

## Lowe's Business Rewards Card

Issuer: American Express National Bank

## Rates and Fees Table

| Interest Rates                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Annual Percentage Rate (APR) for Purchases</b>                                                                           | <b>Prime Rate + 12.49% - Prime + 21.49%</b><br>This is a variable APR. See <i>Explanation of Variable Rates</i> below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>APR for Cash Advances</b>                                                                                                | <b>Prime Rate + 21.99%</b><br>This is a variable APR. See <i>Explanation of Variable Rates</i> below.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Penalty APR and When it Applies</b>                                                                                      | <b>Prime Rate + 25.99%</b><br>This is a variable APR. See <i>Explanation of Variable Rates</i> below.<br>This APR will apply to all balances on your account if you:<br>1) make a payment that is returned;<br>2) make 2 late payments in 12 months; or<br>3) do not make the Minimum Payment due by the closing date of the billing period in which it is due.<br><b>How Long Will the Penalty APR Apply?</b> 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. |
| <b>Paying Interest</b>                                                                                                      | 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 cash advances on the transaction date.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Fees                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Annual Membership Fee</b>                                                                                                | <b>None</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Transaction Fees</b> <ul style="list-style-type: none"><li>Cash Advance</li><li>Foreign Transaction</li></ul>            | Either <b>\$5</b> or <b>3%</b> of the amount of each cash advance, whichever is greater.<br><b>2.7%</b> of each transaction after conversion to US dollars.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Penalty Fees</b> <ul style="list-style-type: none"><li>Late Payment</li><li>Returned Payment</li><li>Overlimit</li></ul> | <b>Up to \$39.</b><br><b>\$39</b><br><b>None</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

**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                                                            |                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>When the penalty APR will apply</b>                           | The penalty APR applies to all balances on your account if: <ul style="list-style-type: none"> <li>• you do not pay at least the Minimum Payment Due by the Closing Date of the billing period in which it is due;</li> <li>• you do not pay at least the Minimum Payment Due by the Payment Due Date 2 times in 12 billing periods; or</li> <li>• your payment is returned by your bank.</li> </ul> |
| <b>How long the penalty APR will apply</b>                       | 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. |                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Annual Membership</b>                                         | This fee is on the <i>Rates and Fees Table</i> on page 1 of Part 1.                                                                                                                                                                                                                                                                                                                                  |
| <b>Late Payment</b>                                              | 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.                                                                                                                                    |
| <b>Returned Payment</b>                                          | \$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.                                                                                                                                                                                                            |
| <b>Returned Check</b>                                            | \$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.                                                                                                                                                                                                                                              |
| <b>Overlimit</b>                                                 | None. See <i>Credit limit and cash advance limit</i> in Part 2.                                                                                                                                                                                                                                                                                                                                      |
| <b>Balance Transfer</b>                                          | The fee will be 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.                                                                                                                                                                                                                             |
| <b>Cash Advance</b>                                              | 3% of the withdrawal and other services you obtain (including any fee charged by the ATM operator), with a minimum of \$5. We will add this fee to the cash advance balance.                                                                                                                                                                                                                         |
| <b>Foreign Transaction</b>                                       | 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.**

## Supplement to the Cardmember Agreement

### How Your Reward Program Works

#### Lowe's Business Rewards Program

##### How you receive points

You will receive 1 Lowe's Business Rewards point (*point*) for each dollar of eligible purchases on your Lowe's Business Rewards Card from American Express (*Card Account*).

You receive 1 additional point (for a total of 2 points) for each dollar of eligible purchases on your Card Account at Lowe's stores, and Lowes.com.

You receive 2 additional points (for a total of 3 points) for each dollar of eligible purchases on your Card Account at restaurants located in the U.S., at office supply stores located in the U.S. (office supplies purchased at other retail stores are excluded), and on monthly wireless telephone services purchased directly from U.S. wireless telephone service providers (purchases of hardware and equipment are excluded; any purchases from third parties and resellers are excluded).

*Eligible purchases* are purchases for goods and services minus returns and other credits. Eligible purchases do NOT include:

- fees or interest charges,
- cash advances,
- purchases of traveler's checks,
- purchases or reloading of prepaid cards, or
- purchases of any cash equivalents.

Purchases made through a third-party payment account or on an online marketplace (with multiple retailers) will not earn additional points.

Merchants are typically assigned codes and categorized based on what they primarily sell. A purchase will not earn additional points if the merchant, or a particular merchant location, uses a code that is not eligible for additional points. For questions about additional points on a purchase, call the number on the back of your Card.

A purchase may not earn additional points if the merchant submits the purchase using a mobile or wireless card reader or if you use a mobile or digital wallet.

Please visit [americanexpress.com/rewards-info](https://americanexpress.com/rewards-info) for more information about rewards.

From time to time, we may make promotional offers of points. These offers include terms about how you can earn the points and when you can use them. These offer terms may differ from the terms above concerning points earned for charges to your Card Account, including about when you can use the points.

You can view your point balance earned to date on the Card by logging onto your online account at [americanexpress.com](https://americanexpress.com) and viewing your account summary page. Some points may be shown as pending points. Pending points are points you will be able to use once we receive timely payment of the amount due for the eligible purchases for which the points are awarded or in accordance with the terms of which the promotional points are awarded.

##### You can purchase points

You may purchase points in increments of 1,000. We will charge your Card Account \$25 for each 1,000 points you purchase.

You may purchase a maximum of 500,000 points each calendar year (January 1 to December 31).

You may only purchase points for your own Card Account.

You may purchase points only when you are redeeming points for a reward.

Points you purchase can be forfeited under the terms of this program.

##### When you will forfeit points

You will forfeit points for eligible purchases during any billing period in which the Minimum Amount Due is not paid by the Closing Date of the billing period in which it is due. You may reinstate those points within the next 12 billing periods if your Card Account is not past due and you pay a \$35 fee.

##### You can redeem points

You should review the terms and conditions for specific rewards before you redeem your points. You may find out about rewards and their terms by visiting [open.com/lowesrewards](https://open.com/lowesrewards) or calling 866-537-1397.

You can redeem points by calling 866-537-1397. The Basic Cardmember or an Authorized Additional Cardmember can redeem points.

All rewards are subject to availability. Certain awards may be available for a limited time only. The terms and any restrictions are described in the program communications.

Merchants participating in the program can change at any time.

You must redeem your points according to the terms for each reward.

You cannot reverse a request for the redemption of points.

You cannot exchange, replace or transfer a reward. Also, you cannot receive cash, credit or points for a reward.

You cannot redeem points if a credit posted to your Card Account reduces the number of your points to less than the amount of your request.

You cannot redeem points if your Card Account is past due or if it is in default.

We may change or cancel a reward at our discretion.

---

**About gift cards**

You will receive gift cards in about 10 business days. You can request expedited delivery service for a fee.

You are responsible for any lost, stolen or mutilated gift cards.

You may combine gift cards, unless it says otherwise. You may not combine gift cards with any other promotional offers from us or participating merchants.

You must give a gift card to the merchant when you use it. You can give a gift card to someone else, unless the gift card states otherwise.

You must use the gift card according to any additional terms or restrictions printed on the gift card.

Gift cards are only valid until the expiration date shown. The expiration for gift cards varies by merchant.

Gift cards cannot be used toward previous purchases. Gift cards cannot be used to pay existing account balances with us or a merchant. Gift cards do not include gratuities or taxes, unless the gift card states otherwise. Gift cards have no cash value.

---

**Other things you should know about this program**

You may forfeit some or all of the points for items that are not purchased for use or consumption by the Company in its ordinary course of business.

We may change the terms of this program at our discretion. We may cancel this program at our discretion. If we do so, we will provide you 3 months notice.

We will resolve disputes or questions about points as we deem appropriate. If you violate or abuse this program, you may forfeit some or all of your points.

Points in this program account are not your property and you may not sell them.

When you redeem points, you release us from any liability regarding your use of and participation in this program. You are responsible for determining any tax liability for receiving, transferring or redeeming points in this program.

---

## How Your American Express Account Works

### Introduction

#### About your Cardmember Agreement

This document together with Part 1 make up the Cardmember Agreement (*Agreement*) for the Account 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, cash advances, balance transfers, fees and interest charges. A **purchase** is a charge for goods or services. A **cash advance** is a charge to get cash or cash equivalents, including travelers cheques, gift cheques, foreign currency, money orders, casino gaming chips, race track wagers or similar offline and online betting transactions. 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 *About your payments* in Part 2).

#### Additional Cardmembers

At your request, we may issue cards to *Additional Cardmembers*. 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 *Additional Card(s)* and *Additional Cardmember(s)* as *Employee Card(s)* and *Employee Cardmember(s)*. All terms and conditions that apply to Additional Cards also apply to Employee Cards.

#### 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 cash advances or balance transfers. 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.

#### 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.

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Credit limit and cash advance limit</b> | <p>We assign a <i>Credit Limit</i> to the Account. We may make part of the Credit Limit available for cash advances (<i>Cash Advance Limit</i>). There may also be a limit on the amount you can withdraw from ATMs in a given period. The Credit Limit and Cash Advance Limit are shown on page 1 of Part 1 and on each billing statement.</p> <p>We may increase or reduce the Credit Limit and Cash Advance Limit. We may do so even if you pay on time and the Account is not in default.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>You agree to manage the Account so that:</p> <ul style="list-style-type: none"> <li>the Account balance (including fees and interest) is not more than the Credit Limit, and</li> <li>the cash advance balance (including fees and interest) is not more than the Cash Advance Limit.</li> </ul> <p>We may approve charges that cause the Account balance to go over the Credit Limit. If we do this, we will not charge an overlimit fee. If we ask you to promptly pay the amount of the Account balance above the Credit Limit, you agree to do so.</p>                                                                                                                                                                             |
| <b>Declined transactions</b>               | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>About your payments</b>                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>When you must pay</b>                   | <p>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.</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>manner by the Payment Due Date shown on your billing statement.</p> <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>How to make payments</b>                | <p>Make payments to us in U.S. dollars with:</p> <ul style="list-style-type: none"> <li>a single check drawn on a U.S. bank, or</li> <li>a single negotiable instrument clearable through the U.S. banking system, for example a money order, or</li> <li>an electronic payment that can be cleared through the U.S. banking system.</li> </ul> <p>When making a payment by mail:</p> <ul style="list-style-type: none"> <li>make a separate payment for each Account,</li> <li>mail your payment to the address shown on the payment coupon on the billing statement, and</li> <li>write the Account number on your check or negotiable instrument and include the payment coupon.</li> </ul> <p>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</p>                                                                                | <p>billing statement. If we receive it after that time, we will credit the payment on the day after we receive it.</p> <p>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).</p> <p>If we decide to accept a payment made in a foreign currency, we will choose a rate to convert your payment into U.S. dollars, unless the law requires us to use a particular rate.</p> <p>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.</p> |
| <b>How we apply payments and credits</b>   | <p>Your Account may have balances with different interest rates. For example, purchases may have a lower interest rate than cash advances. If your Account has balances with different interest rates, here is how we generally apply payments in a billing period:</p> <ul style="list-style-type: none"> <li>We apply your payments, up to the Minimum Payment Due, first to the balance with the lowest interest rate, and then to balances with higher interest rates.</li> <li>After the Minimum Payment Due has been paid, we apply your payments to the balance with the highest interest rate, and then to balances with lower interest rates.</li> </ul> <p>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.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

---

## About your Minimum Payment Due

---

### ***How we calculate your Minimum Payment Due***

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.

Note: If your New Balance on the statement is higher than your Credit Limit and the Applicable Rate is less than or equal to 0.0416, then we subtract the amount above the credit limit from the Modified New Balance and multiply the result by the Applicable Rate to calculate the portion of the Modified New Balance included in the Minimum Payment Due.

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. If the Applicable Rate calculated in step 2 is less than or equal to 0.0416, we also add 0.041666 multiplied by the amount above the Credit Limit. Then we round to the nearest dollar and add any past due amount.

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.

**EXAMPLE:** Assume that your New Balance is \$30,500, interest charged is \$500, and you have no penalty fees or past due amount and you are not overlimit.

**(1)** \$35, or

**(2)** Calculate the following:

1. Modified New Balance:  $\$30,500 - \$500 \text{ interest charged} - \$0 \text{ penalty fees} = \$30,000$
2. Applicable Rate:  $[(1\% \times \$25,000) + (5\% \times \$5,000)] / \$30,000 = 0.0167$
3. Portion of the Modified New Balance included in the Minimum Payment Due:  $\$30,000 \times 0.0167 = \$501$
4.  $\$501 + \$500 \text{ interest charged} = \$1,001$

The higher of (1) or (2) is \$1,001.

$\$1,001 + \$0 \text{ penalty fees} + \$0 \text{ past due amount} = \$1,001$

---

## About interest charges

---

### When we charge interest

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 cash advances and balance transfers.

If you pay the New Balance on every 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 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 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 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 cash advances—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 its *daily balances*. 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 tenthousandth 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; and
- making any appropriate adjustments.

We add a new charge to a daily balance as of its transaction date.

#### 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 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 by the old DPR and add the result to that day's daily balance.

#### 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 *The Wall Street Journal*. The Prime Rate for each billing period is the Prime Rate published in *The Wall Street Journal* on the Closing Date of the billing period.

*The Wall Street Journal* 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 *The Wall Street Journal* 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.

|                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Converting charges made in a foreign currency</b> | 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.                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Changing your billing address</b>                 | <p>You must notify us immediately if you change the:</p> <ul style="list-style-type: none"> <li>• mailing address, email address, telephone numbers, or fax numbers that we use to send you billing statements, notices or other communications.</li> <li>• legal entity of the Company.</li> <li>• tax identification number.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Closing your Account</b>                          | <p>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.</p> <p>The Basic Cardmember and the Company remain jointly and severally liable for all Charges made on the Account.</p> <p>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</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>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.</p> <p>If your billing address is in the Commonwealth of Massachusetts at the time you close your account, this policy will not apply to you.</p> |
| <b>Cancelling or suspending your Account</b>         | <p>We may:</p> <ul style="list-style-type: none"> <li>• cancel your Account,</li> <li>• suspend the ability to make charges,</li> <li>• cancel or suspend any feature on your Account.</li> <li>• notify merchants that your Account has been cancelled or suspended.</li> </ul> <p>If we do any of these, you must still pay us for all charges under the terms of this Agreement.</p> <p>We may do any of these things at our discretion, even if you pay on time and your Account is not in default.</p>                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>If your Account is cancelled, you must destroy all cards.</p> <p>We may agree to reinstate the Account after a cancellation. If we do this, we may:</p> <ul style="list-style-type: none"> <li>• reinstate any cards, including additional cards.</li> <li>• charge you any applicable fees, including annual fees.</li> <li>• charge you a fee for reinstating the Account.</li> </ul>                                  |
| <b>About default</b>                                 | <p>We may consider your Account to be in default if:</p> <ul style="list-style-type: none"> <li>• you violate a provision of this Agreement,</li> <li>• you give us false information,</li> <li>• you file for bankruptcy,</li> <li>• you default under another agreement you have with us or an affiliate,</li> <li>• you become incapacitated or die, or</li> <li>• we believe you are unable or unwilling to pay your debts when due.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>If we consider your Account in default, we may:</p> <ul style="list-style-type: none"> <li>• suspend your ability to make charges,</li> <li>• cancel or suspend any feature on your Account,</li> <li>• cancel the Account and require you to pay the Account balance immediately.</li> <li>• require you to pay more than your Minimum Payment Due immediately.</li> </ul>                                              |
| <b>Collection costs</b>                              | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Credit reports</b>                                | <p>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.</p> <p>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.</p> <p>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.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Sending you notices</b>                           | 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>We may contact you</b>                            | <p><b>Servicing and Collections</b></p> <p>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.</p> <p><b>Call monitoring</b></p> <p>We may monitor and record any calls between you and us.</p>                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                             |

|                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                     |
|-------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>About insurance products</b>                                   | <p>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.</p> <p>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.</p> |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>How we handle electronic debits from your checking account</b> | <p>When you pay us by check, you authorize us to electronically deduct the amount from your bank or other asset account.</p> <p>We may process the check electronically by transmitting to your financial institution:</p> <ul style="list-style-type: none"> <li>• the amount,</li> <li>• the routing number,</li> <li>• the account number, and</li> <li>• the check serial number.</li> </ul>                                                                                                                                                                                                                                                                                                                  | <p>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.</p> <p>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.</p> |
| <b>Privacy Act of 1974 notice</b>                                 | <p>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.</p>                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Changing the benefits</b>                                      | <p>We have the right to add, modify or delete any benefit, service, or feature of the Account at our discretion.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Assigning the Agreement</b>                                    | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Assigning claims</b>                                           | <p>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.</p>                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>We do not waive our rights</b>                                 | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Governing law</b>                                              | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Notice to Oregon Residents</b>                                 | <p>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.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Notice for residents of Washington State</b>                   | <p>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.</p>                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                     |

## 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](http://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, 111 8th Ave., NY, NY 10011. 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](http://jamsadr.com)) or the American Arbitration Association ("AAA") (1-800-778-7879, [adr.org](http://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. sec. 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](http://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.

