

Royal Caribbean Cruises Ltd.

Card-Mill Communication-External FAQ's

What is a “card-mill” agency and what problems do they create?

From the perspective of Royal Caribbean International®, Celebrity Cruises® and Azamara CruisesSM, the “card-mills” segment of the home based channel continues to cause significant disruption in those brands trade distribution system by:

- Effectively offering a general consumer the ability to receive benefits specifically designed for “real travel agents”;
- Aggressively promoting and recruiting new consumers to the travel agency distribution system whose main objective is not to become “real” travel agents but instead, to receive travel agent benefits such as reduced rate travel.

The significant problems associated with this growing segment of the agency distribution system are numerous and include the following:

- They can lead to negative consumer experiences with these untrained agents, undermining the integrity and business reputations of accredited and certified travel agents.
- They can devalue the knowledge, experience and expertise that legitimate, professional travel agents provide their clients every day.
- They can substantially increase the costs of our operations by causing us to provide costly and valuable benefits to a set of persons or entities for which those benefits were not intended.
- They can create an environment in which the traditional and full set of services we expect a travel agency to provide to consumers are, in fact, not provided, despite the payment of a full commission in connection with the booking.
- They can mislead normal consumers with unrealistic expectations of “travel-agency-only benefits” when, in fact, they are not travel agents.

In addition, the rapid growth of this segment combined with the lack of control over members by these agency headquarter organizations accelerates the necessity for swift action on our organization's part to curtail the expansion of this disruptive and destructive market segment.

What have Royal Caribbean International®, Celebrity Cruises® and Azamara CruisesSM done about this problem?

We are taking steps to terminate or suspend our relationship with several agencies whom we have determined are “card-mill” agencies.

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Will RCCL be terminating any other “card-mill” agencies?

We will continue to evaluate agencies on a case-by-case basis and take further action if needed.

Does this mean that the “card-mill” agency has done something illegal?

No. As defined by Royal Caribbean International®, Celebrity Cruises® and Azamara CruisesSM, the term “card-mill” agency refers to an entity that in the sole judgment of the cruise lines is or may create some or all of the problems listed above. The label “card-mill” agency does not mean that the entity has engaged in any illegal activity.

How does a “card-mill” program work?

There is no single way that “card-mills” work, but a common program works as follows:

The “card-mill” company typically sells “travel agency benefits” to consumer for a fee. For example, a company that is actually a licensed travel agency with an IATAN number, may sell for \$600 a card to consumers that has the IATAN number and the consumer’s name on the card. The consumer is then told that by presenting that card to travel suppliers, he or she will be eligible for benefits the travel supplier provides to travel agencies.

I am an accredited travel agent who is currently booking through one of these agencies, how do I continue doing business with RCCL?

Travel agents who are currently affiliated with one of these agencies may continue to book with RCCL by creating an agency profile with our company and providing the necessary documentation and business requirements to establish themselves as an agency of record or aligning themselves with a credible Host Agency which currently does business with RCCL.

What are the business requirements for establishing a commissionable agency profile with RCCL?

At a minimum,

- Agencies must have a valid business license or business certificate from their respective state with their business name indicating they are in the travel agency business.
- In addition, agencies must have either a CLIA number or an IATAN/TRUE/TravelSellers number or ARC appointment and must provide proof of their current status with one of these numeration agencies.
- Valid business phone line.
- Provide RCCCL with their agency letterhead or website URL.
- RCCL must also receive a W9 from the agency of record.

Other requirements may apply.

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I am an agency who has existing bookings on future sailings with RCCL through one of these agencies, how do I continue to earn my commission and service these bookings through my host agency?

For group space blocked by you, RCCL will reduce the size of the group to the space actually sold as of November 9, 2007 unless your written agreement provides otherwise.

Agents with existing reservations can continue to go through the normal channels of business to service their bookings.

If I establish an agency profile with RCCL, can I transfer my bookings with my existing agency over to my new agency profile?

No. The existing booking remains with the original agency unless that agency agrees to the transfer.

What is PATH?

PATH, The Professional Association of Travel Hosts is a non-profit, all-encompassing, non-partisan corporation known as the Professional Association of Travel Hosts, Inc. PATH's members are comprised of Host Agencies and Travel Suppliers only. The purposes of PATH are to establish a Code of Ethics and Performance Standards for Host Agencies, bring educational and training opportunities to its members and their Affiliated Travel Agents and further communications between the Host Agency member, its Affiliates and Travel Suppliers. Please refer to our Bylaws for more information concerning our goals and missions.

The Travel Host Agency has increased significantly in the past three years bringing with them an array of business models that has confused what the Host Agency is about. This has resulted in the need of a professional society of Host Agencies that want to establish operating standards with strict enforcement among its members. PATH is committed to adhering to its code of ethics as described in its bylaws.

For more information regarding PATH, host agencies can visit: www.pathonline.travel

Why did RCCL decide to join PATH?

Like PATH, RCCL is committed to preserving the integrity of the travel agency distribution system, and wants to ensure that travel agents are accredited and equipped to represent and sell our brands to the consumer. PATH is an organization which ensures travel hosts are meeting necessary requirements for doing business as a host agency of record. RCCL and PATH are both committed to ensuring a professional code of ethics are in place for host agencies in the distribution system.