

DEFINITIONS

Address on file

Your address on file is the address that you provided on your application to open this credit card account, unless: (1) we have received and processed your written notice of a change of address provided in accordance with the terms disclosed on the back of your bill, in which case that new address is the address of record; or (2) in the event that your address changes before we have sent out your first bill, we have received and processed your written notice of a change of address sent to us at the address for mailing payments.

APR or Annual percentage rate

APR or “annual percentage rate” is an annualized interest rate. Different APRs may apply to different balances on your account, such as your purchase balance or your cash advance balance. We use the APR that applies to each balance to calculate the interest that you owe us on the account.

Assign

We assign your credit card contract if we sell or pass to a third party any or all of our rights or obligations under the contract, including any amount that you owe under the contract. Subject to the extent of the assignment, any party to whom we assign your contract will enjoy all our rights under the contract, including contractual rights to collect amounts that you owe on the account.

Authorized charge

An authorized charge is any charge that you or any authorized user makes on the account, and any fees and interest charges owing on the account.

Any charge made by an authorized user is an authorized charge. This is true even if you told the authorized user not to make that specific charge.

A charge will still be authorized even if it is an illegal transaction (like illegal gambling charges), or it puts you over your credit limit, or it is made after your account has closed.

An authorized charge can be made over the telephone, in person, on the Internet, or in any other way that your account can be used.

Authorized user

If you ask us to issue a credit card on this account to another person, he or she is an authorized user. In addition, if you give your card or card number to another person, he or she is an authorized user.

Average daily balance method with compounding

We calculate a Daily Balance for your Account balance. We maintain separate balances for your Purchases, Cash Advances, and special promotional (each, a “Balance Type”) and calculate a Daily Balance for each. To determine the Daily Balance for a Balance Type, we take the

beginning balance for the Balance Type, add any new charges included in that Balance Type, and subtract any payments and credits applied to that Balance Type. We then multiply the resulting balance by the applicable Daily Periodic Rate to determine the daily Interest Charge. The daily interest charge is not added to the beginning balance; however it is accrued daily and billed monthly. Purchases and Cash Advances are included in the Daily Balance as of the later of the transaction date or the first day of the billing period in which the Purchase or the Cash Advance is posted to the Account. At the end of the billing period, we will add up the daily Interest Charges on all Balance Types for each day in the billing period to get the total Interest Charge for the billing period. The Balance Subject to Interest Rate shown on the front of the statement is the average daily balance which is multiplied by the number of days in the billing cycle and the periodic rate applied to the Balance Type to determine the amount of interest.

Balance

We put each charge on your account, including interest or fees, into a balance category. We use the different balances to calculate the correct interest charges on your account. If any type of charge has a separate interest rate, we will put it into a separate balance. This means that your account may have separate balances for purchases, cash advances, and balance transfers. It also means that if any charges are subject to an introductory or other promotional interest rate for a period, we will place such charges into a separate balance for the time period that you qualify for the special rate.

We place interest charges into the balance that generated those charges. For example, we place interest charges on purchases into your purchase balance.

We place fees that result from a specific charge into the same balance as that specific charge. For example, we place a foreign transaction fee that we assess on a cash advance into your cash advance balance. We place fees that do not result from a specific charge, such as a returned payment fee, into your purchase balance.

Balance transfer

You make a balance transfer when you contact us to transfer a balance electronically or by phone.

Billing period

“Billing Period or Cycle” means a period of time that might vary in length but is approximately 30 days. The specific period of time is described on each Statement. However, you will have a Billing Cycle even if a Statement is not required. We will often specify a Billing Cycle by the month in which its closing date occurs as provided on the Statement. For example, a “March Billing Cycle” will have a closing date in March. We may also refer to a Billing Cycle as a “Billing Period.” If your Account balance has charged off, we may switch to quarterly Billing Cycles to your Account.

Bill

Your bill is the statement of your account. Your bill will tell you the total amount that you owe us as of the end of the last billing period. It will also tell you the minimum payment that you must make to us by the stated due date.

We will send you a bill at the end of each billing period if at that point you have a credit or debit on the account equal to or more than \$1. We may not send you a bill, however, if we have decided your account is uncollectible or if we have sent the account for collection proceedings against you.

In our discretion, we may choose to send you a bill even if you do not have a credit or debit of \$1 or more.

Cash advance

You receive a cash advance when you use your card or account to do any of the following:

1. obtain cash from an automated teller machine (ATM); or
2. obtain cash from any other source; or
3. make a wire transfer; or
4. buy foreign currency; or
5. buy traveler's checks; or
6. buy money orders; or
7. buy Lottery tickets; or
8. buy gambling chips and wagers; or
9. cash an access check.

Card

Your card is the physical card, the account number, or any device (including a check) that can be used to access your credit card account.

Daily balance method with compounding

According to this method, we calculate the interest charges for each balance by applying the "daily periodic rate" for that balance to the "daily balance" for that balance. We do this for each day in the billing cycle and sum the resulting interest charges. That gives us the total interest charges for that balance for that billing period.

The "daily periodic rate" is a daily interest rate. The daily periodic rate for a given balance is equal to the APR for that balance divided by 365.

We calculate the "daily balance" for each balance. We do this by starting with the beginning amount of that balance for each day. We add any new charges for that day, add any interest on the previous daily balance if there is one in that billing cycle, and subtract any payments or credits. This gives us the "daily balance."

The addition of the prior day's interest to the daily balance calculation causes interest to compound daily.

We add fees that are specific to a particular charge to the same daily balance as that particular charge. We add all other applicable fees to your purchase balance as of the first day of a billing period.

Daily balance method without compounding

According to this method, we calculate the interest charges for each balance by applying the “daily periodic rate” for that balance to the “daily balance” for that balance. We do this for each day in the billing cycle and sum the resulting interest charges. That gives us the total interest charges for that balance for that billing period.

The “daily periodic rate” is a daily interest rate. The daily periodic rate for a given balance is equal to the APR for that balance divided by 365.

We calculate the “daily balance” for each balance. We do this by starting with the beginning amount of that balance. We add any new charges for that day, excluding any unpaid finance charge, and subtract any payments or credits. This gives us the “daily balance.”

We add fees that are specific to a particular charge to the same daily balance as that particular charge. We add all other applicable fees to your purchase balance as of the first day of a billing period.

Daily periodic rate or DPR

DPR stands for “Daily Periodic Rate.” This is a daily interest rate. The daily periodic rate or DPR for a given balance is equal to the APR on that balance divided by 365.

Default

We may consider you in default of your Agreement with us if:

- (1) You do not make any payment when it is due;
- (2) Any payment you make is rejected, not paid or cannot be processed;
- (3) You exceed a credit limit;
- (4) A bankruptcy or other insolvency proceeding is filed by or against you;
- (5) You die or are legally declared incompetent or incapacitated;
- (6) We determine that you made a false, incomplete or misleading statement on any of your Account documentation, or you otherwise tried to defraud us;
- (7) You do not comply with any term of this Agreement or any other agreement with us; or
- (8) You permanently reside outside the United States.

Due date

The due date is the date by which we must receive your payment in order for it to be on time. Your bill lists the due date.

Your due date will always fall on the same calendar day of the month. It will be at least 21 days from the date that we send you the bill, and at least 25 days from the end of your most recently ended billing period.

To be on time, we must receive your payment on or before the due date and by the time stated on your bill. If the bill does not state a time, then your payment is on time if we receive it by 5 pm on the due date. The 5 pm deadline is measured in the time zone in which we receive the payment, which may not be your time zone.

If we do not receive or accept payments by mail on the due date, your payment will be on time if it is received by the next day that we accept or receive payments by mail.

Grace period

“Grace Period” means the period of time during the billing cycle when you will not accrue interest on certain transactions or balances. There is no grace period for Balance Transfers or Cash Advances; we begin charging interest on Balance Transfers and Cash Advances on the transaction date. We will not charge interest on Purchases on the next statement if you pay the New Balance Total in full by the Payment Due Date.

Foreign currency transaction

A foreign currency transaction is a purchase and/or cash advance that you make in a foreign currency, i.e. not U.S. dollars.

The card network that processes these transactions will calculate a U.S. dollar amount for each such transaction. The type of card you have determines which network (Visa, MasterCard, Discover or American Express) does this calculation. Each network uses either a government-mandated or wholesale rate in effect on the date that the network processes the transaction. The rate in effect on the processing date may be different from the rate on the date that you made the transaction or on the date that the transaction posts to your account.

Late payment

A late payment is your failure to make at least the minimum payment so that it reaches us by or before the time and due date on your bill.

Minimum Payment

The bill we send you will state your due date and the minimum amount that you must pay us by that date. This amount is your minimum payment. If you do not pay the minimum payment by the due date, we may charge you a late payment fee. You will also be in breach of the contract.

You may pay all or part of your account balance at any time. However, for each bill, you must pay at least the minimum payment by the due date stated on that bill.

Prime Rate

This is the U.S. Prime Rate published in the Wall Street Journal. If the Wall Street Journal no longer publishes a prime rate, we will use a similar published rate that we choose.

Protected balances

Protected balances are amounts owing on the account that under law are not subject to an increase in interest rates or fees. In general, a protected balance includes any charge incurred

before or within 14 days after we send notice of such an increase. If you receive notice of an increase in an interest rate, the notice will tell you the charges to which the new rate will apply.

Purchases

A purchase is the use of your card to buy or lease products or services. The purchase of cash or cash equivalents, like casino chips or lottery tickets, is a cash advance, not a purchase.

Returned payment

This is a payment that you make to us that is not honored by your financial institution. We may charge you a returned payment fee if your payment is returned.

Your agreement will state the amount of any returned payment fee that we charge. Your financial institution may also impose fees on you for the same returned payment.

If we re-submit a returned payment to your financial institution, and your financial institution subsequently honors it, we may still assess a fee because your payment was initially returned to us unpaid. However, if the same payment is returned unpaid more than once, we will not charge more than one returned payment fee. But if you make a new payment to us and it is not honored by your financial institution, we may impose a new returned payment fee.

Standard payment instructions

You must pay your credit card bill in a manner that meets all the following conditions:

1. You must pay in U.S. Dollars; and
2. You must not pay in cash, unless you pay at one of our branches; and
3. Except for payments made pursuant to (2) above, your payment must be drawn on a U.S. deposit account, or by a cashier's check drawn on a U.S. bank or a foreign bank branch in the U.S.; and
4. You must not attach any restrictive language to your payment; and
5. You must not pay from a credit account that we provide you, such as a check drawn on any credit card account that you have with us; and
6. If you make payment in a paper form (like a check, money order, or cashier's check), you must include the payment coupon from your statement OR write your credit card account number on the payment.

Workout arrangement

This is a special arrangement between us and you in which we agree to a temporary reduction in applicable interest rates or fees in return for your agreement to follow a defined payment schedule. Any such agreement will be in writing. It may provide that upon completion of the workout arrangement or upon your failure to comply with the terms of the workout arrangement, interest rates and fees may increase up to the same terms as were in effect before the workout arrangement.