

**SYNCHRONY BANK  
RATES AND FEES TABLE  
JCPENNEY CREDIT CARD ACCOUNT**

<b>Interest Rates and Interest Charges</b>	
<b>Annual Percentage Rate (APR) for Purchases</b>	<b>26.99%</b>
<b>How to Avoid Paying Interest on Purchases</b>	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.
<b>Minimum Interest Charge</b>	If you are charged interest, the charge will be no less than \$2.00.
<b>For Credit Card Tips from the Consumer Financial Protection Bureau</b>	<b>To learn more about factors to consider when applying for or using a credit card, visit the website of the Consumer Financial Protection Bureau at <a href="http://www.consumerfinance.gov/learnmore">http://www.consumerfinance.gov/learnmore</a>.</b>
<b>FEES</b>	
<b>Penalty Fees</b> • Late Payment	<b>Up to \$38</b>

**How We Will Calculate Your Balance:** We use a method called “daily balance”.

The information about the costs of the Card described above is accurate as of May 1, 2017. This information may have changed after that date. To find out what may have changed, write to us at P.O. Box 965009, Orlando, FL 32896-5009; Puerto Rico and U.S. Virgin Islands residents: P.O. Box 364788, San Juan, PR 00936-4788. This application and the credit card account agreement will be governed by federal law and, to the extent state law applies, the laws of Utah. Subject to the requirements and limitations of applicable law, we may change, add to or delete any of the terms of the Agreement, including the interest rates, fees and charges and we will send you notice as required.

**STATE NOTICES**

**CA Residents:** If you are married, you may apply for a separate account.

**NY Residents:** A consumer credit report may be obtained in connection with evaluating your application and subsequently in connection with updates, renewals, or extensions of credit for which this application is made. Upon your request, you will be informed whether a report was obtained, and if so, of the name and address of the consumer report agency.

**OH Residents:** The Ohio laws against discrimination require that all creditors make credit equally available to all credit worthy customers, and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

**WI Residents:** No provision of a marital property agreement, a unilateral statement under sec. 766.59, Wis. Stats., or a court decree under sec. 766.70, Wis. Stats., adversely affects the interest of the creditor unless the creditor, prior to the time credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Married residents of Wisconsin applying for an individual account must give us the name and address of their spouse if the spouse also is a Wisconsin resident, regardless of whether the spouse may use the card. Please provide this information to us at P.O. Box 981064, El Paso, TX 79998-1064.**

**CONSENT TO ELECTRONIC COMMUNICATIONS**

By (i) submitting an application online or (ii) registering for online or mobile services for your Account, you hereby agree to the following and this will constitute your consent for us to send you electronic communications about your Account. When you successfully consent through the online or mobile site, you have successfully demonstrated that you are able to access information we have posted on such online or mobile site.

**Categories of Communications.** You consent to receive communications relating to your Account in electronic form. The communications covered by your consent may include, but are not limited to, (i) the initial disclosure statement or agreement governing your Account; (ii) any disclosure required by federal, state or local law, including disclosures under the federal Truth in Lending Act, the federal Fair Credit Reporting Act and the financial privacy provisions of the Gramm-Leach-Bliley Act; (iii) your billing statement, if you have signed up to receive electronic statements; (iv) letters, notices or alerts regarding your Account and any changes to your Account; (v) other disclosures, notices or communications in connection with the application for, the opening of, maintenance of or collection of your Account; and (vi) the debt cancellation agreement and other information relating to the optional JCPenney Card Security debt cancellation product you may select to purchase. These electronic communications may include your name and some information about your Account, including your balance or the due date; however, we will not include your full account number or social security number. Electronic communications may be reviewed by any party with access to your Account, the e-mail account you have provided to us for delivering these communications, or the hardware or software you use to view your Account information or your e-mail account.

**How to Withdraw Your Consent.** After you have successfully submitted your consent, if you want to withdraw your consent to receive electronic communications you may contact us in writing at P.O. Box 965009, Orlando, FL 32896-5009 (Puerto Rico, U.S. Virgin Islands and Guam residents write to us at P.O. Box 364788, San Juan, PR 00936-4788). You may not apply online for an Account and you may not register your Account for online services (including electronic statements or mobile alerts), unless you also provide your consent to receive electronic communications. If you have registered for online services (such as electronic statements or mobile alerts), you must un-enroll from such services to withdraw your consent to receive electronic communications. Additionally, you may call customer service at the number on your credit card or billing statement to withdraw your consent.

We will not impose any fee to process the withdrawal of your consent to electronic communications. However, you will not be able to receive your billing statements electronically if you do not consent to receive electronic communications or withdraw your consent. Any withdrawal of your consent to electronic communications will be effective only after we have a reasonable period of time to process your withdrawal request.

**How to Update Your Records.** You agree to promptly update your e-mail address if a change occurs by updating your information at [jcp.com/credit](http://jcp.com/credit).

**Hardware and Software Requirements.** In order to access and retain electronic communications, you must have the following:

- SSL-enabled web browser such as Netscape 4.0, AOL 4.0 or Microsoft Explorer 4.0 (or later versions);
- A personal computer or equivalent device capable of connecting to the Internet via dial-up, DSL, cable modem, wireless access protocol or equivalent, and that supports the foregoing requirements;
- Sufficient electronic storage capacity on your hard drive or other data storage facility, or a means to print or store notices and information through your browser software; and
- For mobile services, you must have a mobile telephone device with Internet access and which supports XHTML, MP and WCSS. Some mobile browsers may not have the ability to access electronic services.

**Paper Copies of Communications.** Upon your request we will provide you with a paper copy of a communication that we provide you electronically. If you would like a paper copy of any material (other than your debt cancellation agreement), please write to us at P.O. Box 965009, Orlando, FL 32896-5009 or call us at 1-877-969-1233 (Puerto Rico, U.S. Virgin Islands and Guam residents write to us at P.O. Box 364788, San Juan, PR 00936-4788 or call us at 1-800-981-8400). If you would like a copy of your JCPenney Card Security debt cancellation agreement, please write to us at: P.O. Box 39, Roswell, GA 30077-0039. There will be no charge for a paper copy of any material we have sent you electronically.

**Communications in Writing.** All communications in either electronic or paper format from us to you will be considered "in writing." You should print or download a copy of this consent, the Account agreement, the debt cancellation agreement (if elected) and any other electronic communication that is important to you for your records.

**Electronic Signatures.** You acknowledge that by clicking on the "Submit" or similar button, you are indicating your intent to sign up for electronic communications and that this shall constitute your signature.

**Federal Law.** You acknowledge and agree that your consent is being provided in connection with a transaction affecting interstate commerce that is subject to the federal Electronic Signatures in Global and National Commerce Act, and that you and we both intend that the Act apply to the fullest extent possible to validate our ability to conduct business and communicate with you by electronic means.

### IMPORTANT TERMS FOR ELECTRONIC STATEMENTS

In addition to the above, if you have elected to receive electronic statements, the following information applies:

- Statement Inserts.** Any inserts that would be included with a statement sent by U.S. mail may also be sent to you electronically. If an insert contains legally required material, to ensure that you receive the necessary material, we may send you a paper copy of your statement in addition to making the statement available to you electronically. Any legally required insert that would not be available electronically will be sent to you by U.S. mail.
- Payment Information.** When you elect to stop paper statements, you must still pay at least your Minimum Payment by 5 p.m. (ET) on the Payment Due Date. You can do this through an electronic bill pay service (whether through this website or using a third party servicer or bank) or by mailing your payment to us at the address shown on the electronic statement. Please note, if you do not pay us electronically, the crediting of your payment may be delayed by up to five days after receipt.
- Returned E-mails.** If e-mails advising you of the availability of statements are returned to us, we may cancel your enrollment for electronic statements and resume sending you paper statements in the mail. If this happens, you will need to re-enroll to receive electronic statements with updated information.
- SPAM Filters.** We will make every effort to ensure our e-mail notifications are properly listed with all SPAM filter agencies. However, you are responsible for ensuring that any SPAM filters recognize e-mail originating from us. If you fail to receive e-mail notifications from us after enrolling for electronic statements, please check with the provider of your e-mail account and/or the SPAM filter associated with your e-mail account.
- Account Delinquency.** We reserve the right, at any time and without notice, to stop providing you with electronic statements and provide you with paper statements, if your account is not maintained in good standing.
- Cancellation.** We reserve the right, at any time and without notice, to stop providing you electronic statements and provide you with paper statements. If we do so, we will provide you with prior notice, except in the case of account delinquency. Reasons for cancellation include, but are not limited to, not viewing your last three electronic statements.

**Definitions used in this consent:**

- "You" and "your" mean the primary applicant or accountholder;
- "We", "us" and "our" mean Synchrony Bank;
- "Account" means your JCPenney Credit Card Account; and
- "Billing Statement" means the billing statement for your Account.

All other terms used in this consent shall have the meanings given to them in the Account agreement.

## SECTIONS II, III AND IV OF THE JCPENNEY CREDIT CARD ACCOUNT AGREEMENT

### SECTION II: RATES, FEES AND PAYMENT INFORMATION JCPENNEY CREDIT CARD ACCOUNT AGREEMENT

How Interest Is Calculated	
<b>Your Interest Rate</b>	We use a daily rate to calculate the interest on the balance on your account each day. The daily rate for purchases is the APR times 1/365. The daily rate for purchases is .07395% (APR 26.99%). Interest will be imposed in amounts or at rates not in excess of those permitted by applicable law.
<b>When We Charge Interest</b>	We charge interest on your purchases from the date you make the purchase until you pay the purchase in full. See exceptions below. <ul style="list-style-type: none"> <li>• We will not charge you interest during a billing cycle on any purchases if: <ol style="list-style-type: none"> <li>1. You had no balance at the start of the billing cycle; OR</li> <li>2. You had a balance at the start of the billing cycle and you paid that balance in full by the due date in that billing cycle.</li> </ol> </li> <li>• We will credit, as of the start of the billing cycle, any payment you make by the due date that we allocate to purchases if: <ol style="list-style-type: none"> <li>1. You had no balance at the start of the previous billing cycle; OR</li> <li>2. You had a balance at the start of the previous billing cycle and you paid that balance in full by the due date in the previous billing cycle.</li> </ol> </li> </ul>
<b>How We Calculate Interest</b>	We figure the interest charge on your account separately for each balance type. We do this by applying the daily rate to the daily balance for each day in the billing cycle. A separate daily balance is calculated for the following balance types, as applicable: purchases and balances subject to different interest rates, or special promotions. See below for how this works. <ol style="list-style-type: none"> <li>1. How to get the daily balance. We take the starting balance each day, add any new charges and fees, and subtract any payments or credits. This gives us the daily balance. Insurance premiums, if any, are not included in the daily balance subject to interest charge. Late payment fees and debt cancellation fees are treated as new purchases.</li> <li>2. How to get the daily interest amount. We multiply each daily balance by the daily rate that applies.</li> <li>3. How to get the starting balance for the next day. We add the daily interest amount in step 2 to the daily balance from step 1.</li> <li>4. How to get the interest charge for the billing cycle. We add all the daily interest amounts that were charged during the billing cycle.</li> </ol> <p>We charge a minimum of \$2.00 of interest in any billing cycle in which you owe interest. This charge is added proportionately to each balance type.</p>
How Fees Work	
<b>Late Payment Fee</b>	We will charge this fee if we do not receive the total minimum payment due on your account by 5 p.m. (ET) on the due date. This fee is equal to: <ol style="list-style-type: none"> <li>1. \$27, if you have paid your total minimum payment due by the due date in each of the prior six billing cycles.</li> <li>OR</li> <li>2. \$38, if you have failed to pay your total minimum payment due by the due date in any one or more of the prior six billing cycles.</li> </ol> <p>The late payment fee will not be more than the total minimum payment that was due.</p>

### Minimum Payment Calculation

Your total minimum payment is calculated as follows.

The greater of:

1. The sum of:

- (a) \$27, or \$38 (which includes any past due amounts) 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; PLUS
- (b) Any credit insurance premiums charged in the current billing cycle,

OR

2. The sum of:

- (a) The following amounts, rounded up to the next highest whole dollar:
  - (i) Any past due amounts; PLUS
  - (ii) 1% of your new balance shown on your billing statement (excluding any balance in connection with a special promotional purchase with a unique payment calculation); PLUS
  - (iii) Any late payment fees charged in the current billing cycle; PLUS
  - (iv) All interest charged in the current billing cycle; PLUS
- (b) Any credit insurance premiums charged in the current billing cycle; PLUS
- (c) Any payment due in connection with a special promotional purchase with a unique payment calculation,

OR

3. The sum of:

- (a) Any unpaid interest; PLUS
- (b) Any credit insurance premiums and other insurance premiums charged in the current billing cycle; PLUS
- (c) Any payment due in connection with a special promotional purchase with a unique payment calculation; PLUS
- (d) Any past due amounts.

In any event, your total minimum payment will never be more than your new balance. Any payment due in connection with a special promotional purchase with a unique payment calculation will not be increased, but may be included in the \$27 or \$38 minimum amount otherwise due on your account.

**Special Promotional Financing Offer Information.** At times, we may offer you special financing promotions for certain transactions ("special promotions"). The terms of this Agreement apply to any special promotions. However, any special promotional terms that are different than the terms in this Agreement will be explained on special promotion promotional advertising or other disclosures provided to you.

Below is a description of certain promotions that may be offered at JCPenney Stores and online at jcp.com:

No Interest For 6, 12, 24, 36, 48 or 60 Months	For each promotion, after the promotion ends, the APR that applies to your account when the promotional purchase is made will apply. At the time your account is opened, the Purchase APR is 26.99%.
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When you make a qualifying purchase under one of these promotions, no interest will be assessed on the purchase during the promotional period, but minimum monthly payments are required. Regular account terms apply to non-promotional purchases and, after promotion ends, to your promotional purchases. Offers are subject to credit approval. These promotional offers may not be available at all times for all purchases. Please see any special promotion advertising or other disclosures provided to you for the full terms of any special promotion offered.

In addition, the special promotions described below may be offered at JCPenney Stores and online at jcp.com:

No Interest if Paid in Full Within 6, 12, 18, 24, 30, 36 or 48 Months	For each promotion, if the promotional balance is not paid in full within the promotional period, interest will be imposed from the date of purchase at the Purchase APR that applies to your account when the promotional purchase is made. At the time your account is opened, the Purchase APR is 26.99%.
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When you make a qualifying purchase under one of these promotions, no interest will be assessed on the purchase if you pay the promotional purchase amount in full within the applicable promotional period. If you do not, interest will be assessed on the promotional balance from the date of the purchase. Minimum monthly payments are required. Regular account terms apply to non-promotional purchases and, after promotion ends, to promotional purchases. Offers are subject to credit approval. These promotional offers may not be available at all times for all purchases. Please see any special promotion advertising or other disclosures provided to you for the full terms of any special promotion offered.

## SECTION III: STANDARD PROVISIONS JCPENNEY CREDIT CARD ACCOUNT AGREEMENT

### ABOUT THE CREDIT CARD ACCOUNT AGREEMENT

**This Agreement.** This is an Agreement between you and Synchrony Bank, 170 Election Road, Suite 125, Draper, UT 84020, for your credit card account shown above. By opening or using your account, you agree to the terms of the entire Agreement. The entire Agreement includes the four sections of this document, the application you submitted in connection with the account. These documents replace any other agreement relating to your account that you or we made earlier or at the same time.

**Parties To This Agreement.** This Agreement applies to each accountholder approved on the account and each of you is responsible for paying the full amount due, no matter which one uses the account. We may treat each of you as one accountholder and may refer to each of you as "you" or "your". Synchrony Bank may be referred to as "we", "us" or "our".

**Changes To This Agreement.** We may change, add or delete terms of this Agreement, including interest rates, fees and charges.

**Special Promotions.** The terms of this Agreement apply to any special promotion. However, any special promotional terms that are different than the terms in this Agreement will be explained on promotional advertising or other disclosures provided to you.

### HOW TO USE YOUR ACCOUNT/CARD

**Use Of Your Account.** You may use your account only for lawful personal, family or household purposes. You may use your account for purchases from JCPenney Stores, jcp.com, or other companies authorized to accept the JCPenney Credit Card.

**You Promise To Pay.** You promise to pay us for all amounts owed to us under this Agreement.

**Your Responsibility.** Each accountholder will receive a card. You may not allow anyone else to use your account. If you do, or if you ask us to send a card to someone else, you will be responsible for paying for all charges resulting from their transactions.

**Purchase Limits.** To prevent fraud, we may limit the number or dollar amount of purchases you can make in any particular amount of time. We also may decline any particular charge on your account for any reason.

**Credit Limit.** You will be assigned a credit limit that we may increase or decrease from time to time. If we approve a purchase that makes you go over your credit limit, we do not give up any rights under this Agreement and we do not treat it as an increase in your credit limit.

#### HOW AND WHEN TO MAKE PAYMENTS

**When Payments Are Due.** You must pay at least the total minimum payment due on your account by 5 pm (ET) on the due date of each billing cycle. Payments received after 5 pm (ET) will be credited as of the next day. 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 will pay. We may delay making credit available on your account in the amount of your payment even though we will credit your payment when we receive it.

**Payment Options.** You can pay by mail, online or at a JCPenney Store. JCPenney 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 JCPenney 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 but we may charge you a fee to make expedited phone payments. Your payment must be made in U.S. dollars by physical or electronic check, money order or a similar instrument from a bank located in the United States.

**How To Make A Payment.** You must follow the instructions for making payments provided on your billing statement. If you do not, credit of your payment may be delayed up to five days. Your billing statement also explains how information on your check is used.

**Payment Allocation.** We will apply the required total minimum payment to balances on your account using any method we choose. Any payment you make in excess of the required total minimum payment will be applied to higher APR balances before lower APR balances. Applicable law may require or permit us to apply excess payments in a different manner in certain situations, such as when your account has a certain type of special promotion.

#### INFORMATION ABOUT YOU

**Using And Sharing Your Information.** When you applied for an account, you authorized and directed us to give information about you and your account to JCPenney and its affiliates and licensees (the "JCPenney family"). The JCPenney family will use the information in connection with the credit program and for things like creating and updating its records for you, assisting them in better serving you, and providing you with notices of special promotions, marketing materials and tailored offerings. More information about how we use and share information is set forth in the privacy policy for your account.

**Address/Phone Change.** You represent that any phone number that you provide to us belongs to you and/or that you are authorized to provide that number. You also agree to tell us right away if you change your address or any phone number.

**Consent To Communications.** You consent to us, as well as any other owner or servicer of your account, contacting you through any channel of communication and for any purpose, as permitted by applicable law. For informational, servicing or collection related communications, you agree that we may use the phone numbers that you provide to us to contact your cellular phone or wireless device with text messages, artificial or prerecorded voice calls, and calls made by an automatic telephone dialing system. This consent applies even if you are charged for the call under your plan. You are responsible for any charges that may be billed to you by your communications carrier when we contact you.

**Telephone Monitoring.** For quality control, you allow us to listen to and/or record telephone calls between you and us.

#### IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

**Closing Your Account.** You may close your account at any time by sending a letter to the address shown on your billing statement or calling customer service. We may close your account at any time, for any reason. If your account is closed, you must stop using it. You must still pay the full amount you owe and this Agreement will remain in effect until you do.

**Collection Costs.** If we ask an attorney who is not our salaried employee to collect your account, we may charge you our collection costs. These include court costs and reasonable attorneys' fees.

**Credit Bureau Reporting.** We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be shown in your credit report. Tell us if you think we reported wrong information about you to 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). 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 us a copy.

**Default.** 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 (a) request payment of the full amount due right away, (b) take legal action to collect the amounts owed, and/or (c) take any other action allowed.

**Disputed Amounts.** The billing rights summary in section IV of this Agreement describes what to do if you think there is a mistake on your bill. If you send us correspondence about a disputed amount or payment, you must send it to the address for billing inquiries. We do not give up any rights under this Agreement if we accept a payment marked "payment in full" or given with any other conditions or limitations.

**Unauthorized Use.** If your card is lost, stolen or used without your consent, call us immediately at (800) 542-0800 (Puerto Rico and U.S. Virgin Islands residents, call 1-800-981-8400). You will not be liable for unauthorized use on your account, but you will be responsible for all use by anyone you give your card to or allow to use your account.

#### IMPORTANT INFORMATION ABOUT THIS AGREEMENT

**Assignment.** We may sell, assign or transfer any or all of our rights or duties under this Agreement or your account, including 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.

**Enforceability.** If any part of this Agreement is found to be void or unenforceable, all other parts of this Agreement will still apply.

**Governing Law.** Except as provided in the Resolving a Dispute with Arbitration section, 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.

**Waiver.** We may give up some of our 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.

#### RESOLVING A DISPUTE WITH ARBITRATION

**PLEASE READ THIS SECTION CAREFULLY. IF YOU DO NOT REJECT IT, THIS SECTION 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.**

##### • What claims are subject to arbitration

1. If either you or we make a demand for arbitration, you and we must arbitrate any dispute or claim between you or any other user of your account, and us, our affiliates, agents and/or J. C. Penney Corporation, Inc. if it relates to your account, except as noted below.
2. 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) a case we file to collect money you owe us. However, if you respond to the collection lawsuit by claiming any wrongdoing, we may require you to arbitrate.
3. Notwithstanding any other language in this section, only a court, not an arbitrator, will decide disputes about the validity, enforceability, coverage or scope of this section or any part thereof (including, without limitation, the next paragraph of this section and/or this sentence). 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.

##### • No Class Actions

**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 ACCOUNTHOLDER WHO IS NOT AN ACCOUNTHOLDER ON YOUR ACCOUNT, AND YOU AGREE THAT ONLY ACCOUNTHOLDERS ON YOUR ACCOUNT MAY BE JOINED IN A SINGLE ARBITRATION WITH ANY CLAIM YOU HAVE.** If a court determines that this paragraph is not fully enforceable, only this sentence will remain in force and the remainder will be null and void, and the court's determination shall be subject to appeal. This paragraph does not apply to any lawsuit or administrative proceeding filed against us by a state or federal government agency even when such agency is seeking relief on behalf of a class of borrowers, including you. This means that we will not have the right to compel arbitration of any claim brought by such an agency.

• **How to start an arbitration, and the arbitration process**

1. The party who wants to arbitrate must notify the other party in writing. This notice can be given after the beginning of a lawsuit or in papers filed in the lawsuit. Otherwise, your notice must be sent to Synchrony Bank, Legal Operation, P.O. Box 29110, Shawnee Mission, KS 66201-5320, ATTN: ARBITRATION DEMAND. The party seeking arbitration must select an arbitration administrator, which can be either the American Arbitration Association (AAA), 120 Broadway, Floor 21, New York, NY 10271, 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 administrator is able or willing to handle the dispute, then the court will appoint an arbitrator.
2. If a party files a lawsuit in court asserting claim(s) that are subject to arbitration and the other party files a motion with the court to compel arbitration, which is granted, it will be the responsibility of the party asserting the claim(s) to commence the arbitration proceeding.
3. The arbitration administrator will appoint the arbitrator and will tell the parties what to do next. The arbitrator must be a lawyer with at least ten years of legal experience. Once appointed, the arbitrator must apply the same law and legal principles, consistent with the FAA, that would apply in court, but may use different procedural rules. If the administrator's rules conflict with this Agreement, this Agreement will control.
4. The arbitration will take place by phone or at a reasonably convenient location. If you ask us to, we will pay all the fees the administrator or arbitrator charges, as long as we believe you are acting in good faith. We will always pay arbitration costs, as well as your legal fees and costs, to the extent you prevail on claims you assert against us in an arbitration proceeding which you have commenced.

• **Governing Law for Arbitration**

This Arbitration section of your Agreement is governed by the Federal Arbitration Act (FAA). Utah law shall apply to the extent state law is relevant under the FAA. 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.

• **How to reject this section.**

**You may reject this Arbitration section of your Agreement. If you do that, only a court may be used to resolve any dispute or claim. To reject this section, you must send us a notice within 60 days after you open your account or we first provided you with your right to reject this section. The notice must include your name, address and account number, and must be mailed to Synchrony Bank, PO Box 965012, Orlando, FL 32896-5012. This is the only way you can reject this section.**

## SECTION IV: OTHER IMPORTANT INFORMATION JCPENNEY CREDIT CARD ACCOUNT AGREEMENT

**STATE NOTICES**

**NEW JERSEY RESIDENTS:** Certain provisions of this Agreement are subject to applicable law. As a result, they may be void, unenforceable or inapplicable in some jurisdictions. None of these provisions, however, is void, unenforceable or inapplicable in New Jersey.

**NEW YORK RESIDENTS:** This Agreement will not become effective unless and until you or an authorized user signs a sales slip or memorandum evidencing a purchase or lease of property or services or the payment of a fine by use of your credit card and prior thereto you will not be responsible for any purchase or lease of property or services by use of your credit card after its loss or theft.

**TENNESSEE RESIDENTS:** This Agreement will not become effective unless and until we have (1) provided the disclosures required pursuant to the federal Truth in Lending Act, (2) you or an authorized user uses the account, and (3) we extend credit to you for that transaction on your account.

**WISCONSIN RESIDENTS:** No provision of a marital property agreement, a unilateral statement under sec. 766.59, Wis. Stats., or a court decree under sec. 766.70, Wis. Stats., adversely affects the interest of the creditor unless the creditor, prior to the time credit is granted, is furnished a copy of the agreement, statement or decree or has actual knowledge of the adverse provision when the obligation to the creditor is incurred. **Married residents of Wisconsin applying for an individual account must give us the name and address of their spouse if the spouse also is a Wisconsin resident, regardless of whether the spouse may use the card. Please provide this information to us at P.O. Box 965009, Orlando, FL 32896-5009.**

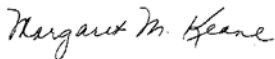
**PUERTO RICO RESIDENTS:** You may request a copy of this Agreement in Spanish.

**NOTICE FOR ACTIVE DUTY MILITARY MEMBERS AND THEIR DEPENDENTS:** The following disclosures apply to you if you open your Account on or after October 3, 2017 and, at the time your account is opened, you are a "covered borrower" as defined in the Military Lending Act, which includes eligible active duty members of the Armed Forces and their dependents:

1. The provision in the Cardholder Agreement called "Resolving a Dispute with Arbitration" will not apply to your Account.
2. Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an Annual Percentage Rate of 36 percent. This rate must include, as applicable to the credit transaction or account: the costs associated with credit insurance premiums; fees for ancillary products sold in connection with the credit transaction; any application fee charged (other than certain application fees for specified credit transactions or accounts); and any participation fee charged (other than certain participation fees for a credit card account).
3. You can call 855-367-4541 to hear the information in item 2 (above) and a description of the payment obligation for your Account.

**Your signature on the application or sales slip (or online screen) for the initial purchase approved on this account represents your signature on this Agreement. It is incorporated herein by reference.**

**We have signed this Agreement as follows:**



Margaret Keane  
President and CEO  
Synchrony Bank

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**YOUR BILLING RIGHTS SUMMARY**

*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:

Synchrony Bank  
P.O. Box 965008  
Orlando, FL 32896-5008

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:

Synchrony Bank  
P.O. Box 965008  
Orlando, FL 32896-5008

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

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### JCPenney Rewards Program Description

Membership in the JCPenney Rewards Program ("Program") is open to individuals who are residents of the 50 states of the U.S. and PR, and who are 18 years of age or older (each a "Member" or "you"). JCPenney credit cardmembers who meet those criteria are automatically enrolled in the Program. Program membership is not available to corporations, businesses, non-profit organizations, partnerships, governmental agencies, or any other entity, unless written approval is received in advance from JCPenney. Also resellers are expressly excluded from the Program. This summary description of the Program is effective July 11, 2017. For full Program terms and conditions as of that date, or for other questions about the Program, please visit [www.jcp.com/rewards](http://www.jcp.com/rewards) or call 1-888-527-7937.

**Rewards Points & Certificates.** For each \$1 spent on a qualifying purchase at JCPenney stores or [jcp.com](http://jcp.com), you will receive 1 JCPenney Rewards point ("point") up to the Point Maximum if the purchase is made with a JCPenney credit card in good standing. If you use a different payment method, you will receive 1 point for every \$2 spent on a qualifying purchase up to the Point Maximum. The maximum number of points that you can receive for a single purchase transaction is 2,000 points ("Point Maximum") regardless of the amount of the qualifying purchase. Points are issued with respect to [jcp.com](http://jcp.com) orders (made online or in-store) when payment card/account is charged at time of shipment. If you return a qualifying purchase, the points you received for that purchase will be deducted from your Program account in the month the return is made. Points are earned on the dollar amount of the qualifying purchase after all applicable discounts, offers, coupons and rewards are applied. **The following are not qualifying purchases:** Sephora products that are not purchased from JCPenney in JCPenney Stores or on [jcp.com](http://jcp.com), Home Services (other than purchases of In-Home Custom Window Treatments), gift cards, Service Plans, international purchases, and dollars spent on sales tax, state fees, and charges and fees (e.g. shipping, delivery or installation charges and restocking or recycling fees). Once you reach 200 points, you will be issued a \$10 JCPenney Rewards certificate ("reward") redeemable on eligible JCPenney purchases (some exclusions and restrictions apply; see reward for details) and 200 points will be deducted from your Program account. Points will not expire as long as your Program account stays "active." "Active" means that you earn points for a qualifying purchase at least once in a 12 month period. Rewards will state the date they expire. Rewards will be delivered via email or are accessible at [www.jcp.com/rewards](http://www.jcp.com/rewards) or at the register at check out. Rewards will be mailed to JCPenney credit cardmembers (other than residents of HI) who do not have a valid email address on file with their Program account. Residents of HI must provide a valid email address to receive rewards and other Program benefits. You will be notified as they are earned. If you use a reward to make a purchase that is less than the amount designated on the certificate, you will forfeit the remainder of that reward. Rewards cannot be credited to any account, redeemed for cash, replaced if merchandise is returned, or applied to prior purchases. Lost or stolen rewards are not replaceable. Unless otherwise expressly stated or pursuant to a particular Program feature, Program membership, points, rewards and offers are not transferable. Rewards are void where prohibited by law.

**By providing an email address and participating in the Program, you agree to receive operational communications about the Program and promotional email offers and updates from JCPenney Rewards, JCPenney and its affiliates and licensees.** Members may unsubscribe from JCPenney and JCPenney Rewards promotional emails at any time via the unsubscribe link in those emails. JCPenney reserves the right to amend or modify the Program or any of its terms, features or benefits at any time and in any way without notice (including, without limitation, the number of points or rewards earned for each dollar in purchases, the number of points that can be earned per transaction, the type and amount of any JCPenney Reward certificate, and the type and amount of other Program features and benefits). JCPenney further reserves the right to terminate the Program or any Program features or benefits at any time without notice. Abuse of the Program, as determined by JCPenney in its sole judgment, may result in a Member being disqualified from participation in the Program, including forfeiture of unused Rewards points or issued, but unused rewards, to the extent permitted by applicable law. The Program is sponsored by and administered by JCPenney.

### **JCPenney Gold / Platinum Card Level Details**

You must spend \$500 or more on merchandise or services at JCPenney Stores or jcp.com with your JCPenney credit card in a calendar year to earn or maintain JCPenney Gold Status. Spend \$1,000 or more on merchandise or services at JCPenney Stores or jcp.com with your JCPenney credit card in a calendar year to earn or maintain JCPenney Platinum Status. JCPenney Gold / Platinum Status is determined at the time of your monthly billing statement after meeting purchase threshold. We reserve the right to change or cancel the JCPenney Gold / Platinum Program or any or all of its benefits at any time without notice. If your account is not in good standing and/or you no longer meet our criteria, you may be ineligible for the JCPenney Gold / Platinum Program and/or unable to take advantage of JCPenney Gold / Platinum Promotions. The JCPenney Gold / Platinum benefits are available only while you are a resident of the 48 contiguous United States, Puerto Rico and Alaska. The JCPenney Gold / Platinum Program is provided by Synchrony Bank.

## PRIVACY POLICY

Rev. 3/17

<b>FACTS</b>	<b>WHAT DOES SYNCHRONY BANK DO WITH YOUR PERSONAL INFORMATION</b>	
<b>Why?</b>	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.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and income</li> <li>▪ Account balances and payment history</li> <li>▪ Credit history and credit scores</li> </ul>	
<b>How?</b>	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 Synchrony Bank chooses to share; and whether you can limit this sharing.	
<b>Reasons we can share your personal information</b>	<b>Does Synchrony Bank share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes—</b> such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes—</b> to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes—</b> information about your creditworthiness	Yes	Yes
<b>For our affiliates to market to you</b>	Yes	Yes
<b>For nonaffiliates to market to you</b>	Yes	Yes*
<b>To limit our sharing</b>	<p>Call <b>1-877-969-1233</b> — our menu will prompt you through your choice(s)</p> <p><b>Please note:</b> If you are a <i>new</i> customer, we can begin sharing your information 30 days from the date we sent this notice, or earlier if you consent or for types of information for which you do not have the right to limit our sharing. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>	
<b>Questions?</b>	Call 1-800-542-0800 (Puerto Rico, U.S. Virgin Islands or Guam residents call 1-800-981-8400)	



## What we do

<b>How does Synchrony Bank protect my personal information?</b>	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.
<b>How does Synchrony Bank collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ open an account or give us your contact information</li> <li>▪ provide account information or pay your bills</li> <li>▪ use your credit card</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes - (information about your creditworthiness)</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
<b>What happens when I limit sharing for an account I hold jointly with someone else?</b>	Your choices will apply to everyone on your account.

## Definitions

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Our affiliates include financial companies, such as Synchrony Financial and its subsidiaries, including Retail Finance Credit Services, LLC and CareCredit LLC.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ <i>Nonaffiliates we share with can include the retailer named on your account and direct marketing companies.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ <i>Our joint marketing partners include insurance companies.</i></li> </ul>

## Other important information

If your account has a California or Vermont billing address, you are automatically treated as if you have chosen to limit our sharing of information with affiliates and non-affiliates. If your account has a California billing address, we will not share information for joint marketing purposes with other financial companies. If your account no longer has a California or Vermont address, these special rules will stop applying and you will need to notify us if you want to exercise your right to restrict our sharing of information with affiliates or non-affiliates.

\*Please keep in mind that we share information about you with JCPenney and its affiliates and licensees (the "JCPenney family") for use in connection with the JCPenney Credit Card Program and as otherwise permitted by law. They may use this information to create and update their records, to provide you with notices of special promotions and other tailored offerings, to answer questions about your account and perform other JCPenney Credit Card Program functions or for other purposes permitted by law. If you choose to limit our sharing of information with nonaffiliates, your choice will not prohibit us from sharing your information with the JCPenney family.

The above notice applies only to consumer JCPenney Credit Card Accounts with Synchrony Bank and does not apply to any other accounts you have with us. It replaces our previous privacy notice disclosures to you. We can change our privacy policy at any time and will let you know if we do if/as required by applicable law.

For helpful information about identity theft, visit the Federal Trade Commission's (FTC) consumer website at <https://www.identitytheft.gov/>.