



# FULL SHIP CHARTER FAQ'S

## 1. What are the benefits of chartering a Royal Caribbean® Cruise Ship?

- Freedom to **Customize & Greater Control** o Complete customization of your program and itinerary o Unlimited branding opportunities
- **Camaraderie** - Everyone sailing is part of your group
- **Prestige & Exclusivity** - People feel honored and excited when they board a privately chartered ship
- **Undivided Attention from the Ship's Staff** - entire staff and crew devote 100% of their attention and resources to you and your program
- **Exclusivity** – an experience that can't be duplicated
- **Value** – save up to 30% compared to land based events or meetings
- Complimentary use of all A/V equipment.

## 2. What are the types of Full Ship Charter programs?

**Corporate:** A company purchases all staterooms for a meeting or incentive program and provides those staterooms at no charge to its employees, customers or vendors.

- Meetings & Conventions
- Product Launches
- Incentive Programs
- Tradeshows
- Corporate Anniversaries
- Consumer Promotions

**Affinity or Promotional (Re-Sale):** An organization charters the ship with the intention to re-sell all or a portion of staterooms to consumers sharing a common interest OR as a general re-sale to non-related consumers. The client typically creates unique onboard programming with the intention of charging a premium for the exclusive opportunity. The primary of affinity or promotional (Re-Sale) programs are:

- Music & Entertainment
- Lifestyle
- Religious

## 3. What are the primary components of a successful Re-Sale program?

- Extremely strong affinity or cult-like following
- Entertainment or charitable component
- Ability to market to & reach intended audience
- Exclusive and/or unique customized onboard experience
- Excellent fulfillment capabilities

## 4. How far in advance should an organization charter the ship?

Royal Caribbean International does not typically consider Full Ship Charter requests within 12 months of the requested sail date and/or for those sailings booked above a pre-determined threshold. Most clients charter one year in advance and some as far out as two or more years.



For Re-Sale charters, it is in the best interest of the client to allow ample time to promote the charter (12 months+). The cost of displacing booked guests will be a factor for any "open" sailing and will generally be lower if the charter is contracted farther out.

## 5. How much does it cost to charter the entire ship?

The charter rate will be based on full double occupancy regardless of how many people sail, pre-paid gratuities based on double occupancy and any applicable fuel surcharge based on full double occupancy. The client will be responsible for taxes & fees based on the actual number of guests and will be required to pay for the actual gratuities should more than double occupancy sail. Additional taxes & fees will apply for triple and quad berths above double occupancy.

Pricing varies based on ship, sail date, itinerary and level of customization. Actual pricing must be provided by your Charter Sales Manager, but the following ranges may be used in the pre-qualification process to determine viability:

NIGHTS	RANGE	SHIP CLASS
3 & 4-Night	\$830,000 - \$1,600,000+	Vision Class
3 & 4-Night	\$1,450,000 - \$2,200,000+	Voyager Class
4 & 5-Night	\$1,200,000 - \$1,800,000+	Radiance Class
4 & 5-Night	\$1,500,000 - \$2,300,000+	Voyager Class
4 & 5-Night	\$1,800,000 - \$2,800,000+	Freedom Class
7-Night	\$1,800,000 - \$2,500,000+	Vision / Radiance Class
7-Night	\$2,800,000 - \$3,800,000+	Voyager Classes
7-Night	\$3,900,000 - \$4,500,000+	Freedom Class
7 Night	\$5,000,000 - \$7,700,000+	Quantum Class
7-Night	\$6,500,000 - \$11,000,000+	Oasis Class

Charter pricing will generally be most attractive in non-peak season such as September, October, early December and/or January and will be most expensive from May through August. Product in Alaska, Bermuda or Europe may exceed the ranges outlined above.

## 6. What does charter pricing include and/or not include?

*Charter pricing includes:*

- ship accommodations
- ocean transportation
- most meals
- most non-alcoholic beverages
- most entertainment aboard the ship

*Charter pricing does NOT include:*

- air transportation
- transfers to and/or from the vessel
- optional shore excursions and/or private arrangements requested for site inspection trips
- meals and accommodations ashore
- certain beverages
- casino gaming



- photographs
- gratuities (shipboard or shoreside portorage)
- telephone calls or internet services
- specialty restaurant charges
- purchases from ship stores
- items of a personal nature (medical services, laundry, spa or salon treatments)
- meeting break or special event set-up fees
- technical and broadcast fees when applicable
- expedited shipping fees for documents
- customization of documents

## 7. Are there other charges to be considered?

To maximize value, the number of participants should be close to the double occupancy capacity of the ship under consideration. Should the chartered sailing fall below full double occupancy level, the client may be responsible for per person Onboard Revenue fees. Regardless of occupancy, the client may be responsible for meeting or exceeding a certain Onboard Revenue expectation.

## 8. What types of onboard customization affect the charter price and/or may result in incremental fees post-contract?

The charter rate provided to the client will be based on our standard product. Any requested change to standard operation may impact the charter rate or result in incremental fees. Examples are:

- Requests to close any revenue center or revenue generating activity (ex: casino, bars, art auctions, bingo, etc.)
- Requests to significantly change menu offerings
- Requests to re-print menus
- Custom itinerary requests that impact fuel, port fees, security, etc. and/or changes to contracted itinerary requested post-contract
- "Floating Hotel" requests
- Food and/or Beverage events not offered on a non-chartered sailing
- Customized entertainment requests
- Incremental power supply and/or connectors required for customized onboard performances
- Tender services requested above Royal Caribbean International standard
- Special Services such as: Fireworks, Flyovers, Banners, Decorations, Pool Liners, etc.
- Requests to provide special products onboard during the charter

## 9. What type of itinerary customization can be considered?

The simplest type of itinerary customization involves changing ports of call within an itinerary while keeping the departure/arrival city and dates as scheduled. Generally speaking, all itineraries from the U.S. must involve at least one foreign port of call. Incremental costs associated with the custom itinerary request will be included in the initial charter quote and/or provided as an optional line item.

A more complex itinerary change involves creating a unique itinerary length by combining all or a portion of several cruises without changing the departure / arrival city. For example, a 7 night sailing of Navigator of the Seas may be created by combining 3 and 4 night sailings or a short itinerary may be created for Oasis Class or Liberty of the Seas by splitting a 7 night sailing into two sailings (a 3 night and a 4 night) if Royal Caribbean® is willing to sell the resulting unique itinerary.



While possible, significant costs may apply for this type of itinerary change and it is always best to find an existing itinerary whenever possible.

Opportunities that involve repositioning ships from regularly scheduled departure / arrival cities, and particularly those that involve a request to turn the ship in a port of call that we don't typically use, may or may not be possible. A considerable amount of time is needed to research and significant incremental costs will most likely apply. This type of itinerary customization incurs a high premium.

Cruises to Nowhere are not typically considered due to tax implications.

## 10. What are the standard payment terms of a Full Ship Charter?

### Option 1: Staggered Payments with Letter of Credit

- An Irrevocable Stand-By Letter of Credit in place at contract signing
- 10% of charter rate and pre-paid gratuities at contract signing
- 30% of charter rate and pre-paid gratuities at 7 months prior to sailing
- 30% of charter rate and pre-paid gratuities at 5 months prior to sailing
- 30% of charter rate and pre-paid gratuities at 3 months prior to sailing

### Option 2: Payment in Full at Contract Signing – No Letter of Credit

- 100% of charter rate and pre-paid gratuities at contract signing
- Interest credit earned to be provided as a shipboard credit on the chartered sailing.
- Payment is non-refundable.

Payment for per person taxes & fees, expected OBR penalties (if applicable), requested amenities and other miscellaneous fees relating to customization will be required 30 days prior to sailing and/or prior to the release of documents.

Requests for alternate custom payment arrangements may be considered and must be discussed with the responsible Charter Sales Manager. All payments to be made in U.S. Dollars unless otherwise agreed. Charterer will be required to provide a credit profile.

## 11. What is an Irrevocable Stand-By Letter of Credit and why is it required?

An Irrevocable Stand-By Letter of Credit is issued by the client's bank and confirmed by a bank designated by Royal Caribbean International to confirm the client's ability to perform under the terms of the contract. If the client's bank is rated BBB or higher by both S&P and Moody's, a confirmation is not required.

As the beneficiary, Royal Caribbean International is able to draw upon the LOC to collect payment should the client default on the Agreement. The LOC is required from contract signing and is held for up to 60 days post-sailing to insure all balances are paid and that there have not been damages to the ship. The LOC is reduced each time a payment is received but will be held at a pre-determined threshold until the agreed upon expiration date.

The Letter Of Credit is required with a Full Ship Charter program because Royal Caribbean International loses all ability to market and sell the chartered sailing once an Agreement is signed. Should the client default on the Agreement, we would most likely not have the ability to fill the ship and would suffer significant financial loss.

## 12. Once an Agreement is signed by the client, can the program be cancelled or can the client relinquish staterooms?

Unlike a large group contract, there is no provision in the Full Ship Charter Agreement that allows for cancellation of the program and/or for any number of staterooms. A client cannot choose to change to a Half Ship Charter or a group once signed as a charter.



### 13. Can Royal Caribbean International handle the fulfillment of the program for the client?

No. The client must have the ability to handle or work through a travel partner to market the program, answer questions, accept payment (if applicable), assign staterooms, etc.

### 14. Is a client required to have a history of chartering?

Not necessarily - although we do prefer:

- A history of chartering ships of a similar size with us or our competitors
- A history of sailing as a large group with growth from year to year
- A history of promoting and selling large land programs on a similar scale

### 15. How should the client price the staterooms in a Re-Sale Full Ship Charter?

The client is responsible for determining the pricing model for a Re-Sale Full Ship Charter program. Due to anti-trust regulations, Royal Caribbean International cannot legally advise the client how to price staterooms on a chartered sailing. Current retail pricing may be used as a guide but is a snapshot of the pricing on a particular day. This pricing would never apply to the entire ship nor would it remain constant throughout the booking life cycle for the sailing.

### 16. Can an agency or client receive marketing support or co-op on a chartered sailing?

No. The client is responsible for the marketing program of the chartered sailing. Specific collateral relating to full ship charter programs does not exist today but a combination of existing collateral can be provided to assist with promotion.

### 17. Who can I contact to make a request?

*reservations@cruises.co.za*

