

BC "HEALTHY DIET" INITIATIVE AGREEMENT

This Agreement is made as of the 1st day of June, 2011, between Canada Safeway Limited ("Safeway"), LoyaltyOne, Inc. ("LoyaltyOne"), Her Majesty The Queen In Right Of The Province Of British Columbia as represented by the Minister of Health (the "Province") and The Heart & Stroke Foundation of Canada ("HSF").

WHEREAS Safeway participates in the AIR MILES Reward Program operated by LoyaltyOne by issuing AIR MILES reward miles ("reward miles") to Collectors in connection with the sale of goods and services from retail outlets operated by Safeway in British Columbia;

WHEREAS the Province and HSF have requested Safeway to issue reward miles as a bonus in connection with the sale by Safeway to Collectors of selected Products at retail outlets operated by Safeway in British Columbia;

AND WHEREAS the Province has agreed with Safeway to be responsible for payment of portions of the cost of reward miles issued by Safeway as a bonus to Collectors who purchase selected Products at retail outlets operated by Safeway in British Columbia;

AND WHEREAS Safeway has requested LoyaltyOne to invoice the Province directly for the bonus reward miles issued by Safeway to Collectors who purchase selected Products at retail outlets operated by Safeway in British Columbia;

NOW THEREFORE in consideration of these premises and the mutual covenants contained herein, and for other good and valuable consideration, the parties hereto agree as follows:

1. DEFINITIONS

In addition to the definitions set out in the preamble above, the following capitalized terms shall have the meaning as specified below:

"**Bonus Offers**" means the offers of reward miles described in Schedule "A" associated with the Products;

"**Bonus Offer Codes**" means the codes assigned by Safeway to the Bonus Offers, consisting in each case of a portion of code that identifies HSF and a portion of code that identifies the Bonus Offer;

"**Bonus Offer Period**" means from June 10, 2011 to July 7, 2011(both inclusive);

"**Bonus Reward Miles**" means the AIR MILES reward miles, in the denomination of one or more whole units, which are issued to Collectors by Safeway in the form of electronic credits in connection with the Bonus Offers during the Bonus Offer Period;

"**Collector**" means a customer of Safeway who is enrolled in the AIR MILES Reward Program as a collector of AIR MILES reward miles;

"**Products**" means fresh produce (both packaged and random weight) and grocery products that bear the "Health Check" logo (which is a trade-mark of the Health & Stroke Foundation);

"**Statement**" means a Collector's AIR MILES reward miles transaction history maintained by LoyaltyOne; and

"**Rate**"

s21

2. OVERVIEW

Safeway is responsible for identifying, by means of the Bonus Offer Codes, the reward miles that are issued in connection with the Bonus Offers. Safeway will include in the AIR MILES reward miles issuance data file which Safeway routinely sends to LoyaltyOne the Bonus Offer Codes, together with the reward miles associated with those Bonus Offer Codes, issued by Safeway in the period covered by the data file. LoyaltyOne will invoice the Province directly at the Rate (or applicable portion thereof) in respect of the Bonus Reward Miles associated with those Bonus Offer Codes in accordance with this Agreement.

3. ROLES AND RESPONSIBILITIES

The following are the agreed responsibilities for processing and invoicing the Bonus Reward Miles:

- a) Safeway will: (1) assign a Bonus Offer Code to each Product which carries an Bonus Offer so as to enable LoyaltyOne to identify the reward miles which are to be billed to the Province; and (2) include the Bonus Offer Codes in the AIR MILES reward miles issuance data file that is sent by Safeway to LoyaltyOne in accordance with Safeway's normal practice and the procedures prescribed by LoyaltyOne from time to time;
- b) LoyaltyOne will: (1) post to the Collectors' Statements the reward miles which are to be billed to the Province in respect of any period covered by a data file; (2) display the reward miles on Collectors' Statements as having been issued by Safeway in connection with the Bonus Offers; (3) invoice the Province for the Bonus Reward Miles issued by Safeway in accordance with the provisions of clause (c) below; (4) provide the Province with a weekly update on number of Bonus Reward Miles issued (to act as advance notice of a potential overage); (5) LoyaltyOne may issue AIR MILES reward miles to Collectors at no cost to the Province for the purpose of resolving customer service complaints and disputes relating to the involvement of this campaign to a maximum of s21 ; and (6) LoyaltyOne will deliver to Safeway, the Province and HSF reports outlining number of reward miles issued and summary profile data on responders.
- c) the Province will: (1) pay LoyaltyOne the Rate in respect of the first s21 Bonus Reward Miles issued by Safeway; (2) not be liable to pay any part of the Rate or any other amount in respect of Bonus Reward Miles issued by Safeway in excess of s21 reward miles, it being acknowledged and agreed by the Province that Safeway's determination of the number of reward miles issued in connection with the Bonus Offers shall be conclusive and binding upon the Province for the purposes of this Agreement in the absence of manifest error or wilful default, and such payment being subject to clause 4(a) below.

4. PAYMENT

a) *Manner of Payment.* After the end of the Bonus Offer Period, LoyaltyOne will invoice the Province for all Bonus Reward Miles issued during the Bonus Offer Period in accordance with clause 3(b) above, and, subject to this clause (a), the Province will pay the Rates (or applicable portions thereof) in accordance with clauses 3(c). All payments by the Province to LoyaltyOne shall be paid through electronic funds transfer payments in accordance with such procedures as LoyaltyOne may reasonably specify from time to time. All amounts payable must be received by LoyaltyOne within 30 days of the Province's receipt of LoyaltyOne's invoice. The Province's obligation to pay money to LoyaltyOne is subject to the Financial Administration Act (British Columbia), which makes that obligation subject to an appropriation being available in the fiscal year of the Province during which payment becomes due. All payments referred to herein are exclusive of applicable taxes, and the Province shall pay to LoyaltyOne all taxes, whether now or hereafter in effect, which are or become payable in respect of any amounts payable by them, respectively, hereunder or in connection herewith as more particularly described in clause (b) below. The Province is not obliged to pay to LoyaltyOne more than \$600,000 in respect of the Bonus Reward Miles under this Agreement (exclusive of any applicable taxes).

b) Taxes. Amounts payable under this Agreement do not include taxes. The Province will be responsible for, and agree to pay, all applicable sales, use, excise, personal property and value added taxes, or taxes of a similar nature (excluding personal property taxes on items owned and used exclusively by LoyaltyOne and taxes based on LoyaltyOne's net income which will be borne by LoyaltyOne), imposed by any federal, state, provincial, or local government, or other taxing authority on all items, goods and/or services being paid for by the Province to LoyaltyOne under this Agreement.

c) All references to \$ are to Canadian dollars and all payments are to be made in that currency.

5. MARKETING

a) Each of LoyaltyOne, HSF and Safeway may, throughout the Term, design, develop and implement marketing programs in order to promote awareness of the Bonus Reward Miles among Collectors in accordance with the provisions of Schedule "B".

b) Each party will obtain the prior written consent of the applicable other parties to the use of another party's name, logo, trade-marks and to the format of any advertising prior to publication.

6. CONFIDENTIALITY

a) Non-disclosure. The parties each acknowledge that they may become privy to certain proprietary and confidential information ("Confidential Information") about the other parties' businesses, whether of a commercial or technical nature including, but not limited to, processes, technology, trade secrets, customer lists and all costs, pricing, marketing, merchandising and distribution and information systems, product value, product formulations, receipts, materials and suppliers and supplier fees and charges, relating to the Products and their raw material components. Each of the parties, on behalf of itself and its subsidiaries and affiliates, and each of their respective officers, directors, employees, agents and representatives, hereby covenants and agrees:

- i. to keep Confidential Information in strict confidence and trust and to disclose or reveal such information only to those persons who "need to know" such information and who are under a similar obligation of confidentiality;
- ii. not to develop or assist anyone else in the development of any processes or businesses using the Confidential Information of the other party; and
- iii. that a breach of this provision will cause the other party irreparable harm,

provided that nothing in this Agreement shall restrict in any way LoyaltyOne's right to use the data related to the issuance of Bonus Reward Miles that is transmitted to LoyaltyOne by Safeway for the purposes of administering the AIR MILES Reward Program including, without limitation, the management of Collectors' accounts and the updating of Collectors' reward miles balances.

b) Exceptions. Notwithstanding the foregoing, any information which falls within the following exceptions shall not be considered "Confidential Information" for the purpose of this Article 6:

- i. information which has come within the public domain through no fault of or action by a party hereunder;
- ii. information which is in the possession of LoyaltyOne, the Province, HSF or Safeway, as the case may be, or one of their affiliates, prior to the date hereof (other than information subject to previous confidentiality agreements) or which is independently discovered, after the date hereof, by that party, or one of its affiliates, without the aid, application or use of the Confidential Information;
- iii. information which is obtained, after the date hereof by a party hereunder or one of its affiliates, from any third party which is lawfully in possession of such information and not in violation of any contractual or legal obligation of LoyaltyOne, the Province, HSF or Safeway, as the case may be, with respect to such information; and
- iv. information which is required to be disclosed by a party hereunder pursuant to any applicable law or regulation.

- c) Freedom of Information and Protection of Privacy Act. LoyaltyOne acknowledges that the Province is subject to the *Freedom of Information and Protection of Privacy Act* (British Columbia), and may be required to disclose information pursuant to that act. The Province acknowledges that LoyaltyOne claims that the amount of the Rate and any invoices, correspondence or other items disclosing such amounts, and any information provided to the Province concerning, derived from or setting out all or any part of the contents of LoyaltyOne's database, in whatever form, whether written, oral, electronic or otherwise, including, without limitation, the names and addresses of any Collectors or any other data that would serve to identify any particular Collector (collectively, the "Commercially Sensitive Information"), constitute trade secrets or financial information or commercial information that has been supplied to the Province expressly in confidence, and that the disclosure of any of the Commercially Sensitive Information would and could reasonably be expected to (i) prejudice significantly LoyaltyOne's competitive position, (ii) interfere significantly with LoyaltyOne's contractual relations and negotiations with other persons, including present and future AIR MILES Reward Program Sponsors, and (iii) result in undue loss to LoyaltyOne and its shareholders and other investors. The Province acknowledges that it was an essential factor to LoyaltyOne's decision to enter into this Agreement that all such Commercially Sensitive Information would be kept confidential. If any Commercially Sensitive Information is disclosed at any time contrary to this Agreement, LoyaltyOne may, in addition to any other remedies it may have, refuse to supply any additional Commercially Sensitive Information to the Province, notwithstanding any other provisions hereof. The Province will forthwith notify LoyaltyOne in writing if there is any request made to disclose any of the Commercially Sensitive Information, will use reasonable efforts to oppose any such request and will permit LoyaltyOne to participate in any such opposition and assist LoyaltyOne in doing so.

7. LIMITATION OF LIABILITY

- a) The parties hereto acknowledge that no party shall be under any liability to the other for damages or loss of profits or consequential or indirect damages resulting from any breach hereof.
- b) The parties hereto acknowledge that in no circumstance shall Safeway be liable to make any payment whatsoever to the other parties in connection with this Agreement.
- c) Clauses (a) and (b) don't apply to direct damages or costs arising from a wilful default of a party's obligations under this Agreement.

8. GENERAL

- a) Term and Termination. This Agreement shall be in effect for a term of 3 months starting on June 1, 2011 and ending on August 31, 2011.
- b) Assignment. None of the parties hereto may assign any of its rights or obligations hereunder without the prior written consent of the other parties, which consent shall not be unreasonably withheld.
- c) Nature of Relationship. The relationship between the parties shall be that of independent parties, and no party shall under any circumstances be deemed to be a partner or joint venturer with any other. No party shall have any right to enter into any contract of commitment in the name of the other parties, or to incur an obligation for, create any liability for, or bind the other parties in any respect whatsoever.
- d) Governing Law. This Agreement shall be interpreted in accordance with the laws applicable in British Columbia. The parties hereto hereby attorn and submit to the jurisdiction of the courts of British Columbia.
- e) Binding Effect. This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and their respective successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation.
- f) Survival. The provisions of this Agreement, which by their sense and context are meant to survive expiration of this Agreement, shall so survive.

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g) Dispute Resolution. All disputes arising out of or in connection with this Agreement will be referred to and finally resolved by arbitration pursuant to the *Commercial Arbitration Act* (British Columbia). The place of arbitration will be Victoria, British Columbia.

h) Counterpart Execution. This Agreement may be entered into by a separate copy of this Agreement being executed by, or on behalf of, each party and that executed copy being delivered to the other parties by fax, email or other agreed means.

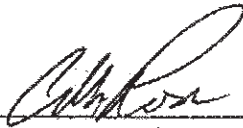
IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

"Safeway"

1020 - 64th Avenue, N.E.
Calgary, British Columbia
T2E 7V8

CANADA SAFEWAY LIMITED

By: _____
Name: _____
Title: _____


COUN ROSE - DIRECTOR, ADVERTISING

"LoyaltyOne"

Suite 600
438 University Avenue
Toronto, Ontario
M5G 2L1

LOYALTYONE, INC.


By: _____
Name: _____
Title: _____

The "Province"

c/o the Population and Public Health
Division, the Province
800 Johnson Street, 1st Floor,
Victoria, British Columbia V8W 1N3

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA as
represented by the Ministry of Health**

By: _____
Name: _____
Title: _____


LAURIE WOODLAND
A/ADM.

"HSF"

Insert billing address here

**THE HEART & STROKE FOUNDATION
OF CANADA**

By: _____

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"Safeway"

1020 - 64th Avenue, N.E.
Calgary, British Columbia
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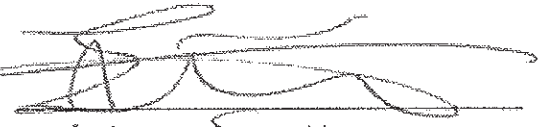
CANADA SAFEWAY LIMITED

By: _____
Name: _____
Title: _____

"LoyaltyOne"

Suite 600
438 University Avenue
Toronto, Ontario
M5G 2L1

LOYALTYONE, INC.

By: 
Name: ANDREAS SOUVALIOTIS
Title: PRESIDENT, AIR Miles For Social Causes

The "Province"

c/o the Population and Public Health
Division, the Province
800 Johnson Street, 1st Floor,
Victoria, British Columbia V8W 1N3

**HER MAJESTY THE QUEEN IN RIGHT OF THE
PROVINCE OF BRITISH COLUMBIA as
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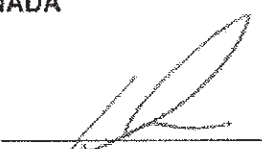
By: _____
Name: _____
Title: _____

"HSF"

Insert billing address here

1402-222 Queen St.
Ottawa ON
K1P 5B9

**THE HEART & STROKE FOUNDATION
OF CANADA**

By: 
Name: KELLY DEW
Title: DIRECTOR, HEALTH CHECK

SCHEDULE "A" - Description of Bonus Offers

Bonus Offers	<ul style="list-style-type: none"> • Buy 5 products displaying the HSF's "Health Check" logo (the "Health Check Products") and get 50 AIR MILES reward miles • Spend \$15 or more on Produce and get 15 AIR MILES reward miles
Period during which Bonus Offers available	<ul style="list-style-type: none"> • June 10, 2011 to July 7, 2011 (both inclusive) • in-line with 4 Safeway Ad weeks
Bonus Offer Terms and Conditions	<ul style="list-style-type: none"> • "Produce" means all fresh (packaged and random-weight) produce department items. • Available on all Health Check Products • Applicable trademark legal terms for each party • Available only at Safeway retail outlets in British Columbia • The following 'Standard Grocery Promotion Terms' will apply to Collectors: <ul style="list-style-type: none"> ◦ Bonus AIR MILES reward miles can be earned by purchasing the advertised quantity of participating products within a single transaction, during the promotion period. A valid AIR MILES item bonus coupon may also be required where advertised. <p>Customers may qualify to receive more than one item bonus offer. Limits apply to all item bonus promotions. AIR MILES reward miles will not be issued on purchase quantities that exceed the advertised limits. Unless otherwise advertised, limit of ten (10) AIR MILES bonus offers per item bonus offer, per day, not to exceed 500 AIR MILES reward miles in total per day per Collector account. AIR MILES reserves the right to limit sales to retail consumer purchases. AIR MILES item bonus promotions are available in store while stocks last.</p>

SCHEDULE "B" - Marketing Initiatives

LoyaltyOne Responsibilities	<ul style="list-style-type: none">• At its discretion but subject to the approval of the Province, LoyaltyOne may promote the Bonus Offers using its marketing vehicles (such as email, website, social media) at its own cost<ul style="list-style-type: none">◦ With the approval of the Province and HSF, LoyaltyOne can use the Province's and HSF's logos in this marketing material as it relates to this promotion.• All promotional material in relation to this Agreement requires the written approval of both LoyaltyOne and the Province• Adhere to HSF brand standards for all marketing materials that feature the "Health Check" trade-mark• Training AIR MILES Customer Care Centre re Offer and related Terms & Conditions• Deliver a measurement plan and results
HSF Responsibilities	<ul style="list-style-type: none">• At its discretion, HSF can include this promotion in their marketing vehicles at its own cost.<ul style="list-style-type: none">◦ With the approval of the Province, LoyaltyOne, and Safeway, HSF may use the respective logos in their marketing material as it relates to this promotion.• Adhere to AIR MILES brand standards for all HSF created marketing material in relation to the Bonus Offers• Obtain LoyaltyOne's approval on marketing material featuring the Bonus Offers• HSF will refer all customer service inquiries to AIR MILES customer service centre
Safeway Responsibilities	<ul style="list-style-type: none">• At its discretion, Safeway will include this promotion in Safeway's marketing vehicles at its own cost.• Obtain approval on marketing materials from the Province, HSF and LoyaltyOne