access to a Card. However, if you do, you are responsible for all charges made by the Authorized User, including charges for which

you may not have intended to be responsible. You must notify us to revoke an Authorized User's permission to use your Account. If you do so, we may close the Account and issue a new Card or Cards with a different Account number.

Notice to District of Columbia Residents: A financial benefit inures to the seller by way of commission or rebate resulting from your purchase of Credit Insurance coverage on this Account.

Notice to Florida Residents: The Annual Percentage Rates shown above are authorized by Chapter 655 of the Florida Statutes.

Notice to Maryland Residents: This Account is governed by Subtitle 9, Title 12 of the Maryland Commercial Law Article.

Notice to Michigan Residents: The seller retains a security interest in the subject matter of this Agreement.

Notice to Texas Residents: The Regular APR shown above is authorized by the Market Competitive Rate ceiling that is in effect under Tex. Fin. Code Ann. § 303.009. To contact Kay Jewelers about this Account, call 1-800-877-3616. This contract is subject in whole or in part to Texas law which is enforced by the Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin, TX 78705-4207, Phone 1-512-936-7600 or 1-800-538-1579. Contact the Commissioner relative to any inquiries or complaints.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

NOTICE TO THE BUYER: 1. DO NOT SIGN THE APPLICATION AND/OR THIS CREDIT AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED IN COPY OF THIS CREDIT AGREEMENT. 3. YOU MAY AT ANY TIME PAY THE TOTAL BALANCE OUTSTANDING UNDER THIS AGREEMENT WITHOUT INCURRING ANY ADDITIONAL CHARGE. 4. KEEP THIS AGREEMENT TO PROTECT YOUR LEGAL RIGHTS. 5. YOU MAY UNDER CERTAIN CIRCUMSTANCES REDEEM THE PROPERTY, IF REPOSSESSED BECAUSE OF YOUR DEFAULT, AND YOU MAY, UNDER CERTAIN CONDITIONS, REQUIRE A RESALE OF THE PROPERTY REPOSSESSED. 6. THE SELLER HAS NO RIGHT TO UNLAWFULLY ENTER YOUR PREMISES OR COMMIT ANY BREACH OF THE PEACE TO REPOSSESS GOODS PURCHASED UNDER THIS AGREEMENT. ADDITIONAL NOTICE FOR MASSACHUSETTS AND WASHINGTON RESIDENTS: 7. YOU MAY CANCEL A PURCHASE UNDER THIS AGREEMENT IF IT HAS BEEN SIGNED BY A PARTY THERETO AT A PLACE OTHER THAN THE ADDRESS OF THE SELLER, WHICH MAY BE HIS MAIN OFFICE OR BRANCH THEREOF; PROVIDED, YOU NOTIFY THE SELLER IN WRITING AT HIS MAIN OFFICE OR BRANCH, BY ORDINARY MAIL POSTED, BY TELEGRAM SENT OR BY DELIVERY, NOT LATER THAN MIDNIGHT OF THE THIRD BUSINESS DAY FOLLOWING A PURCHASE UNDER THIS RETAIL INSTALLMENT CREDIT AGREEMENT.

YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS RETAIL INSTALLMENT CREDIT AGREEMENT.

Buyer	Signature
Co-Buyer	Signature
Seller-Creditor	Mario Weiss signature
Mario P. Weiss, Senior Vice President Credit Operations, Sterling Jewelers Inc., d/b/a Kay Jewelers, P.O. Box 3680, Akron, OH 44309-3680	

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:

Sterling Jewelers Inc.
P.O. Box 3680
Akron, OH 44309-3680

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 $50.00 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 $50.00. (Note: Neither of these are necessary if your purchase was based on an advertisement we mailed to you, or if we own or operate 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 the address listed above.

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

Rev. 10/12

FACTS WHAT DOES KAY® JEWELERS DO WITH YOUR PERSONAL INFORMATION?

Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: ▪ Social Security number and account balances ▪ Payment history and transaction history ▪ Credit history and credit scores When you are *no longer* our customer, we continue to share your information as described in this notice.
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Kay® Jewelers chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Kay® Jewelers share?	Can you limit this sharing?
For our everyday business purposes – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	**YES**	**NO**
For our marketing purposes – to offer our products and services to you	**YES**	**NO**
For joint marketing with other financial companies	**NO**	**We don't share.**
For our affiliates' everyday business purposes – information about your transactions and experiences	**NO**	**We don't share.**
For our affiliates' everyday business purposes – information about your creditworthiness	**NO**	**We don't share.**
For our affiliates to market to you	**NO**	**We don't share.**

Questions?	Contact Customer Service at 1-800-877-3616

What we do

How does Kay® Jewelers protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Kay® Jewelers collect my personal information?	We collect your personal information, for example, when you ▪ open an account or give us your contact information ▪ pay your bills or apply for a loan ▪ use your credit or debit card We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.
Why can't I limit all sharing?	Federal law gives you the right to limit only ▪ sharing for affiliates' everyday business purposes – information about your creditworthiness ▪ affiliates from using your information to market to you ▪ sharing for nonaffiliates to market to you State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ▪ Kay® Jewelers does not share with affiliates.
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ▪ Kay® Jewelers does not share with nonaffiliates so they can market to you.
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ▪ Kay® Jewelers does not joint market.

Other important information

If you reside in CA or VT, we do not share information to market to you pursuant to joint marketing agreements.

PRICING SCHEDULE FOR KAY JEWELERS

The following pricing terms were available as of 10/03/2012. These pricing terms may not be available now. If you apply, your terms will be based on the terms of the offer at the time of application.

Interest Rates and Charges

Annual Percentage Rate (APR) for Purchases

If you reside in the state of:	We apply the monthly periodic rate of:	ANNUAL PERCENTAGE RATE
AL	1.75% to $750.00 1.5% over $750.00	21% 18%
AR	0.4167%	5.0%
CO, GA, IN, MS, OK, TN, TX, VT, WY	1.75%	21%
DC, MD	2.0%	24.0%
HI, MA, MN, NC	1.5%	18%
NE	1.75% to $499.99 1.5% for $500.00 and more	21% 18%
All other states	2.0825%	24.99%

How to Avoid Paying Interest on Purchases

Your due date is at least 25 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.

Minimum Interest Charge

If you are charged interest, the charge will be no less than $1.00; except in MI, MO, NY, TN, and TX, where the charge will be no less than $0.70; except in AL, AZ, CO, IN, LA, ME, MA, MN, MS, MT, NJ, OK, PA, SC, SD, VT, WV and WY, where the charge will be no less than $0.50; and except in AR, DC, HI, MD, NE, NM, NC and RI, where there is no such minimum.

Balance Computation Method

In all states except MN and NM, we calculate Interest Charges using the average daily balance method (including current transactions). In MN and NM, we calculate Interest Charges using the average daily balance method (excluding current transactions). We calculate interest separately for each balance on your Account subject to different terms (including APR and duration). We figure the Interest Charges by applying the applicable monthly periodic rate to the “average daily balance” for that balance. To get the average daily balance for a balance, we take the beginning balance each day, add any new transactions (except we do not add in any new transactions in MN and NM); subtract any payments or credits and any Late Payment Fees, any Returned Payment Fees, and/or unpaid Interest Charges; and make other adjustments. 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 average daily balance. Any negative daily balance will be treated as zero. The applicable monthly periodic rate for a balance is the applicable Annual Percentage Rate divided by twelve (12), and rounded to the fourth decimal place.

Fees	
Annual Fee	None
Returned Payment Fee	If any check, instrument, or electronic authorization used to pay us is not honored upon first presentment, (for residents of MD, second presentment), even if the check, instrument or electronic authorization is later honored, we may charge you a Returned Payment Fee. Except as set forth for specified states below, this fee is up to $30.00. The fee charged generally will be the highest amount permitted by law, subject to the specified maximum. This means that the fee generally will not exceed the amount of the required minimum payment due immediately prior to the date on which the payment is returned. In addition, the first time you make a payment that is returned, the fee will not exceed $25.00. If you make another payment that is returned during the next six billing cycles, the fee will not exceed $30.00.

State	Fee
GA	Greater of 5% of amount of payment or $30.00
AZ, AR, CO, IL, IN, MI, NV, NC, OK, OR, RI, WV	$25.00
FL, LA	Greater of 5% of amount of payment or $25.00
CA, MD, MO, TX	$15.00
CT, HI, ID, IA, NJ, NY, UT	$20.00
DC, DE, MA, NE, NM, PA, VT,	None

Fees Cont.	
Late Payment Fee	If we do not receive your minimum payment by its due date (or within seven (7) days in VA; within ten (10) days in AL, AZ, CO, DC, FL, GA, HI, ID, IL, IN, KS, KY, LA, MI, MN, MO, NE, NJ, NY, OK, SC, WV, and WY; within fifteen (15) days in CA, ME, and MA; within twenty-one (21) days in TX; within thirty (30) days in NC; and within forty (40) days in RI), we will impose a Late Payment Fee. The maximum fee is set forth below. The fee charged generally will be the highest amount permitted by law. This means that the fee generally will not exceed the amount of the required minimum payment due immediately prior to the assessment of the fee. In addition, the first time you pay late, the fee will not exceed $25.00. If you pay late again during the next six billing cycles, the fee will not exceed $35.00.

State	Fee
AK, AR, CT, HI, MD, MI, MN, MS, NV, NH, NY, ND, OH, OR, PA, SD, WI	$35.00 (except $29.00 if the outstanding balance is $249.99 or less)
AL	5% of amount past due but not more than $35.00 and not less than $18.00
AZ, KS	$10.00 (except $5.00 if the minimum payment is $5.00 to $25.00)
CA, CO, DC, IA, LA	$15.00
DE, MT, NM, TN, VT	None
FL, NJ, TX	$10.00
GA	$25.00
ID	Greater of 5% of amount past due or $15.00 (but not to exceed $35.00)
IL, KY, WY	Greater of 5% of amount past due or $10.00 (but not to exceed $35.00)
IN	$17.50 The amount of the late payment fee is subject to change as provided in IN Code § 24-4.5-1-106.
ME	Lesser of 5% of amount past due or $10.00
MA	Lesser of 10% of outstanding balance or $10.00
MO	$10.00 (except $5.00 if the minimum payment is $5.00 to $25.00)
NE	Greater of 5% of amount past due or $5.00 (but not to exceed $35.00)
NC	$10.00 (except $5.00 if the outstanding balance is under $100.00)
OK	5% of amount past due but not more than $22.00 and not less than $5.00
RI	$12.00
SC	5% of amount past due, but not more than $17.00 and not less than $6.80. The amount of the late fee is subject to change as provided in SC Code § 37-1-109.
UT	Greater of 5% of amount past due or $30.00 (but not to exceed $35.00)
VA	5% of amount of installment (but not to exceed $35.00)
WA	$35.00 (except 10% of the average daily balance for prior 30-day period, but not less than $2.00, if the balance is less than $100.00)
WV	Lesser of 5% of amount past due or $15.00