

**INFORMATION BOX –
SEARS™ MASTERCARD®**

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| Annual Interest Rate | These rates are in effect as of the date of your application: Purchases: 19.99% Cash Advances: 19.99% (includes Balance Transfers and Convenience Cheques) |
| Interest-free Grace Period | You will benefit from an interest-free grace period of at least 21 days on new purchases of goods or services on your card if you pay the outstanding balance owing on your statement in full by the due date (1). There is no interest-free grace period for cash advances, balance transfers, convenience cheques, cash-like transactions and applicable cash advance fees. |
| Minimum Payment | Is the greater of A. \$10.00 or B. 1% of the New Balance shown on your statement plus (if applicable) all new Interest Charges and any Over the Credit Limit Fee. PLUS (if applicable) Low Interest Program Payments, Insurance Premiums, Past Due Amounts and any amount over your Credit Limit (2). If your balance is less than the above, the Minimum Payment will equal the balance. |
| Foreign Currency Conversion | Foreign Currency Conversion: We will bill you in Canadian Currency if you use your account to make a transaction in foreign currency. We will convert it into Canadian currency at the exchange rate set by MasterCard International Inc. in effect at the time we post the transaction to your account. This exchange rate may be different from the rate in effect on the transaction date. Foreign Currency Transaction Charges: We will not charge you any additional foreign currency conversion charge. |
| Annual Fees | No Annual Fee. |
| Other Fees | To be charged on the day the transaction occurs: (unless otherwise indicated) Cash Advance 1.0% of the Cash Advance amount, minimum \$5.00 Dishonoured Cheque \$25.00 Fast Card* \$20.00 Over the Credit Limit \$25.00 Extra Copy of your monthly statement \$2.00 per statement Copy of sales draft \$4.00 per item. No charge if our error Credit balance administration The lesser of \$25.00 or the amount of your credit balance. This fee will apply to accounts which have inactive credit balances for a period of at least 12 months and will be assessed annually thereafter. |

*Charged when a replacement Card is sent by courier within 72 hours at the Cardholder's request.

(1) Interest Free Grace Period: The number of days between the Statement Date and the Payment Due Date shown on your account statement is the Grace Period for new purchases of goods and services on that account. Interest will accrue on the new purchases of goods and services from their transaction date(s) if the New Balance amount on the account statement on which these transactions first appear is not paid in full by the said Payment Due Date. Interest is charged on cash advances, balance transfers, convenience cheques, cash-like transactions and applicable cash advance fees from the date of the transaction until paid in full.

(2) Minimum Payment: Minimum Payment is specified on each account statement.

Lost or Stolen Cards: If your Card is lost or stolen, you will not be liable for unauthorized use of your Card, provided you meet the following criteria: (i) you have exercised reasonable care to safeguard your Card against loss or theft; (ii) you have not reported more than 2 unauthorized uses of your Card in the past 12 months; and (iii) your account is in good standing. If you do not meet these criteria, your maximum liability for unauthorized use of your Card in the event that it is lost or stolen is \$50.00. However, if your Card and PIN are used together to complete a transaction before you notify us that your Card is lost or stolen, you will be liable for the full debt including any interest arising from such debt. Once you notify us that your Card is lost or stolen, you will not be liable for any subsequent unauthorized transactions entered into through the use of your Card. However, you must identify for us the unauthorized charges from which you received no benefit.

Statement Frequency: Monthly (subject to exceptions permitted by law).

If you have a question or concern about your account, please contact us at:

Cardmember Service in Canada & the U.S.: English: 1-800-267-1660
French: 1-866-432-6991
International (call collect): 1-416-332-2588

All terms and conditions are subject to change.

The Sears MasterCard is issued by JPMorgan Chase Bank, N.A.

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**JPMORGAN CHASE BANK, N.A.
SEARS CARD, SEARS MASTERCARD AND
SEARS VOYAGE MASTERCARD
CARDHOLDER AGREEMENT**

ACCEPTANCE OF THIS AGREEMENT

This agreement sets out the terms and conditions under which we will provide credit to you through the use of one or more accounts which were opened when you obtained your Sears MasterCard, Sears Card or Sears Voyage MasterCard. This agreement replaces all earlier agreements relating to the Card. Please read the entire agreement and keep it for your records.

Certain sections of this agreement (for example, the sections dealing with cash advances and access to funds through automated banking machines, or optional financing programs) may apply only to Sears MasterCard, Sears Card or to Sears Voyage MasterCard. In order to obtain the details about the features relating to Sears MasterCard, Sears Card and Sears Voyage MasterCard, you must refer to the disclosure statement which accompanies this agreement and to all other disclosure documents which we provide to you from time to time. Both these credit cards will be collectively referred to as the "Card". The word "Card" also includes any other access devices, such as account numbers, that we have issued to permit you to obtain credit under this agreement.

Throughout this agreement, the words "we", "us", "our" and "Chase" mean JPMorgan Chase Bank, N.A., the issuer of your credit card and account. The words "you" and "your", mean you and any person who has been authorized by you to receive and use the Card.

If at your request, we used your account to issue supplementary Cards to others, "you" will also mean each one of you. All of you individually and together agree to be bound by this agreement. In addition, this agreement will be binding on your personal and legal representatives.

Please sign the back of your Card when you receive it. You will be bound by this agreement even if you don't sign your Card. If we have issued a Card to you; provided you with a renewal or replacement Card; or provided you with convenience cheques, and you keep or use the Card or convenience cheques, it means that you understand and agree to be bound by the terms of this agreement. You also agree to the terms of our privacy policy which has been provided to you. Your application for a Card, the disclosure statement which accompanies this agreement and all other disclosure documents which we provide to you form an integral part of this agreement. The terms of any optional financing program, as described below, also form an integral part of this agreement.

USING YOUR ACCOUNT

Provided that your account is in good standing, you may draw on it by using your Card wherever the Card is accepted and up to the maximum amount we have set as your credit limit. You promise to use your account only for valid and lawful transactions. It is not our responsibility to make sure that you use your account only for permissible transactions, and you will remain responsible for paying for a transaction even if it is not permissible. You authorize us to pay for and charge your account for all transactions made on your account.

Types of Transactions

- *Purchases:* You may use your card to pay for goods or services.
- *Convenience Cheques:* We may provide you with convenience cheques as a way to use your account. All transactions using convenience cheques will be treated as cash advances and will be subject to the terms of this agreement that apply to cash advances.
- *Cash Advances:* By using the Card together with a Personal Identification Number (PIN), you may also obtain cash advances at any automated bank machine (ABM) that allows you to use the Card. You may also obtain cash advances from financial institutions, businesses or merchants that accept the Card. If your Card is used to obtain a cash advance, you are deemed to have authorized the transaction. Cash advances will be defined to include convenience cheques, balance transfers, any other cash like transactions or charges (e.g. tax payments) and applicable cash advance fees and will be treated as cash advances under this agreement. Cash advances are not purchases of goods and services on your Card and are not eligible for an interest-free grace period.
- *Balance Transfers:* You may transfer balances from other accounts or loans with other credit card issuers or other lenders to your Sears MasterCard, or other balance transfers we allow. But you may not transfer balances to your Sears MasterCard from other accounts with us or any of our related companies. If a portion of a requested balance transfer will

exceed your available credit limit, we may process a partial balance transfer up to your available credit limit. All balance transfers will be treated as cash advances and will be subject to the terms of this agreement that apply to cash advances.

Mail, Telephone or Internet Purchases

If you incur debt on your account without presentation of your Card (such as for mail or internet orders or telephone purchases), your obligation to us will be the same as if the Card was used and a sales draft was signed by you.

Authorized Users

If you allow someone to use your account, that person will be an authorized user. You should think carefully before allowing anyone to become an authorized user because you are allowing that person to use the account as you can. You will remain responsible for the use of your account and each card issued on your account according to the terms of this agreement. This includes your responsibility for paying all charges on your account made by an authorized user.

You may request an additional card for use by an authorized user on your account. If you do so, this account may appear on the credit report of that authorized user.

If you have previously authorized someone to use your Card or convenience cheques, and have subsequently withdrawn your authorization, you will continue to be liable for all debts incurred by that person's unauthorized use of your Card. You must notify us to terminate an authorized user's permission to use your account. If you notify us, we may close the account and/or issue a new card or cards with a different account number.

You should also recover and destroy any cards, convenience cheques or any other means of access to your account from that authorized user.

Not Exceeding Your Credit Limit

You agree that your debt will not exceed the credit limit of the account. The credit limit will be indicated in a separate disclosure document and/or on your monthly statement. You may ask for a credit limit increase by calling toll-free:

For Sears Card Cardholders:

Canada and U.S. (English) 1-800-265-3675
Canada and U.S. (French) 1-800-650-9950

For Sears MasterCard Cardholders:

Canada and U.S. (English) 1-800-267-1660
Canada and U.S. (French) 1-866-432-6991
International call Collect 1-416-332-2588

For Sears Voyage MasterCard Cardholders:

Canada and U.S. (English) 1-866-785-9889
Canada and U.S. (French) 1-888-566-5608
International call Collect 1-416-332-2588

If you exceed your credit limit you will be subject to an over credit limit fee as set out in the disclosure statement. We may, but are not required to, authorize charges that go over your credit limit. You must pay any amount over your credit limit immediately if we ask you to. This agreement applies to any balance over your credit limit.

Subject to applicable law and at our discretion, we may increase, reduce or cancel your credit limit or allow you to exceed your credit limit without giving notice to you. From time to time we may assess your account to determine your eligibility for credit limit increases. Where we determine in our discretion that you are eligible for a credit limit increase, where permitted by law, you hereby give us your express consent to increase your credit limit to such amount we determine you are eligible to receive. However, if you ask us not to do so, we will not increase your credit limit. A change to your credit limit will not affect your obligation to pay us. We reserve the right to refuse to honour any use of the Card or convenience cheques which would cause you to exceed your credit limit.

Transactions in Foreign Currency

We will bill you in Canadian currency for debts incurred in a foreign currency. We will convert your Card transactions into Canadian currency at the exchange rate set by MasterCard International Incorporated in effect at the time we post the transaction to your account. This exchange rate may be different from the rate in effect on the transaction date.

For Sears Card Cardholders: In addition, for each foreign currency transaction, we will charge you a foreign currency conversion charge, which charge is disclosed in the disclosure statement. If you use your Card for a transaction in a foreign currency,

which is subsequently cancelled and you have been given a credit receipt, the two transactions (the charge and the credit) may not exactly balance if by the time we receive information about the credit receipt the exchange rate set by MasterCard International Incorporated has changed. Once the credit has been processed, you will be required to pay any remaining balance of the transaction cost resulting from an exchange rate differential and the currency conversion administration fees on the charge and the credit. The same process and charges may apply if an international transaction is reversed.

For Sears MasterCard & Sears Voyage MasterCard Cardholders: If you use your Card for a transaction in a foreign currency, which is subsequently cancelled and you have been given a credit receipt, the two transactions (the charge and the credit) may not exactly balance if by the time we receive information about the credit receipt the exchange rate set by MasterCard International Incorporated has changed. Once the credit has been processed, you will be required to pay any remaining balance of the transaction cost resulting from an exchange rate differential. The same process and charges may apply if an international transaction is reversed.

Refusal to Authorize Transactions

We may, but are not required to, decline a transaction on your account because of operational considerations, because your account is in default, to protect against potential fraudulent or unlawful activity, or in our discretion, for any other reason.

Should a transaction on your account be declined either by us or a third party, even if you have sufficient credit available, we cannot be responsible for any losses that may result.

For online transactions, we may require that you register your account with an authorization system in order to protect you and us. We will notify you if we want you to register. If you do not register, we may not be able to honour your online transactions.

Loss, Theft or Unauthorized Use

You will inform us immediately by telephone and in writing about any actual or suspected loss, theft or unauthorized use of your Card, account number, PIN or convenience cheques. You agree that we will consider that all transactions have been authorized by you until you advise us otherwise. The toll-free numbers to call are:

For Sears Card Cardholders:

Canada and U.S. - English 1-800-265-3675

Canada and U.S. - French 1-800-650-9950

For Sears MasterCard & Sears Voyage MasterCard Cardholders:

Canada and U.S. 1-800-288-9965

International call Collect 1-416-332-2588

For Sears Card Cardholders: Your maximum liability for unauthorized use of your Card in the event that it is lost or stolen is \$50.00. However, if your Card and PIN are used together to complete a transaction before you notify us that your Card has been lost or stolen, you will be liable for the full debt including any interest arising from such transaction(s). Once you notify us that your Card is lost or stolen, you will not be liable for any subsequent unauthorized transactions entered through use of your Card. However, you must identify for us the unauthorized charges from which you received no benefit.

For Sears MasterCard & Sears Voyage MasterCard Cardholders: If your Card is lost or stolen, you will not be liable for unauthorized use of your Card, provided you meet the following criteria: (i) you have exercised reasonable care to safeguard your Card against loss or theft; (ii) you have not reported more than 2 unauthorized uses of your Card in the past 12 months; and (iii) your account is in good standing. If you do not meet these criteria, your maximum liability for unauthorized use of your Card in the event that it is lost or stolen is \$50.00. However, if your Card and PIN are used together to complete a transaction before you notify us that your Card has been lost or stolen, you will be liable for the full debt including any interest arising from such transaction(s). Once you notify us that your Card is lost or stolen, you will not be liable for any subsequent unauthorized transactions entered through use of your Card. However, you must identify for us the unauthorized charges from which you received no benefit.

Keep Your PIN Confidential

You agree to keep your PIN confidential and separate from your Card at all times. If you fail to do this, or if you select a PIN which in our view can be easily discovered, or if you keep your Card and your PIN in a way that would enable an unauthorized person to use them together, you will be liable for all debt, including interest and other charges, arising from their unauthorized use.

Ownership of Card

At all times, the Card remains our property and you do not have the right to assign or transfer your rights and obligations under this agreement, your account or any Cards to anyone else.

Observing Your Card's Expiry Date

If the Card contains an expiry date, you agree not to use it or any convenience cheques after such expiry date. If they are used, you agree to pay any debts that are incurred.

Automated Banking Machines

The availability of ABM services and the cash advance amount you can withdraw each day may vary from time to time and without prior notice to you. We are not liable if ABM services are not available or for any loss or damage you may suffer because of your use of an ABM.

PAYMENTS

Providing You with Account Statements

We will send you a monthly account statement if there have been transactions during the last month or if you owe us any money on the account. The number of days covered by each account statement may vary (normally between 28 and 33 days) as a result of several factors, including holidays, weekends and the different number of business days in each month. We will send account statements only to the primary account holder.

Notwithstanding the above, we may not send you a monthly account statement and instead only send you a statement once in a 3 month period, either in respect of that period or in respect of the last month of that period, if, during this 3 month period with respect to your account: (i) there have been no advances or payments; (ii) there is an outstanding balance of less than \$10.00; and (iii) no interest or fee is being charged or accrued.

Repaying Your Debt

When you access your account in a manner that we permit, or when you authorize others to use it, you will incur a debt. We will add interest, service fees and other applicable charges (which are set out in the disclosure statement) to your debt and these amounts will form part of your debt. You agree to repay all debt you owe to us in the manner required by this agreement.

Keeping Your Account In Good Standing

When you incur debt on your account, we will send you an account statement which will indicate the Payment Due Date. If you do not repay your debt in full by the Payment Due Date, you agree to make the Minimum Payment which we will indicate on your account statement. In order to keep your account in good standing, you will be required to pay the Base Payment (which is equal to the greater of \$10.00 or 1% of the New Balance shown on your account statement PLUS any Over the Credit Limit Fee and new Interest Charges) indicated on your account statement. Failure to pay this amount may impact your ability to use your Card and any promotions or optional financing programs you may have with us.

Applying Your Payments

For any account statement where different annual interest rates apply to different amounts billed and owing on that account statement, any payment by you that is greater than the Minimum Payment set out in that account statement will be allocated among those amounts in the same proportion as each amount bears to the outstanding New Balance on the account statement.

We reserve the right, subject to applicable law, to change the order in which we apply payments without notice to you.

Applying Credit Receipts

If you use your Card or convenience cheques for a transaction which is subsequently cancelled and you are given a credit receipt, as soon as we receive that information we will reduce your debt by the amount shown on the credit receipt.

Credit Balances

You may request a refund of a credit balance at any time. We may reduce the amount of any credit balance by the amount of new charges or fees billed to your account. We

will not pay you interest on any credit balances.

Right to Offset

If you have more than one account with us, and if any one of your accounts is not in good standing you agree that we may offset your credit balance against the balance of the account which is not in good standing.

Pre-Authorized Debits

You may authorize a third party to automatically charge your account for repeat transactions by way of a pre-authorized debit (for example, monthly utility charges, memberships and insurance premiums). If pre-authorized debits are stopped for any reason (including because your account is closed or suspended for any reason) or your account number changes, you are responsible for notifying the biller and paying these charges directly. If your account number changes, we may, but are not required to, pay from your new account number charges that you authorized to be billed to your old account number.

Making Payments During Postal or Other Interruptions

You agree to continue to make payments even if we are delayed in or prevented from sending your account statement to you for any reason, including any postal interruption. During any such delay or interruption, you must contact us at least once a month to obtain the information required to meet your payment obligations under this agreement and to keep your account current and in good standing. When you contact us, we will let you know where you may pick up or obtain information about your account statement. Your account statement will be considered to have been delivered to you on the day it is available for pick up by you, whether or not you do so.

Promotions

From time to time we may offer special terms for your account. If we do, we will notify you about the terms of the offer and how long they will be in effect. Any promotion is subject to the terms of this agreement, as modified by the promotional offer.

Optional Financing Programs

Purchases made with your Sears Card, Sears MasterCard or Sears Voyage MasterCard may be eligible for one of the following optional financing programs or such other promotional financing programs which may be offered from time to time as specified prior to or at time of purchase. The promotional offers are subject to the terms of this agreement and the following additional terms and conditions: (1) you must pay the amounts required under the promotional offer when due (payments received will be allocated as set out in the "Applying your Payments" section of this agreement); (2) as applicable, the terms and conditions set out below and/or any additional terms and conditions contained in any promotional material or sales slip, and (3) unless otherwise disclosed in writing, your account not falling 2 consecutive billing cycles past due (a "Promotion Termination Event"). If a Promotion Termination Event occurs, your promotional offer(s) will terminate and the unpaid balance of your financed amount(s) will accrue interest at the rate then in force for purchase transactions from the date indicated in each promotional offer. Unless otherwise disclosed in writing, upon the expiry of any optional financing in which you participate, any unpaid balance in respect of the financing program will be posted to your account's New Balance, and will accrue interest at the rate then in force for purchase transactions.

Please be aware that the promotional period disclosed to you at the time of a transaction may be affected by and could be shorter depending upon the timing and amounts of your payments and your other account transactions, including other optional financing program transactions. Please refer to the "Applying Your Payments" section of this Agreement for additional details on how your payments will be applied to your account.

"No Payment, No Interest" Offer

Minimum purchase and/or administration fee may be required. If applicable and payable upfront, the administration fee and taxes will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase and is due on the Payment Due Date set out in that statement. The financed amount (which may include the applicable administration fee and taxes if not paid upfront) will be posted to your account and will appear as a charge in the "Account Activity" section on the first account statement you receive after the expiry of the promotional period and is due on the Payment Due Date set out in that

statement. Once the financed amount is posted to your account, after the expiry of the promotional period or upon a Promotion Termination Event, it will form part of your New Balance and will be included in your Base Payment calculation.

Interest will accrue on the financed amount from the promotional purchase date at the rate then in force for purchase transactions but will be waived if you pay the financed amount (which may be greater than the "Minimum Payment Due" shown on your account statement) plus the remainder of the New Balance amount on your account statement, in full, by the Payment Due Date displayed on the first account statement you receive after the expiry of the promotional period. If you fail to make these payments in full when due that portion of the interest accrued from the posting date on the unpaid balance of the financed amount will no longer be waived and will be charged to your account. For clarity, the applicable posting date is set out in the "Account Activity" section on the first statement you receive after the expiry of the promotional period. Upon a Promotion Termination Event, the unpaid balance of the financed amount will post to your account and appear as a charge in your "Account Activity" section in the next statement after such event and is due on the Payment Due Date set out in that statement. If you fail to pay the financed amount (which may be greater than the "Minimum Payment Due" shown on your account statement) plus the remainder of the New Balance amount on this account statement, in full, by the Payment Due Date that portion of the interest accrued from the posting date on the unpaid balance of the financed amount will no longer be waived and will be charged to your account. For clarity, the applicable posting date is set out in the "Account Activity" section on the first statement you receive after the Promotion Termination Event.

"Equal Payments, No Interest" Offer

Minimum purchase and/or administration fee may be required. Equal monthly purchase installments (which may include the applicable administration fee and taxes if not paid upfront) are determined by dividing the amount financed by the number of months indicated in the offer (the final monthly purchase installment may be a higher or lesser amount). The administration fee and taxes (where applicable and payable upfront) and your first monthly purchase installment will be posted to your account and will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase and is due by the Payment Due Date set out in that statement. Thereafter during the promotional period each month your monthly purchase installment will be posted to your account and will appear as a charge in the "Account Activity" section of your account statement. Once posted to your account, each monthly purchase installment will form part of your New Balance and will be included in your Base Payment calculation.

Interest will accrue on the financed amount from the promotional purchase date at the rate then in force for purchase transactions but will be waived if you pay the monthly purchase installment (which may be greater than the "Minimum Payment Due" shown on your account statement) plus the remainder of the New Balance amount on your account statement in full each month on the said Payment Due Date. If you fail to make these payments in full when due, that portion of the interest accrued from the posting date on the unpaid monthly purchase installment amount will no longer be waived and will be charged to your account. The applicable posting date for each monthly purchase installment will be set out in the "Account Activity" section on your statement during the promotional period. Upon a Promotion Termination Event, the unpaid balance of the financed amount will post to your account and appear as a charge in your "Account Activity" section in the next statement after such event and is due on the Payment Due Date set out in that statement. If you fail to pay the financed amount (which may be greater than the "Minimum Payment Due" shown on your account statement) plus the remainder of the New Balance amount on this account statement, in full, by the Payment Due Date that portion of the interest accrued from the posting date on the unpaid balance of the financed amount will no longer be waived and will be charged to your account. For clarity, the applicable posting date is set out in the "Account Activity" section on the first statement you receive after the Promotion Termination Event.

"Low Interest Program" Offer

Minimum purchase and/or administration fee may be required. The administration fee and taxes (where applicable and payable upfront) will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase and is due by the Payment Due Date set out in that statement. During the promotional period the annual interest rate set out in the offer will apply to

the financed amount (which may include the applicable administration fee and taxes if not paid upfront) from the promotional purchase date for the number of months indicated in the offer and will be calculated as follows: To calculate the interest charged for any month, you multiply the average daily balance by the applicable daily interest rate; then you multiply the result by the number of days in the Statement Period. Your average daily balance is calculated at your Statement Period's end by adding together the balance at the end of each day, then dividing the total by the number of days in the Statement Period. The financed amount is required to be repaid by the number of monthly payments set out in the offer. The financed amount will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase. Starting with the first account statement you receive after your promotional purchase, each monthly low interest program payment will be included in your Minimum Payment and is due by the Payment Due Date. To avoid additional interest charges on your low interest program payment, you must pay the "Minimum Payment Due" shown on your account statement, in full, when due. If you do not pay your Minimum Payment Due in full when due, the unpaid portion of your monthly low interest program payment will accrue interest from the first day of your next billing cycle, at the rate then in force for purchase transactions calculated in accordance with the "How We Calculate the Interest on Your Debt" section of this agreement. Upon a Promotion Termination Event, the full unpaid balance of the financed amount will accrue interest from the first day of your next billing cycle after such event at the rate then in force for purchase transactions calculated in accordance with the "How We Calculate the Interest on Your Debt" section of this agreement.

"Life of Loan" Offer

Minimum purchase and/or administration fee may be required. The administration fee and taxes (where applicable and payable upfront) will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase and is due by the Payment Due Date set out in that statement. The financed amount will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase. During the promotional period the annual interest rate set out in the offer will apply to the financed amount (which may include the applicable administration fee and taxes if not paid upfront) from the purchase date and will be calculated as follows: To calculate the interest charged for any month, you multiply the average daily balance by the applicable daily interest rate; then you multiply the result by the number of days in the Statement Period. Your average daily balance is calculated at your Statement Period's end by adding together the balance at the end of each day, then dividing the total by the number of days in the Statement Period. To avoid interest charges you must pay the New Balance shown on your account statement, in full, when due. Upon a Promotion Termination Event, the full unpaid balance of the financed amount will accrue interest from the first day of your next billing cycle after such event at the rate then in force for purchase transactions calculated in accordance with the "How We Calculate the Interest on Your Debt" section of this agreement.

"No Interest with Minimum Payments" Offer

Minimum purchase and/or administration fee may be required. If applicable and payable upfront, the administration fee and taxes will appear as a charge in the "Account Activity" section on the first account statement you receive after your promotional purchase and is due on the Payment Due Date set out in that statement. The financed amount (which may include the applicable administration fee and taxes if not paid upfront) will be posted to your account, and will appear as a charge in the "Account Activity" section on the first account statement after your promotional purchase and must be paid by the Promotion End Date (which date is shown in the "Optional Financing Programs Summary" on your account statement). A monthly minimum payment of 1% of the financed amount will be required and will be included in your Base Payment due each month. Interest will accrue on the financed amount from the transaction date at the rate then in force for purchase transactions but will be waived if you pay the financed amount (which may be greater than your "Minimum Payment Due" shown on your account statement) in full on or before the Promotion End Date. If you fail to pay the financed amount in full when due, or if a Promotion Termination Event occurs, the interest accrued on the unpaid balance of the financed amount will no longer be waived and will be charged to your account commencing the first day of your next billing cycle after such event at the rate then in force for purchase transactions.

INTEREST RATES, SERVICE FEES AND OTHER CHARGES

For each Card we will tell you the applicable interest rates, service fees and other charges on the disclosure statement. Each month, you are required to pay at least the minimum monthly payment plus any past due amounts by the payment due date, as indicated on your monthly billing statement. If we change any of these rates and amounts or any of the terms of this agreement, we will give you prior written notice as required by law.

Charging Interest on Purchases

We will not charge interest on new purchases of goods or services made on your Card during the Statement Period shown on your account statement on which the purchases of goods and services first appear if you pay the outstanding New Balance on or before the Payment Due Date (each as shown on your account statement). Interest at our current annual interest rate for purchase transactions will accrue on the new purchases of goods and services from their transaction date(s) to the date it is repaid in full if the New Balance amount on the statement on which these transactions first appear is not paid in full by the said Payment Due Date.

Charging Interest on Cash Advances

We will charge you interest on each cash advance transaction as defined by this agreement, from the transaction date to the date it is repaid in full. There is no grace period for cash advance transactions. There is no interest-free grace period for cash advance transactions and applicable cash advance fees.

How We Calculate the Interest on Your Debt

Interest on your debt is calculated using the average daily balance method. Your average daily balance is calculated at your statement period's end by adding together the balance at the end of each day, then dividing the total by the number of days in the statement period. To calculate the interest charged for the month, you multiply the average daily balance by the daily interest rate (obtained by taking the annual interest rate and dividing by the number of days in a year (365)); then you multiply the result by the number of days in the statement period. If there are different daily interest rates, each rate is multiplied by the portion of the interest-bearing debt to which it applies. Interest charges are payable both before and after you default or we obtain a judgment for any amount that you owe us.

DEFAULT/COLLECTION

We may close your account and require you to return your card and to pay your total debt immediately and without prior notice if you become insolvent, bankrupt or do not carry out your obligations under this agreement, including making any payment when it is due. If we require the legal services of a third party to collect the debt you owe to us, or to retrieve the Card or convenience cheques from you, we may add the cost of these legal services to your debt and you agree that you will pay us all of these costs relating to the collection or retrieval which we may incur.

We may delay enforcing our rights under this Agreement and may accept later payments, partial payments and payments marked as "paid in full" or containing similar wording without losing any rights that we have under amounts that you owe to us on the account.

Where permitted by applicable law, in the event that we seek to communicate with you in order to collect payment of any debt that you may owe to us on your account, for purposes of collecting such debt you hereby: (i) provide us with your express consent to contact or attempt to contact any member of your family or household or any relative, neighbour, friend or acquaintance of yours including contact outside of any prescribed calling days or hours; (ii) authorize us to contact your employer or contact you at your place of employment; and (iii) in the event that you advise us by registered mail that you are disputing the debt and intend to take the matter before a dispute resolution body or advise that you are prepared for us to take the matter to court, consent to us continuing our communications with you if either you have not taken the matter before a dispute resolution body or if we decide not to take the matter to court, in each case within 30 days of the date of your original advice to us.

CLOSING YOUR ACCOUNT

You can cancel this agreement and close your account at any time by advising us in writing. We also may withdraw your rights with respect to the account for any reason, at any time, without notice to you. If you cancel this agreement or if we withdraw your rights, you must immediately pay all debt and destroy the Card and any convenience

cheques or other means to access your account or return them to us upon request. You will continue to be responsible for charges to your account, even if they are made or processed after your account is closed and you will be required to pay the outstanding balance on your account according to the terms of this agreement. Until you pay us the debt in full, this agreement will remain in effect.

If your account remains inactive (e.g. there is no outstanding balance on your account and there have been no transactions or charges on your account) for such period as we may determine from time to time, we may close your account and you will be required to reapply for a new account.

NOTICES/CHANGES OF INFORMATION RELATING TO YOU

We will send cards, account statements and other notices to you at the address shown in our files. If you change your name, address or other information that we may need to keep our records up to date, you will tell us in writing, or by any other means which we may permit.

CHANGING THIS AGREEMENT

We can change this agreement, the disclosure statements (including the rates of interest, service fees and other charges), or the terms of any optional financing programs that we make available with the account, by providing at least 30 days written notice to you at the last address you gave us in writing. When we give notice to you, we consider that we are giving notice to all persons who at your request have been issued a supplementary Card under your account. Therefore, it is your responsibility to advise such persons. If your Card is used or any debt remains unpaid after the effective date of a change, it will mean that you have agreed to the change.

TELEPHONE MONITORING AND RECORDING

We, and if applicable, our agents, may listen to and record your telephone calls with us for our mutual protection and to confirm our discussions and agreements with you. You agree that we, and if applicable, our agents, may do so, whether you or we initiate the telephone call.

ERRORS IN YOUR ACCOUNT STATEMENT

You are responsible for reviewing your account statement and each entry and balance recorded on it. If you believe there is an error or omission on any account statement you must notify us in writing within 30 days from the statement date. If you do not notify us within such 30 day period, we will treat the account statement as complete and correct.

PROBLEMS WITH PURCHASES

If you have a problem with a business or merchant (including Sears Canada Inc.) regarding any product or service purchased with your Card or convenience cheques, you must still pay the debt (including any interest charges) that you incurred on your account and settle the problem directly with the business or merchant.

SEARS CLUB™

You understand that the Sears Club™ Reward program is governed by a separate agreement with Sears Canada Inc. and that JPMorgan Chase Bank, N.A. is not a party to, and has no obligations to you under, that agreement.

QUESTIONS OR CONCERNS ABOUT YOUR ACCOUNT

If you have a question or concern about your account, please contact us at:

For Sears Card Cardholders:

Canada and U.S. - English: 1-800-265-3675

Canada and U.S. - French: 1-800-650-9950

For Sears MasterCard Cardholders:

Canada and U.S. - English: 1-800-267-1660

Canada and U.S. - French: 1-866-432-6991

International call Collect: 1-416-332-2588

For Sears Voyage MasterCard Cardholders:

Canada and U.S. - English: 1-866-785-9889

Canada and U.S. - French: 1-888-566-5608

International call Collect: 1-416-332-2588

Or in writing at:

JPMorgan Chase Bank, N.A.

Attention: Customer Service

P.O. Box 9435, Station "T"

Ottawa, Ontario K1G 3V1

FINANCIAL CONSUMER AGENCY OF CANADA

All banks must comply with a variety of consumer laws that protect you. For example, we must disclose information about interest rates and service fees and provide you with certain information in your account statement. If you have a complaint regarding JPMorgan Chase Bank, N.A., you may file a written complaint with the Financial Consumer Agency of Canada at:

Financial Consumer Agency of Canada

6th Floor, Enterprise Building

427 Laurier Avenue West, Ottawa, ON, K1R 1B9

or www.fcac-acfc.gc.ca

ENFORCING THIS AGREEMENT

We can delay enforcing or not enforce any of our rights under this Agreement without losing our right to enforce them in the future. If any of the terms of this Agreement are found to be unenforceable, all other terms will remain in full force.

ASSIGNMENT

We may transfer any or all of our rights under this Agreement, by way of assignment, sale or otherwise. If we do, we may disclose your personal information and other information concerning your account to anyone to whom we transfer our rights. You consent to us sharing your personal information in this manner.

GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the province of Ontario and the federal laws of Canada applicable therein, without regard to conflict of laws provisions. You agree that Ontario is the appropriate jurisdiction for all actions brought by you or by us in respect of this agreement and the relationship contemplated herein. You also agree that it is appropriate for us to commence an action in Small Claims Court located in Toronto, York Region, Durham Region or Peel Region (all in Ontario) in respect of the recovery of amounts due pursuant to this agreement.

LANGUAGE

It is the express wish of the parties that this Agreement and any related documents be written in English. Les parties ont expressément demandé que la présente convention et tous les documents s'y rattachant soient rédigés en anglais.

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