

FAQs: Club Connections Point Level Changes

September 2015

The Club Connections programme was created as an ancillary benefit to provide Members with holiday alternatives beyond the Club Resort Properties. This programme is modified from time to time based among other things, on Member usage patterns and business needs. Below is a quick history of how the programme has evolved:

- Starting in 2006 we had 2 Club Connections locations.
- In 2008 we worked to expand the Club Connections programme by focusing on hotels and resorts in key locations in Asia.
- During 2009 and 2010 we focused on adding and eliminating locations and modifying Club Point levels based on Member feedback and usage patterns.
- In 2011 and 2012 Club Connections became a part of the bigger Explorer Collection, Asia Pacific, which also includes Cruises and Guided Group Tours.
- In 2013 and 2014 we further enhanced the Explorer Collection, Asia Pacific by adding new Club Connections locations and cruise locations, as well as Premier Plus Exclusive Member Specials such as luxury hotels, adventure cruises, and events.
- In 2015 (and as we look to the future) we are constantly working to continue to diversify the offerings of the Explorer Collection, Asia Pacific and also adjust the Club Point levels for Club Connections. Beginning in 2016, Club Point levels will fluctuate depending on the day of the week and/or the season, so you can get more from your Club Points when you travel at low demand times.

We will continue to endeavour to find the best opportunities and partner with various hotels, resorts, cruises and travel providers so that the Explorer Collection, Asia Pacific offers Members great holiday options at the best possible Club Point value. The Club Point levels we are able to offer to you are directly related to the costs associated with this program and Member usage demand for the various Club Connections and other Explorer Collection, Asia Pacific options

As the Club does not own, manage or operate the Club Connections locations, the Club is subject to the individual terms and conditions for each property.

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Why is there a change in the Club Point structure for 2016?

We value Members' feedback, and one of the suggestions we have been receiving is to change the point structure of our Club Connections programme. Instead of requiring a fixed amount of Club Points per night, we now offer different Club Point levels based on the season or day of the week for some of the Club Connections locations. Moreover, the majority of these Club Connections locations have lower point levels during certain times of the year or certain days of the week. As a result of this change, Members will be able to maximize their Membership by planning their vacation according to the number of Club Points they have.

Why are the Club Point levels increasing at some of the Club Connections locations?

The increase in the number of Club Points needed for our existing Club Connections locations was due to both an increase in costs from each hotel manager as well as Member usage patterns. The Club Manager renegotiates its agreements with the Club Connections locations on a yearly basis and this year we have seen an increase in room rental rates due to an increased market demand at these properties.

Please be assured that careful consideration was taken when making the changes.

The Club has paid close attention to ensure that these changes were made so that Club Connections programme is still of great value to our Members. We will continue to look for new options for our Members so that we can offer a range of choices in popular locations. The newest additions to the programme, the Brisbane Marriott Hotel, Melbourne Marriott Hotel, the Ritz-Carlton, Bali and Taipei Marriott Hotel are examples of this.

When are these changes effective?

These Club Point level changes are effective for reservations including nights on or after 1 January 2016.

Is the Club allowed to adjust the Club Connections Club Point levels?

Yes. As the Club does not own, manage or operate these properties, the Club is subject to each individual property's terms and conditions and the Club Point levels are occasionally adjusted to account for among other things, Member usage patterns as well as changing market conditions for the properties.

As stated in the Third Amended & Restated Disclosure Document & Club Guidelines in Part III.1.A.ii: Club Connection locations may change from time to time, and the Daily Point Values for such properties may be modified subject to demand, cost and other relevant factors.

Will the Club Point levels for Club Resort Properties also be increasing?

The Club Manager continuously looks at the need to rebalance Club Point usage for the benefit of the membership base overall.

The total number of Club Points allocated to all of the Club Resort Properties cannot increase (unless additional Club Resort units are contributed to the Club). However, the allocated daily Club Point value may be changed for different days of the week and different season of the year to manage demand. But, the total number of Club Points must stay the same. So any increase will also see a corresponding decrease.

At the moment, we have no plans to adjust the Club Point levels at any Club Resort Property.

Can I expect the Club Point levels at Club Connections to change again soon? Or annually?

While we cannot speak to future changes, we hope to keep any increases to a minimum. We also hope to continue to add new holiday options as the opportunities present themselves as well as based on our Members' feedback.

I know of a property or destination that I think would be a great addition to the program. What should I do?

We'd love to hear any suggestions that you have for new properties or destinations in the Club Connections programme. Please send all feedback to Member Services at <u>memberservicesap@vacationclub.com</u>.

We hope to have more new locations added to the program in the near future. Any additions to the Club Connections program will be announced via email and/or the monthly e-newsletter, Marriott Vacation Club Insider.