

Cardmember Agreement: Part 1 of 2

As of: 03/31/2022

Blue Business[®] Plus Credit Card
Issuer: American Express National Bank

Rates and Fees Table

Interest Rates	
Annual Percentage Rate (APR) for Purchases Up to the Credit Limit	Prime Rate + 9.99% to Prime Rate + 17.99% This is a variable APR. See <i>Explanation of Variable Rates</i> below.
APR for Balance Transfers	Prime Rate + 9.99% to Prime Rate + 17.99% for any balance transfer requests we may accept. Balance transfers may not be available. This is a variable APR. See <i>Explanation of Variable Rates</i> below.
Penalty APR and When it Applies	Prime Rate + 25.99% This is a variable APR. See <i>Explanation of Variable Rates</i> below. This APR will apply to all balances on your account if you: 1) make a payment that is returned; 2) make 2 late payments in 12 months; or 3) do not make the Minimum Payment due by the closing date of the billing period in which it is due. How Long Will the Penalty APR Apply? If the penalty APR is applied for any of these reasons, it will apply, subject to applicable law, for at least 12 billing periods in a row. In addition, the penalty APR will continue to apply until after you have made timely payments with no returned payments for 12 billing periods in a row. The Penalty APR may apply to the Amount Above the Credit Limit. See <i>When we charge interest</i> in Part 2 of the Cardmember Agreement for information on <i>Interest Charged If You Do Not Pay Your Minimum Payment Due</i> .
Paying Interest	Your due date is at least 25 days after the close of each billing period. We will not charge you interest on purchases if you pay your entire balance by the due date each month. We will begin charging interest on balance transfers on the transaction date. If you pay the Minimum Payment Due by the Closing Date of the billing period in which it is due each month, we will not charge interest on the Amount Above the Credit Limit. See <i>When we charge interest</i> in Part 2 of the Cardmember Agreement.
Fees	
Annual Membership Fee	None
Transaction Fees - Balance Transfer - Foreign Transaction	Either \$5 or 3% of the amount of each transfer, whichever is greater. Balance transfers may not be available. 2.7% of each transaction after conversion to US dollars.
Penalty Fees - Late Payment - Returned Payment - Overlimit	Up to \$39. \$39 None

How we calculate interest: We use the Average Daily Balance method (including new transactions). See the *How we calculate interest* section in Part 2.

Explanation of Variable Rates: If the Prime Rate increases, variable APRs (and corresponding DPRs) will increase. In that case, you may pay more interest and may have a higher Minimum Payment Due. When the Prime Rate changes, the resulting changes to variable APRs take effect as of the first day of the billing period. The Daily Periodic Rate (DPR) is 1/365th of the APR, rounded to the nearest one ten-thousandth of a percentage point. The variable penalty APR will not exceed 29.99%.

How Rates and Fees Work

Rates	
When the penalty APR will apply	The penalty APR applies to all balances on your account if: • you do not pay at least the Minimum Payment Due by the Closing Date of the billing period in which it is due; • you do not pay at least the Minimum Payment Due by the Payment Due Date 2 times in 12 billing periods; or • your payment is returned by your bank. See <i>When we charge interest</i> in Part 2 of the Cardmember Agreement for information on <i>Interest Charged If You Do Not Pay Your Minimum Payment Due</i>.
How long the penalty APR will apply	The penalty APR will continue to apply until after you have made timely payments with no returned payments for 12 billing periods in a row.
Fees	
We add fees to a purchase balance, unless we tell you otherwise.	
Annual Membership	This fee is on the <i>Rates and Fees Table</i> on page 1 of Part 1.
Late Payment	Up to \$39. If we do not receive the Minimum Payment Due by its Payment Due Date, the fee is \$39. However, the late fee will not exceed the Minimum Payment Due. Paying late may also result in a penalty APR. See <i>When the penalty APR will apply</i> above.
Returned Payment	\$39 if your payment is returned unpaid the first time we present it to your bank. A returned payment may also result in a penalty APR. See <i>When the penalty APR will apply</i> above.
Returned Check	\$38 if you use your card to cash a check at one of our approved locations and the check is returned unpaid. We will also charge you the unpaid amount.
Overlimit	None
Account Re-opening	\$25, if your account is cancelled, you ask us to re-open it, and we do so.
Balance Transfer	3% of the transaction, with a minimum of \$5. A different fee may apply if stated in a promotional offer or at the time of a transaction. This fee is a finance charge. We will add it to the same balance as the balance transfer. Balance transfers may not be available.
Foreign Transaction	2.7% of the converted U.S. dollar amount. This fee is a finance charge. See Part 2 for <i>Converting charges made in a foreign currency</i> .

Part 1, Part 2 and any supplements or amendments make up your Cardmember Agreement.

How Your American Express Account Works

Introduction

About your Cardmember Agreement	This document together with Part 1 makes up the Cardmember Agreement (<i>Agreement</i>) for the <i>Account</i> identified on page 1 of Part 1. Any supplements or amendments are also part of the Agreement.	When you or an Additional Cardmember, as defined below, use the Account (or sign or keep a card), you agree to the terms of the Agreement.
Words we use in the Agreement	We, us, and our mean the issuer shown on page 1 of Part 1. Except as provided below, Basic Cardmember means the person who applied for this Account or to whom we address billing statements. Company means the business for which the Account is established. You and your mean the Basic Cardmember and the Company. You agree, jointly and severally, to be bound by the terms of this Agreement. Card means any card or other device that we issue to access the Account. A charge is any amount added	to the Account, such as purchases, balance transfers, fees and interest charges. A purchase is a charge for goods or services or a person-to-person transaction. A person-to-person transaction is a charge for funds sent to another person. A balance transfer is a charge to pay an amount you owe on another credit card account. To pay by a certain date means to send your payment so that we receive it and credit it to your Account by that date (see <i>About your payments</i> in Part 2).
Additional Cardmembers	At your request, we may issue cards to <i>Additional Cardmembers</i>. They do not have accounts with us but they can use your Account subject to the terms of this Agreement. You are responsible for all use of the Account by Additional Cardmembers and anyone they allow to use the Account. You must pay for all charges they make. You must share this Agreement with all Additional Cardmembers. You must tell Additional Cardmembers that: • we may obtain, provide and use information about them. • their use of the Account is subject to this Agreement. You authorize us to give Additional Cardmembers information about the Account and to discuss it with them.	If you want to cancel an Additional Cardmember's right to use your Account (and cancel their card) you must tell us. We may refer to <i>Additional Card(s)</i> and <i>Additional Cardmember(s)</i> as <i>Employee Card(s)</i> and <i>Employee Cardmember(s)</i>. All terms and conditions that apply to Additional Cards also apply to Employee Cards. If an Annual Membership fee applies for an Additional Card, please refer to the refund policy disclosed in the <i>Closing your Account</i> sub-section of your Cardmember Agreement. If a single Annual Membership fee applies for a group of Additional Cards on your Account, this policy will apply when you cancel the Additional Card on which the fee was assessed. If an Annual Membership fee applies to Additional Cards on your Account, it is shown on page 2 of Part 1 of the Cardmember Agreement.
Replacement Basic Cardmember	You must tell us if the Basic Cardmember is no longer an employee or officer of the Company or does not want to be the Basic Cardmember. In that case, you must either close the Account, or propose another person to replace the Basic Cardmember. If you propose another person to replace the Basic Cardmember, that person must agree to assume the	obligations and liabilities of the Basic Cardmember under this Agreement, as of the date that such person replaces the Basic Cardmember. That person is subject to our approval. You agree that the Basic Cardmember remains the Basic Cardmember until we approve a replacement or the Account is closed.
About using your card		
Using the card	Cards may be used for purchases. At our discretion, we may permit you to make balance transfers or person-to-person transactions subject to <i>Limits on person-to-person transactions</i>. You cannot transfer balances from any other account issued by us and/or our affiliates. Each Cardmember acknowledges and agrees that cards are intended to be used for the Company's commercial or business purposes. You may arrange for certain merchants and third parties to store your card number and expiration date, so that, for example: • the merchant may charge your account at regular intervals; or • you may make charges using that stored card information	We may (but are not required to) tell these merchants and third parties if your expiration date or card number changes or if your account status is updated, including if your account is cancelled. If you do not want us to share your updated account information, please contact us using the number on the back of your card. Keep the cards safe. Do not let anyone use them. If a card is lost or stolen or the Account is being used without permission, contact us right away. The Account may not be used for illegal activities.
Limits on person-to-person transactions	Your person-to-person transactions may not exceed the \$2,000 person-to-person transaction limit within any 30-day period.	You agree to manage your Account so that the total of your person-to-person transactions in any 30-day period do not exceed the limit on person-to-person transactions. We may not approve a person-to-person transaction if it would cause your Account to exceed the person-to-person transaction limit or your Credit Limit.

Promise to pay	You promise to pay all charges, including • charges you make, even if you do not present your card or sign for the transaction, • charges that other people make, whether or not you or an Additional Cardmember intend to let them use the Account, subject to applicable law, and if you let them use your Account, and • charges that Additional Cardmembers make or permit others to make.	
Credit Limit and Amount Above the Credit Limit	We assign a <i>Credit Limit</i> to the Account. It is shown on page 1 of Part 1 and on each billing statement. We may increase or reduce the Credit Limit. We may do so even if you pay on time and the Account is not in default. We may approve charges or assess interest charges or fees that cause the account balance to go over the Credit Limit. If we do this, we will not charge an overlimit fee. The part of the New Balance that is above the Credit Limit appears on your statement as the <i>Amount Above the Credit Limit</i>. We decide whether to approve a charge that will cause the account balance to go over the Credit Limit, or that will add to the Amount Above the Credit Limit, based on how you spend and pay on this Account and other accounts you have with us and our affiliates. We also consider your credit history and your personal resources that we know about. If we permit you to make a balance transfer, the amount remaining under the Credit Limit will be reduced by the amount of the balance transfer and new charges may cause the account balance to go over the Credit Limit and add to the Amount Above the Credit Limit. For balances under the Credit Limit, you have the option of paying the balance in full each month, or paying at least the Minimum Payment Due and paying	the remaining balance over time while accruing interest charges. The Amount Above the Credit Limit will be due in full as part of the monthly Minimum Payment Due (see <i>How we calculate your Minimum Payment Due</i> below). Interest on the Amount Above the Credit Limit For any particular billing period, we will not charge interest on the Amount Above the Credit Limit if you pay at least your Minimum Payment Due from the previous billing period by the Closing Date of the billing period in which the payment is due (see <i>When we charge interest</i> below). If you do not pay your Minimum Payment Due by the Closing Date of the billing period in which it is due, we will apply the Penalty APR to the entire balance, including the Amount Above the Credit Limit, if any, and any balance transfers, (see <i>How we calculate interest</i> below). We also may apply the Penalty APR for other reasons (see <i>Penalty APR and when it applies</i> on page 2 of Part 1). After you pay the Minimum Payment Due shown on your statement by the Closing Date of the billing period in which it is due, we will no longer charge interest on the Amount Above the Credit Limit. However, the Penalty APR will continue to apply to other balances (including any balance transfer) in accordance with <i>Penalty APR and when it applies</i> on page 2 of Part 1.
Declined transactions	We may decline to authorize a charge. Reasons we may do this include suspected fraud and our assessment of your creditworthiness. This may occur even if the charge would not cause you to go over your Credit Limit and your Account is not in default.	We are not responsible for any losses you or any Additional Cardmembers incur if we do not authorize a charge. And we are not responsible if any merchant refuses to accept the card.
About your payments		
When you must pay	You must pay at least the Minimum Payment Due by the Payment Due Date. The Minimum Payment Due and Payment Due Date are shown on each billing statement. Each statement also states the time and manner by which you must make your payment for it to be credited as of the same day it is received. For your payment to be considered on time, we must receive	at least the Minimum Payment Due in such time and manner by the Payment Due Date shown on your statement. Each statement also shows a Closing Date. The Closing Date is the last day of the billing period covered by the statement. Each Closing Date is about 30 days after the previous statement's Closing Date. Each statement also shows a Next Closing Date.
How to make payments	Make payments to us in U.S. dollars with: • a single check drawn on a U.S. bank, or • a single negotiable instrument clearable through the U.S. banking system, for example a money order, or • an electronic payment that can be cleared through the U.S. banking system. When making a payment by mail: • make a separate payment for each Account, • mail your payment to the address shown on the payment coupon on the billing statement, and • write the Account number on your check or negotiable instrument and include the payment coupon. If your payment meets the above requirements, we will credit it to the Account as of the day we receive it, as long as we receive it by the time disclosed in the	statement. If we receive it after that time, we will credit the payment on the day after we receive it. If your payment does not meet the above requirements, there may be a delay in crediting the Account. This may result in late fees and additional interest charges (see <i>How Rates and Fees Work</i> on page 2 of Part 1). We will not accept a payment made in a foreign currency or a payment drawn on an account at a bank located outside of the U.S. If we process a late payment, a partial payment, or a payment marked with any restrictive language that will have no effect on our rights and will not change this Agreement.

How we apply payments and credits

If the balances on your most recent billing statement are subject to different interest rates, we apply payments first to the balances with the highest interest rate and then to balances with lower interest rates.

After the balance on your statement has been paid in full, we apply any additional payments to amounts that have not yet appeared on a statement, starting with those amounts subject to the highest interest rate and then to amounts at lower interest rates.

In most cases, we apply a credit to the same balance as the related charge. For example, we apply a credit for a purchase to the purchase balance. We may apply payments and credits within balances, and among balances with the same interest rate, in any order we choose.

Effect of Paying the Minimum Payment Due

The effect of paying the Minimum Payment Due is that the Amount Above the Credit Limit is paid, but only part of the interest bearing balance is reduced.

About your Minimum Payment Due

How we calculate your Minimum Payment Due

Your Minimum Payment Due is made up of:

- any fees,
- any interest,
- any past due amount,
- any Amount Above the Credit Limit,
- and the *higher* of \$35 or a percentage of the New Balance (for information on how this amount is calculated, see *Minimum Payment Due with No Amount Above the Credit Limit* and *Minimum Payment Due with an Amount Above the Credit Limit* below).

As further explained below, to calculate the Minimum Payment Due for each billing statement, we use:

- the New Balance,
- any Amount Above the Credit Limit,
- the Previous Balance,
- any Interest Charged,
- any Penalty Fees, and
- any Past Due Amount.

These amounts can be found on your statement. Your Minimum Payment Due may also include any additional amount specified in a promotional offer. Your Minimum Payment Due will not exceed your New Balance. You may pay more than the Minimum Payment Due, up to your New Balance, at any time.

Minimum Payment Due with No Amount Above the Credit Limit

Your Minimum Payment Due consists of a portion of your Account balance plus interest charges and Penalty Fees.

To calculate your Minimum Payment Due for each statement, we first determine the higher of **(1)** or **(2)** below:

- (1)** \$35, or
- (2)** The amount calculated using the following steps:
1. Calculate Modified New Balance by subtracting the interest and Penalty Fees charged on the statement from the New Balance on the statement.
 2. Calculate the Applicable Rate by:
 - I. Adding the following together:
 - 1% of the portion of the Modified New Balance less than or equal to \$25,000 **and**
 - 5% of the portion of the Modified New Balance greater than \$25,000 and less than or equal to \$75,000 **and**
 - 10% of the portion of the Modified New Balance greater than \$75,000
 - II. Then divide the sum from step I by the Modified New Balance and round to 4 decimals (ex. 0.1234).
 3. Calculate the Portion of the Modified New Balance included in the Minimum Payment Due by multiplying the Modified New Balance calculated in step 1 by the Applicable Rate calculated in step 2.
 4. Add the Interest Charged on the statement to the result from step 3.

Finally, we take the higher of **(1)** and **(2)** above and add Penalty Fees. Then we round to the nearest dollar and add any Past Due Amount.

EXAMPLE: Assume that your New Balance is \$30,000, Interest Charged is \$299.59, and you have no Penalty Fees or Past Due Amount.

- (1)** \$35, or
- (2)** Calculate the following:
1. Modified New Balance: $\$30,000 - \$299.59 \text{ Interest Charged} - \$0 \text{ Penalty Fees} = \$29,700.41$
 2. Applicable Rate: $[(1\% \times \$25,000) + (5\% \times \$4,700.41)] / \$29,700.41 = 0.0163$
 3. Portion of the Modified New Balance included in the Minimum Payment Due: $\$29,700.41 \times 0.0163 = \484.12
 4. $\$484.12 + \$299.59 \text{ Interest Charged} = \783.71

The higher of (1) or (2) is \$783.71.

$\$783.71 + \$0 \text{ Penalty Fees} + \$0 \text{ Past Due Amount} = \$784.$

Minimum Payment Due with an Amount Above the Credit Limit

To calculate your Minimum Payment Due for each statement, we first determine the higher of (1) or (2) below:

- (1) \$35, or
- (2) The amount calculated using the following steps:
 1. Calculate Modified New Balance by subtracting the Amount Above the Credit Limit, interest and Penalty Fees charged on the statement from the New Balance on the statement. For this calculation:
 - I. We will only subtract the amount of Interest Charged that is not included in the Amount Above the Credit Limit from the New Balance. See How to determine whether Interest Charged is included in the Amount Above the Credit Limit below.
 - II. We will only subtract the amount of Penalty Fees that is not included in the Amount Above the Credit Limit from the New Balance. See How to determine whether Penalty Fees are included in the Amount Above the Credit Limit below.
 2. Calculate the Applicable Rate by:
 - I. Adding the following together:
 - 1% of the portion of the Modified New Balance less than or equal to \$25,000 and
 - 5% of the portion of the Modified New Balance greater than \$25,000 and less than or equal to \$75,000 and
 - 10% of the portion of the Modified New Balance greater than \$75,000
 - II. Then divide the sum from step I by the Modified New Balance and round to 4 decimals (ex. 0.1234).
 3. Calculate the Portion of the Modified New Balance included in the Minimum Payment Due by multiplying the Modified New Balance calculated in step 1 by the Applicable Rate calculated in step 2.
 4. Add the part of the Interest Charged not included in the Amount Above the Credit limit to the result from step 3.

Finally, we take the higher of (1) and (2) above and:

- Add any Penalty Fees *not* included in the Amount Above the Credit Limit,
- Add any Amount Above the Credit Limit, after subtracting any part of the Past Due Amount that is included in the Amount Above the Credit Limit (see *How to determine whether the Past Due Amount is included in the Amount Above the Credit Limit* below),

Then we round to the nearest dollar and add any Past Due Amount.

EXAMPLE: Your New Balance is \$35,000, Interest Charged is \$334.63, penalty fee is \$38, Amount Above the Credit Limit is \$450, credit limit is \$34,550, and your Past Due Amount is \$300.

- (1) \$35, or
- (2) Calculate the following:
 1. Modified New Balance: \$35,000 New Balance - \$0 Interest Charged not included in the Amount Above the Credit Limit - \$0 Penalty Fees not included in the Amount Above the Credit Limit - \$450 Amount Above the Credit Limit = \$34,550
 2. Applicable Rate: $[(1\% \times \$25,000) + (5\% \times \$9,550)] / \$34,550 = 0.0211$
 3. Portion of the Modified New Balance included in the Minimum Payment Due: $\$34,550 \times 0.0211 = \729.01
 4. $\$729.01 + \0 Interest Charged not included in the Amount Above the Credit Limit = \$729.01

The higher of (1) or (2) is \$729.01.

$\$729.01 + \0 Penalty Fees not included in Amount Above the Credit Limit = \$729.01.

$\$729.01 + (\$450 \text{ Amount Above the Credit Limit} - \$0 \text{ Past Due Amount included in the Amount Above the Credit Limit}) = \$1,179.01$

$\$1,179 + \$300 \text{ Past Due Amount} = \$1,479$

If your Account has an Amount Above the Credit Limit, we do additional calculations to determine what part of interest, fees, and the Past Due Amount are included in the Amount Above the Credit Limit. You can see how to do these additional calculations in the **Additional Calculations** sub-section below.

How to determine whether Interest Charged is included in the Amount Above the Credit Limit

To determine whether any part of Interest Charged is included in the Amount Above the Credit Limit, we subtract the Amount Above the Credit Limit from the Interest Charged on the statement.

- If the result is less than or equal to zero, then all of the Interest is already included in the Amount Above the Credit Limit.
- If the result is greater than zero, the result is the part of Interest *not* included in the Amount Above the Credit Limit.

EXAMPLE

Your Interest Charged is \$62.63 and the Amount Above the Credit Limit is \$250.

\$62.63 Interest Charged on statement - \$250 Amount Above the Credit Limit = -\$187.37

- *Because -\$187.37 is less than zero, all of the Interest Charged on the statement is already included in the Amount Above the Credit Limit.*

Interest Charged not included in the Amount Above the Credit Limit is \$0.

How to determine whether Penalty Fees are included in the Amount Above the Credit Limit

To determine whether any part of Penalty Fees are included in the Amount Above the Credit Limit:

- (1) We subtract the Interest Charged from the Amount Above the Credit Limit.
- (2) Then, we subtract the result of this Step 1 from the Penalty Fees.
 - If the result is less than or equal to zero, then all of the Penalty Fees are already included in the Amount Above the Credit Limit.
 - If the result is greater than zero, that amount is the part of the Penalty Fees not included in the Amount Above the Credit Limit.

EXAMPLE

Your Amount Above the Credit Limit is \$250, Interest Charged is \$62.63, Penalty Fees are \$38.

(1) *\$250 Amount Above the Credit Limit - \$62.63 Interest Charged = \$187.37*

(2) *\$38 Penalty Fee - \$187.37 = -\$149.37.*

- *Because -\$149.37 is less than zero, all of the Penalty Fees are already included in the Amount Above the Credit Limit.*

Penalty Fees not included in the Amount Above the Credit Limit are \$0.

How to determine whether the Past Due Amount is included in the Amount Above the Credit Limit

To determine whether any part of the Past Due Amount is included in the Amount Above the Credit Limit:

- (1) We subtract the Credit Limit shown on your previous statement from the Previous Balance.
 - If the result is less than or equal to zero, then none of the Past Due Amount is already included in the Amount Above the Credit Limit.
 - If the result is greater than zero, proceed to Step 2.
- (2) We subtract any payments/credits shown on the statement from the result of the previous step.
 - If the result is less than or equal to zero, then none of the Past Due Amount is already included in the Amount Above the Credit Limit.
 - If the result is greater than zero, then the result is the part of the Past Due Amount that is already included in the Amount Above the Credit Limit.

EXAMPLE

(1) *Your Previous Balance is \$6,000, Credit Limit is \$5,000, Payments shown are \$750. \$6,000 Previous Balance - \$5,000 Credit Limit = \$1,000. \$1,000 is greater than zero. Proceed to Step 2.*

(2) *\$1,000 - \$750 Payments shown = \$250. \$250 is greater than zero.*

The Past Due Amount that is included in the Amount Above the Credit Limit is \$250.

About Interest Charges

When we charge interest

If interest applies, we charge interest beginning on the date of each transaction. You can avoid paying interest on purchases as described below. However, you cannot avoid paying interest on balance transfers.

How to Avoid Interest on Purchases up to the Credit Limit

If you pay the New Balance on every billing statement by the Payment Due Date, we will not charge interest on purchases.

If you do not pay the New Balance on a statement by the Payment Due Date and then you pay the New Balance on the next statement by the Payment Due Date, we will not charge interest on purchases from the date of your payment to the Closing Date of the billing period in which you made that payment. But we will charge interest on purchases that are not included in the Amount Above the Credit Limit from the beginning of that billing period until the date of your payment. If you do not pay the New Balance on a statement by the Payment Due Date and then you pay the New Balance on each of the next two statements by their Payment Due Dates, we will not charge interest on purchases that are not included in the Amount Above the Credit Limit on the following statement.

Also, we will not charge interest on purchases on a statement if the Previous Balance on that statement is zero or a credit balance.

How to Avoid Interest on the Amount Above the Credit Limit

For any particular billing period, we will not charge interest on the Amount Above the Credit Limit if you pay at least your Minimum Payment Due from the previous billing period by the Closing Date of the billing period in which the payment is due. However, if you pay less than the New Balance, we will charge interest, as per the *How to Avoid Interest on Purchases up to the Credit Limit*, on purchases not included in the Amount Above the Credit Limit.

Interest Charged If You Do Not Pay Your Minimum Payment Due

If you do not pay your Minimum Payment Due by the Closing Date of the billing period in which it is due, we will apply the Penalty APR to the entire balance, including the Amount Above the Credit Limit, if any, and any balance transfer (see *How we calculate interest* below). We also may apply the Penalty APR for other reasons (see *Penalty APR and when it applies* on page 2 of Part 1).

If you do not pay the Minimum Payment Due on a statement by the Closing Date of the billing period in which it is due and then you pay the Minimum Payment Due on a subsequent statement by the Closing Date of the billing period in which it is due, we will not charge interest on the Amount Above the Credit Limit for the billing period for which you paid the Minimum Payment Due by the Closing Date in which it is due. However, the Penalty APR will continue to apply to other balances (including any balance transfer) in accordance with *Penalty APR and when it applies* on page 2 of Part 1).

Application of Penalty APR in Your First Billing Period

If we apply the Penalty APR during the first billing period after your account was opened, we will apply the Penalty APR to any balance transfer beginning the first day of the second billing period.

How we calculate interest

We calculate interest for a billing period by first calculating interest on each balance. Different categories of transactions--such as purchases and balance transfers--may have different interest rates. Balances within each category may also have different interest rates.

We use the Average Daily Balance method

(including new transactions) to calculate interest charges for each balance. The total interest charged for a billing period is the sum of the interest charged on each balance.

Interest

The interest charged for a balance in a billing period, except for variations caused by rounding, equals:

- Average Daily Balance (ADB) multiplied by
- Daily Periodic Rate (DPR) multiplied by
- Number of days the DPR was in effect.

ADB

To get the ADB for a balance, we add up each *Daily Balance Subject to Interest* (see below). Then we divide the result by the number of days the DPR for that balance was in effect. If the daily balance is negative, we treat it as zero.

DPR

A DPR is 1/365th of an APR, rounded to one ten thousandth of a percentage point. Your DPRs are shown in *How Rates and Fees Work* on page 2 of Part 1.

EXAMPLE: Calculating Interest

Assume that you have a single interest rate of 15.99%, your ADB is \$2,250 and there are 30 days in the billing period.

The DPR is 15.99% divided by 365 days = 0.0438%

The Interest is \$2,250 multiplied by 0.0438% multiplied by 30 days = \$29.57

Daily Balance

For each day a DPR is in effect, we calculate the Daily Balance by:

- taking the *beginning balance* for the day,
- adding any new charges,
- subtracting any payments or credits;
- making any appropriate adjustments.

We add a new charge to a Daily Balance as of its transaction date.

Daily Balance Subject to Interest

To calculate the *Daily Balance Subject to Interest*, we reduce the Daily Balance by the amount above your credit limit on each day, if you pay the Minimum Payment Due by the Closing Date of the billing period in which the payment is due.

However, if you do not pay the Minimum Payment Due by the Closing Date of the billing period in which it is due, we will not reduce the Daily Balance by the amount above your Credit Limit on each day.

For purposes of the Daily Balance Subject to Interest, "credit limit" is the lowest credit limit on any day during the billing period.

Beginning balance

For the first day of a billing period, the beginning balance is the ending balance for the prior billing period, including unpaid interest. For the rest of the billing period, the beginning balance is the previous day's Daily Balance *plus an amount of interest equal to the previous day's Daily Balance Subject to Interest multiplied by the DPR for that balance*. This method of calculating the beginning balance results in daily compounding of interest.

	When an interest rate changes, the new DPR may come into effect during—not just at the beginning of—the billing period. When this happens, we will create a new balance and apply the new DPR to it. To get the beginning balance on the first day for this new balance, we multiply the previous day's Daily Balance Subject to Interest by the old DPR and add the result to that day's daily balance compounding of interest.	Other methods To calculate the ADB and interest charges, we may use other formulas or methods that produce equivalent results. Also, we may choose not to charge interest on certain types of charges.
Determining the Prime Rate	We use the Prime Rate from the rates section of <i>The Wall Street Journal</i>. The Prime Rate for each billing period is the Prime Rate published in <i>The Wall Street Journal</i> on the Closing Date of the billing period. <i>The Wall Street Journal</i> may not publish the Prime Rate on that day. If it does not, we will use the Prime Rate from the previous day it was published. If <i>The Wall Street Journal</i> is no longer published, we may	use the Prime Rate from any other newspaper of general circulation in New York, New York. Or we may choose to use a similar published rate. If the Prime Rate increases, variable APRs (and corresponding DPRs) will increase. In that case, you may pay more interest and may have a higher Minimum Payment Due. When the Prime Rate changes, the resulting changes to variable APRs take effect as of the first day of the billing period.
Other important information		
Changing the Agreement	We may change the terms of, or add new terms to, this Agreement. We may apply any changed or new terms to any existing and future balances on the Account, subject to applicable law.	This written Agreement is a final expression of the agreement governing the Account. The written Agreement may not be contradicted by any alleged oral agreement.
Converting charges made in a foreign currency	If you make a charge in a foreign currency, AE Exposure Management Ltd. ("AEEML") will convert it into U.S. dollars on the date we or our agents process it, so that we bill you for the charge in U.S. dollars based upon this conversion. Unless a particular rate is required by law, AEEML will choose a conversion rate that is acceptable to us for that date. The rate AEEML uses is no more than the highest official rate published by a government agency or the highest interbank rate AEEML identifies from customary banking sources on the conversion date or the prior business day. This rate may differ from rates that are in effect on the date of your charge. We will bill charges converted by establishments (such as airlines) at the rates they use.	
Changing your billing address	You must notify us immediately if you change the: • mailing address, email address, telephone numbers, or fax numbers that we use to send you billing statements, notices or other communications. • legal entity of the Company. • tax identification number.	
Closing your Account	You may instruct us to close the Account by calling us or writing to us. The Basic Cardmember agrees to inform the Company prior to instructing us to do so. The Basic Cardmember and the Company remain jointly and severally liable for all Charges made on the Account.	If an Annual Membership fee applies, we will refund this fee if you notify us that you are voluntarily closing your Account within 30 days of the Closing Date of the billing statement on which that fee appears. For cancellations after this 30 day period, the Annual Membership fee is non-refundable. If an Annual Membership fee applies to your Account, it is shown on page 1 and page 2 of Part 1 of the Cardmember Agreement. If your billing address is in the Commonwealth of Massachusetts at the time you close your account, this policy will not apply to you.
Cancelling or suspending your Account	We may: • cancel your Account, • suspend the ability to make charges, • cancel or suspend any feature on your Account. • notify merchants that your Account has been cancelled or suspended. If we do any of these, you must still pay us for all charges under the terms of this Agreement. We may do any of these things at our discretion, even	if you pay on time and your Account is not in default. If your Account is cancelled, you must destroy all cards. We may agree to reinstate the Account after a cancellation. If we do this, we may: • reinstate any cards, including additional cards. • charge you any applicable fees, including annual fees. • charge you a fee for reinstating the Account.
About default	We may consider your Account to be in default if: • you violate a provision of this Agreement, • you give us false information, • you file for bankruptcy, • you default under another agreement you have with us or an affiliate, • you become incapacitated or die, or • we believe you are unable or unwilling to pay your debts when due.	If we consider your Account in default, we may: • suspend your ability to make charges, • cancel or suspend any feature on your Account, • cancel the Account and require you to pay the Account balance immediately. • require you to pay more than your Minimum Payment Due immediately.
Collection costs	You agree to pay all reasonable costs, including attorneys' fees, that we incur to collect amounts you owe or to protect ourselves from loss, harm or risk relating to default.	

Credit reports	You agree that we will obtain credit reports about you, investigate your ability to pay, and obtain information about you from other sources including information to verify and re-verify your employment and income. And you agree that we will use such information for any purposes (for example, marketing to you or evaluating you for a new account), subject to applicable law. You agree that we will give information about the Account to credit reporting agencies. We will tell a credit reporting agency if you fail to comply with any term of this Agreement. This may have a negative impact on your credit report. If you believe information we have given to a credit reporting agency is incorrect, write to us at: American Express Credit Bureau Unit, P.O. Box 981537, El Paso, TX 79998-1537. When you write to us, tell us the specific information you believe is incorrect.	
Sending you notices	We send you notices through the U.S. mail (postage prepaid) or electronically using the information in our records. Any notice we send you is deemed given when deposited in the U.S. mail or when sent electronically. Additionally, we may send notices and information to Additional Cardmembers at their request.	
We may contact you	Servicing and Collections If we need to contact you to service your account or to collect amounts you owe, you authorize us (and our affiliates, agents and contractors, such as debt collection agencies and service providers) to contact you at any phone number or email address you provide, from which you contact us, or at which we believe we can reach you. We may contact you in any way, such as calling, texting, emailing, sending mobile application push notifications or using any other method of communication permitted by law. We may contact you using an automated dialer or prerecorded messages. We may contact you on a mobile, wireless or similar device, even if you are charged for it. Call monitoring We may monitor and record any calls between you and us.	
About insurance products	We or our affiliates may tell you about insurance and non-insurance products, services or features that may have a fee. One of our affiliates may act on behalf of a provider of these products. The affiliate may be compensated for this. The insurance products are not offered or sold by us or on our behalf. Our affiliates may get additional compensation when AMEX Assurance Company or another affiliate is the insurer or reinsurer. Compensation may influence what products and providers we or our affiliates tell you about. We may share information about you with our affiliates so they can identify products that may interest you. We may be compensated for this information.	
How we handle electronic debits from your checking account	When you pay us by check, you authorize us to electronically deduct the amount from your bank or other asset account. We may process the check electronically by transmitting to your financial institution: • the amount, • the routing number, • the account number, and • the check serial number.	If we do this, your payment may be deducted from your bank or other asset account on the same day we receive your check. Also, you will not receive that cancelled check with your bank or asset account billing statement. If we cannot collect the funds electronically, we may issue a draft against your bank or other asset account for the amount of the check.
Privacy Act of 1974 notice	Some federal agencies may accept the card under authority of statute. When you or Additional Cardmembers make charges at these agencies, we collect certain charge information. That information may be put to routine uses such as processing, billing and collections. It may also be aggregated for reporting, analysis and marketing use. Other routine uses by agencies may be published in the Federal Register.	
Changing the benefits	We have the right to add, modify or delete any benefit, service, or feature of the Account at our discretion.	
Assigning the Agreement	We may sell, transfer or assign this Agreement and the Account. We may do so at any time without notifying you. You may not sell, assign or transfer the Account or any of your obligations under this Agreement.	
Assigning claims	If you dispute a charge with a merchant, we may credit the Account for all or part of the disputed charge. If we do so, you assign and transfer to us all rights and claims (excluding tort claims) against the merchant. You and any Additional Cardmembers agree not to pursue any claim against the merchant for the credited amount. And you and any Additional Cardmembers must cooperate with us if we decide to do so.	
We do not waive our rights	We may choose to delay enforcing or to not exercise rights under this Agreement. If we do this, we do not waive our rights to exercise or enforce them on any other occasion.	
Governing law	Utah law and federal law govern this Agreement and the Account. They govern without regard to internal principles of conflicts of law. We are located in Utah. We hold the Account in Utah. We entered into this Agreement with you in Utah.	
Notice to Oregon Residents	Service charges not in excess of those permitted by law will be charged on the outstanding balances from month to month. You may pay more than the Minimum Payment Due, up to your entire outstanding balance, at any time.	
Notice for residents of Washington State	In accordance with the Revised Code of Washington Statutes, Section 63.14.167, you are not responsible for payment of interest charges that result solely from a merchant's failure to transmit to us within seven working days a credit for goods or services accepted for return or forgiven if you have notified us of the merchant's delay in posting such credit, or our failure to post such credit to your account within three working days of our receipt of the credit.	

Claims Resolution

Most customer concerns can be resolved by calling our Customer Service Department at the number listed on the back of your card. In the event Customer Service is unable to resolve a complaint to your satisfaction, this section explains how claims can be resolved through mediation, arbitration or litigation. It includes an arbitration provision. **You may reject the arbitration provision by sending us written notice within 45 days after your first card purchase. See *Your Right to Reject Arbitration* below.**

For this section, **you** and **us** includes any corporate parents, subsidiaries, affiliates or related persons or entities. **Claim** means any current or future claim, dispute or controversy relating to your Account(s), this Agreement, or any agreement or relationship you have or had with us, except for the validity, enforceability or scope of the Arbitration provision. **Claim** includes but is not limited to: (1) initial claims, counterclaims, crossclaims and third-party claims; (2) claims based upon contract, tort, fraud, statute, regulation, common law and equity; (3) claims by or against any third party using or providing any product, service or benefit in connection with any account; and (4) claims that arise from or relate to (a) any account created under any of the agreements, or any balances on any such account, (b) advertisements, promotions or statements related to any accounts, goods or services financed under any accounts or terms of financing, (c) benefits and services related to card membership (including fee-based or free benefit programs, enrollment services and rewards programs) and (d) your application for any account. You may not sell, assign or transfer a claim.

Sending a Claim Notice

Before beginning a lawsuit, mediation or arbitration, you and we agree to send a written notice (a **claim notice**) to each party against whom a claim is asserted, in order to provide an opportunity to resolve the claim informally or through mediation. Go to americanexpress.com/claim for a sample claim notice. The claim notice must describe the claim and state the specific relief demanded. Notice to you may be provided by your billing statement or sent to your billing address. Notice to us must include your name, address and Account number and be sent to American Express ADR c/o CT Corporation System, 28 Liberty Street, New York, New York 10005. If the claim proceeds to arbitration, the amount of any relief demanded in a claim notice will not be disclosed to the arbitrator until after the arbitrator rules.

Mediation

In mediation, a neutral mediator helps parties resolve a claim. The mediator does not decide the claim but helps parties reach agreement.

Before beginning mediation, you or we must first send a claim notice. Within 30 days after sending or receiving a claim notice, you or we may submit the claim to JAMS (1-800-352-5267, jamsadr.com) or the American Arbitration Association ("AAA") (1-800-778-7879, adr.org) for mediation. We will pay the fees of the mediator.

All mediation-related communications are confidential, inadmissible in court and not subject to discovery.

All applicable statutes of limitation will be tolled from the date you or we send the claim notice until

termination of the mediation. Either you or we may terminate the mediation at any time. The submission or failure to submit a claim to mediation will not affect your or our right to elect arbitration.

Arbitration

You or we may elect to resolve any claim by individual arbitration. Claims are decided by a neutral arbitrator.

If arbitration is chosen by any party, neither you nor we will have the right to litigate that claim in court or have a jury trial on that claim. Further, you and we will not have the right to participate in a representative capacity or as a member of any class pertaining to any claim subject to arbitration. Arbitration procedures are generally simpler than the rules that apply in court, and discovery is more limited. The arbitrator's authority is limited to claims between you and us alone. Claims may not be joined or consolidated unless you and we agree in writing. An arbitration award and any judgment confirming it will apply only to the specific case and cannot be used in any other case except to enforce the award. The arbitrator's decisions are as enforceable as any court order and are subject to very limited review by a court. Except as set forth below, the arbitrator's decision will be final and binding. Other rights you or we would have in court may also not be available in arbitration.

Initiating Arbitration

Before beginning arbitration, you or we must first send a claim notice. Claims will be referred to either JAMS or AAA, as selected by the party electing arbitration. Claims will be resolved pursuant to this Arbitration provision and the selected organization's rules in effect when the claim is filed, except where those rules conflict with this Agreement. If we choose the organization, you may select the other within 30 days after receiving notice of our selection. Contact JAMS or AAA to begin an arbitration or for other information. Claims also may be referred to another arbitration organization if you and we agree in writing or to an arbitrator appointed pursuant to section 5 of the Federal Arbitration Act, 9 U.S.C. §§ 1-16 (**FAA**).

We will not elect arbitration for any claim you file in small claims court, so long as the claim is individual and pending only in that court. You or we may otherwise elect to arbitrate any claim at any time unless it has been filed in court and trial has begun or final judgment has been entered. Either you or we may delay enforcing or not exercise rights under this Arbitration provision, including the right to arbitrate a claim, without waiving the right to exercise or enforce those rights.

Limitations on Arbitration

If either party elects to resolve a claim by arbitration, that claim will be arbitrated on an individual basis. There will be no right or authority for any claims to be arbitrated on a class action basis or on bases involving claims brought in a purported representative capacity on behalf of the general public, other cardmembers or other persons similarly situated.

Notwithstanding any other provision and without waiving the right to appeal such decision, if any portion of these *Limitations on Arbitration* is deemed invalid or unenforceable, then the entire Arbitration provision (other than this sentence) will not apply.

Arbitration Procedures

This Arbitration provision is governed by the FAA. The arbitrator will apply applicable substantive law, statutes of limitations and privileges. The arbitrator will not apply any federal or state rules of civil procedure or evidence in matters relating to evidence or discovery. Subject to the *Limitations on Arbitration*, the arbitrator may otherwise award any relief available in court. You and we agree that the arbitration will be confidential. You and we agree that we will not disclose the content of the arbitration proceeding or its outcome to anyone, but you or we may notify any government authority of the claim as permitted or required by law.

If your claim is for \$10,000 or less, you may choose whether the arbitration will be conducted solely on the basis of documents, through a telephonic hearing, or by an in-person hearing. At any party's request, the arbitrator will provide a brief written explanation of the award. The arbitrator's award will be final and binding, subject to each party's right to appeal as stated in this section and/or to challenge or appeal an arbitration award pursuant to the FAA. To initiate an appeal, a party must notify the arbitration organization and all parties in writing within 35 days after the arbitrator's award is issued. The arbitration organization will appoint a three-arbitrator panel to decide anew, by majority vote based on written submissions, any aspect of the decision objected to. The appeal will otherwise proceed pursuant to the arbitration organization's appellate rules. Judgment upon any award may be entered in any court having jurisdiction. At your election, arbitration hearings will take place in the federal judicial district of your residence.

Arbitration Fees and Costs

You will be responsible for paying your share of any **arbitration fees** (including filing, administrative, hearing or other fees), but only up to the amount of the filing fees you would have incurred if you had brought a claim in court. We will be responsible for any additional arbitration fees. At your written request, we will consider in good faith making a temporary advance of your share of any arbitration fees, or paying for the reasonable fees of an expert appointed by the arbitrator for good cause.

Additional Arbitration Awards

If the arbitrator rules in your favor for an amount greater than any final offer we made before the final hearing in arbitration, the arbitrator's award will include: (1) any money to which you are entitled, but in no case less than \$5,000; and (2) any reasonable attorneys' fees, costs and expert and other witness fees.

Your Right to Reject Arbitration

You may reject this Arbitration provision by sending a written **rejection notice** to us at: American Express, P.O. Box 981556, El Paso, TX 79998. Go to americanexpress.com/reject

for a sample rejection notice. Your rejection notice must be mailed within 45 days after your first card purchase. Your rejection notice must state that you reject the Arbitration provision and include your name, address, Account number and personal signature. No one else may sign the rejection notice. If your rejection notice complies with these requirements, this Arbitration provision and any other arbitration provisions in the cardmember agreements for any other currently open American Express accounts you have will not apply to you, except for Corporate Card accounts and any

claims subject to pending litigation or arbitration at the time you send your rejection notice. Rejection of this Arbitration provision will not affect your other rights or responsibilities under this Claims Resolution section or the Agreement. Rejecting this Arbitration provision will not affect your ability to use your card or any other benefit, product or service you may have with your Account.

Continuation

This section will survive termination of your Account, voluntary payment of your Account

balance, any legal proceeding to collect a debt, any bankruptcy and any sale of your Account (in the case of a sale, its terms will apply to the buyer of your Account). If any portion of this Claims Resolution section, except as otherwise provided in the *Limitations on Arbitration* subsection, is deemed invalid or unenforceable, it will not invalidate the remaining portions of this Claims Resolution section.

