

TrueEarnings Business Card

Issuer: American Express Bank, FSB

Rates and Fees Table

Interest Rates	
Annual Percentage Rate (APR) for Purchases	Prime Rate + 11.99% This is a variable APR. See <i>Explanation of Variable Rates</i> below.
APR for Cash Advances	Prime Rate + 17.99% This is a variable APR. See <i>Explanation of Variable Rates</i> below.
Penalty APR and When it Applies	Prime Rate + 23.99% 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.
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 cash advances on the transaction date.
Fees	
Annual Membership Fee	None
Transaction Fees <ul style="list-style-type: none">Cash AdvanceForeign Transaction	Either \$5 or 3% of the amount of each cash advance, whichever is greater. 2.7% of each transaction after conversion to US dollars.
Penalty Fees <ul style="list-style-type: none">Late PaymentReturned PaymentOverlimit	Up to \$38. \$38 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.

How Rates and Fees Work

Rates	
When the penalty APR will apply	The penalty APR applies to all balances on your account if: <ul style="list-style-type: none"> • 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.
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 \$38. If we do not receive the Minimum Payment Due by its Payment Due Date, the fee is \$38. 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	\$38 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. See <i>Credit limit and cash advance limit</i> in Part 2.
Balance Transfer	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.
Cash Advance	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.
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.

Supplement to the Cardmember Agreement

How Your Reward Program Works

The TrueEarnings® Business Program from Costco and American Express

How you earn rewards

You will earn an annual reward based on the eligible purchases on your TrueEarnings® Business Card from Costco and American Express (*Card Account*) during an annual reward period. An *annual reward period* is 12 billing periods in a row beginning with the one that includes February 1st. If your billing cycle changes, the length of your annual reward period will also change. *Eligible purchases* are purchases for goods and services minus returns and other credits.

Eligible purchases do NOT include:

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

You will earn an annual reward of:

- **4%** on the first \$7,000 of purchases of gasoline at Costco and at gas stations located in the U.S. during an annual reward period. However, instead of 4%, you will earn a reward of only **1%** for:
 - purchases of gasoline made at superstores, supermarkets and warehouse clubs (other than Costco).
 - purchases of gasoline at Costco and at gas stations located in the U.S. after the first \$7,000 during an annual reward period.
- **2%** for eligible purchases at restaurants located in the U.S.
- **2%** for eligible travel purchases. Eligible travel purchases are: airfare for a scheduled flight on a passenger carrier, hotel stays (excluding timeshares, banquets and events), car rentals from select major car rental companies listed at americanexpress.com/rewards-info, and purchases of travel from Costco Travel, cruise lines, travel agencies and tour operators.
- **1%** on all other eligible purchases, including at Costco.

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

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

A purchase may not earn a higher percentage reward 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 for more information about rewards.

Receiving and redeeming your reward coupon

Your reward is distributed annually via U.S. Mail in the form of a reward coupon on the **last page of your February billing statement**, redeemable at any U.S. Costco Warehouse, including in Puerto Rico, for merchandise or cash. Requests for cash may be fulfilled in the form of a check at the Costco Warehouse's discretion.

Coupon must be redeemed in person on or prior to its expiration date of August 31st in the year in which it is issued.

You or an Additional Cardmember can redeem your coupon. You may not transfer it to anyone else.

You will not receive a reward coupon if your reward is less than \$1 or your account is cancelled at the time it is scheduled to be sent.

You are eligible to receive and redeem only one annual reward coupon for each Card Account.

When you will forfeit your reward	You will forfeit eligible purchases on a statement if the Minimum Payment Due shown on that statement is not paid by the Closing Date of the next billing period.	
Other things you should know about this program	<p>The Card is only available to you if you have a Costco Membership in your name. You must maintain your Costco Membership to redeem the reward coupon. We may cancel your Card Account and participation in this program if you do not maintain your Costco Membership.</p> <p>We may change the terms of this program at our discretion. If you violate or abuse this program, you may forfeit some or all of your reward.</p>	<p>We will not issue a reward coupon if the total annual reward is less than \$1.00.</p> <p>The reward coupon is issued to you as part of this reward program and has no value outside of this program.</p> <p>If you redeem more than one reward coupon for an annual award period, we will adjust your account's current cash back reward balance for the duplicate rewards redeemed.</p>

How Your American Express Account Works

Introduction

About your Cardmember Agreement	This document together with Part 1 make 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, 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. 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: <ul style="list-style-type: none"> • 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.
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 to store your card number and expiration date, so that, for example: <ul style="list-style-type: none"> • 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 if your expiration date or card number changes or if your account is cancelled. You must notify the merchants directly if you want them to stop charging your Account. 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: <ul style="list-style-type: none"> • 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 cash advance limit	<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"> the Account balance (including fees and interest) is not more than the Credit Limit, and the cash advance balance (including fees and interest) is not more than the Cash Advance Limit. <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>
Declined transactions	<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>
About your payments		
When you must pay	<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>
How to make payments	<p>Make payments to us in U.S. dollars with:</p> <ul style="list-style-type: none"> 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. <p>When making a payment by mail:</p> <ul style="list-style-type: none"> 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. <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>
How we apply payments and credits	<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"> 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. 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. <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	<p>To calculate the Minimum Payment Due for each statement, we start with the <i>higher</i> of:</p> <p>(1) interest charged on the statement plus 1% of the New Balance (excluding any overlimit amount, penalty fees and interest on the statement); or</p> <p>(2) \$35.</p> <p>Then we add any penalty fees shown on the statement and 1/24th of any overlimit amount, round to the nearest dollar, and add any amount past due.</p> <p>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.</p>	<p>EXAMPLE: Assume that your New Balance is \$3,000, interest is \$29.57, and you have no overlimit amount, penalty fees, or amounts past due.</p> <p>(1) $\\$29.57 + 1\% \text{ multiplied by } (\\$3,000 - \\$29.57) = \\59.27</p> <p>(2) \$35</p> <p>The higher of (1) or (2) is \$59.27, which rounds to \$59.00.</p>
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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* 2 days before 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.
Converting charges made in a foreign currency	If you make a charge in a foreign currency, we will convert it into U.S. dollars on the date we or our agents process it. Unless a particular rate is required by law, we will choose a conversion rate that is acceptable to us for that date. The rate we use is no more than the highest official rate published by a government agency or the highest interbank rate we identify 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: <ul style="list-style-type: none">• 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.
Cancelling or suspending your Account	<p>We may:</p> <ul style="list-style-type: none">• 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. <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">• reinstate any cards, including additional cards.• charge you any applicable fees, including annual fees.• charge you a fee for reinstating the Account.
About default	<p>We may consider your Account to be in default if:</p> <ul style="list-style-type: none">• 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.	<p>If we consider your Account in default, we may:</p> <ul style="list-style-type: none">• 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	<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, 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>	
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	<p>Servicing and collections</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) to contact you at any number you provide, from which you call us, or at which we believe we can reach you. We may contact you in any way, such as calling or texting. 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>Call monitoring</p> <p>We may monitor and record any calls between you and us.</p>	

About insurance products	<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>	
How we handle electronic debits from your checking account	<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"> • the amount, • the routing number, • the account number, and • the check serial number. 	<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>
ExpressPay	Cards issued on the Account may be equipped with ExpressPay. ExpressPay enables you to make charges without having the card swiped or imprinted. You can call us to deactivate ExpressPay at any time. Also, we may deactivate ExpressPay at any time.	
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, 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) 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 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 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.

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.

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. The arbitration will be confidential, but you may notify any government authority of your claim.

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, except for any right of appeal provided by the FAA; however, any party will have 30 days to appeal the award by notifying the arbitration organization and all parties in writing. The organization will appoint a three-arbitrator panel to decide anew, by majority vote based on written submissions, any aspect of the decision objected to. 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 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.

