FRANCHISE DISCLOSURE DOCUMENT

CRUISESHIPCENTERS USA INC.
d/b/a Expedia Cruises®
A Nevada corporation
1111 Expedia Group Way West
Seattle, Washington 98119
(425) 679-7200
www.expediacruises.com

The franchise offered is for the operation of a travel agency business that offers reservations for cruise ships, airlines, car rentals and hotels, as well as other related travel services and products.

The total estimated investment required to begin operation of an Expedia Cruises® franchised travel business ranges from $149,300 to $258,545 including $49,000 that must be paid to us as a non-refundable initial fee.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Registration of this franchise with the state does not mean that the state recommends it or has verified the information in this disclosure document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the applicable state authority listed in **Exhibit F**.

Issuance Date: March 25, 2026

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Expedia Cruises® business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an Expedia Cruises® franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit F.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Washington. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Washington than in your own state.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

FOR MICHIGAN OFFEREES

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

1. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, notation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

2. A provision that permits a franchisor to terminate a franchise before the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

3. A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

4. A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

5. A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

6. A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(d) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

7. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

8. A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
CONSUMER PROTECTION DIVISION
Attention: Franchise
670 Law Building
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

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ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, "Expedia Cruises®", "we", "us" or "our" means CruiseShipCenters USA Inc., d/b/a Expedia Cruises®, the franchisor. "You" means the person who is awarded a travel agency business franchise and includes your equity owners if you are a corporation or other business entity. "CII" means CruiseShipCenters International, Inc., a British Columbia, Canada, corporation, trading as Expedia Cruises®. "CSC Holdings" means CSC Holdings, Inc., a British Columbia, Canada, corporation. "Expedia" means Expedia, Inc., a Washington corporation.

EXPEDIA CRUISES®, ITS PARENT, PREDECESSORS AND AFFILIATES

We are a Nevada corporation formed on March 1, 2007. Our agents for service of process are listed in **Exhibit F**. Our business address is 1111 Expedia Group Way West, Seattle, Washington 98119. We have been offering franchises since April 2008. We do not engage in any business activities other than operating and franchising the travel business described in this Disclosure Document. We have not offered franchises in other lines of business, however, in addition to the franchise format discussed in this Disclosure Document, we have in the past also offered travel business franchises in a non-commercial storefront sales center format through a different Disclosure Document and separate franchise agreement. Prior to 2020 we offered franchises under the brand name Expedia® CruiseShipCenters®.

We have no predecessors. We have the following affiliates: Expedia is our sole owner and parent. Expedia's and CSC Holdings' address is 1111 Expedia Group Way West, Seattle, Washington 98119. CII owns and licenses to us certain marks and software that we, in turn, license to you in connection with the travel business franchise. CII also provides training services to our franchisees. Expedia also owns and licenses to us certain marks that we, in turn, license to you in connection with the travel business franchise. CII is owned by CSC Holdings, a wholly-owned subsidiary of Expedia. CII's address is Suite 900, 1066 West Hastings Street, Vancouver, BC V6E 3X1.

CII franchises travel agencies specializing in cruise vacations and has done so since January 1988. As of the date of this Disclosure Document, we have franchised ninety-two (92) travel businesses of the type discussed in this Disclosure Document in the United States operating under the name Expedia Cruises® and Expedia® CruiseShipCenters®. There are an additional 170 franchises located in Canada also operating under the name Expedia Cruises®.

Expedia is a subsidiary of Expedia Group, Inc. (Delaware) (NASDAQ: EXPE), which is an online travel company, empowering business and leisure travelers with the tools and information they need to efficiently research, plan, book and experience travel. Expedia Group, Inc. is an online travel company, whose mission is to power global travel for everyone, everywhere. Expedia Group believes travel is a force for good and that travel is an essential human experience that strengthens connections, broadens horizons and bridges divides. Expedia Group leverages its supply portfolio, platform and technology capabilities across an extensive portfolio of consumer brands, and provides solutions to its business partners, to empower travelers to efficiently research, plan, book and experience travel. Expedia Group makes available, on a stand-alone and package basis, travel products and services provided by numerous airlines, lodging properties, car rental companies, activities and experience providers, alternative accommodations property owners and managers, cruise lines and other travel product and service companies. Expedia Group family of brands includes: Expedia®, Hotels.com®, Vrbo®, trivago®, Orbitz®, Travelocity®, Hotwire®, Wotif®, ebookers®, CheapTickets®, Expedia Group™ Advertising, CarRentals.com™, and Expedia Cruises®. Expedia also offers travel and non-travel advertisers access to a potential sources of incremental traffic and transactions through its various media and advertising offerings on its websites. Expedia does not operate the type of travel agency business of the type you will operate.

Neither our parent nor any of our affiliates have engaged in franchising travel businesses or any other businesses.

THE FRANCHISE OFFERED

We award franchises for the operation of an Expedia Cruises® travel agency business ("Travel Business") that will operate from a retail storefront location ("Center"). The Travel Business will offer reservations services for cruises and certain other leisure products and related travel services (collectively, the "Travel Products and Services") using our "System" and "Marks" described below. Each Travel Business generates revenues on sales of Travel Products and Services, with those revenues (usually a percentage of sales) generally paid by the suppliers of those Travel Products and Services. We refer to those revenues paid by suppliers and any other revenues generated through your Travel Business as "Gross Revenues". You will pay us a Service Fee, Marketing Fee and Technology Fee as a percentage of your Gross Revenues.

We will enter into franchise agreements ("Franchise Agreements") with persons who want to establish and operate a Travel Business. Under our Franchise Agreement, we will grant you the right and you will accept the obligation to operate a Travel Business. Our current form of Franchise Agreement is attached as **Exhibit B**. If you are a business entity (corporation, limited liability company or general partnership), your owners must sign a "Franchisee Owners Statement" identifying each owner and their interest in you and a "Franchisee Owner's Guaranty" requiring your owners and their spouses to guaranty your obligations under the Franchise Agreement. Our current forms of Franchisee Owners Statement and Franchisee Owner's Guaranty are attached to the Franchise Agreement as Schedules E and F, respectively.

We previously offered Expedia® CruiseShipCenters® franchises utilizing the Expedia® CruiseShipCenters® Marks. We have completed rebranding and converting all franchise locations to Expedia Cruises® and no longer offer franchises under the name Expedia® CruiseShipCenters®.

SYSTEM AND MARKS

All Franchises operate under our distinctive "System", which includes proprietary methods, procedures, techniques, designs, standards and specifications, and a business format utilizing the CruiseDesk® system ("CruiseDesk®"), formerly referred to as Expedia Group Partner Central, a proprietary online software application and marketing system developed specifically for the cruise specialist travel agency or agent by our affiliate, CII. CII licenses CruiseDesk® directly to its franchisees in Canada and licenses the right to use and to sublicense the use of CruiseDesk® in the U.S. to us. CruiseDesk® provides a fully-integrated means of researching, communicating, booking, invoicing and conducting travel agency business on the Internet and includes a secure business portal application for travel agents. As a condition to accessing and using CruiseDesk®, each Franchisee must agree to CruiseDesk® Terms, Conditions, and Notices set forth in Exhibit D. CruiseDesk® also provides permission-based personalized internet and email marketing programs, product research, on-line booking, sales administration and business management tools, including invoicing capabilities, cash flow analysis and commission reporting, and allows authorized users to work from any location where secure, broadband access to the Internet is available. CruiseDesk® includes proprietary technology that we have developed as well as functionality that is licensed from third parties. You must operate your Center from a retail storefront location acceptable to us, however, our agreement as to a particular Center site is not a guaranty or warranty of the success of the site.

You must use certain computer software in conjunction with CruiseDesk® (which includes our proprietary software and additional third-party software), all of which we may improve, further develop, or otherwise modify from time to time. In addition, in conjunction with the operation of your Travel Business, you will use certain trademarks, service marks, trade names, slogans and other commercial symbols, including the trademarks "EXPEDIA CRUISES®" and "EXPEDIA CRUCEROS®" (collectively, the "Marks"), which we have the right to use, promote and sublicense to you and other franchisees in conjunction with the operation of Travel Businesses. As noted above, CII owns and licenses to us certain Marks, with the right to sublicense those Marks in the U.S., which we, in turn, license to you for use in connection with the Travel Business. Expedia owns and licenses to us the trademark "EXPEDIA®", with the right to sublicense that mark in the U.S. as part of the "EXPEDIA CRUISES®" and "EXPEDIA CRUCEROS®" combined marks,

which we, in turn, license to you for use in connection with the Travel Business. We may in the future develop, enhance or modify various aspects of the System and/or the Marks, as well as add new trademarks, trade names, service marks, trade dress, slogans, logotypes and other commercial symbols we specify for use in each Travel Business.

You may recruit individuals as independent contractors (we refer to these individuals as "Consultants") to sell Approved Travel Products and Services through your Travel Business and under our System. Any Consultant you recruit must enter into an Independent Contractor Agreement with you. The form of Independent Contractor Agreement you must use is available through CruiseDesk®. You must provide us with a fully-executed digital copy of each Independent Contractor Agreement you enter into so that we may provide your Consultant with access to CruiseDesk®. You may not change the terms of the Independent Contractor Agreement.

Each Franchise Agreement authorizes you to use CruiseDesk® at only one Center.

MARKET AND COMPETITION

The general market for your Travel Business will be leisure travelers seeking vacation cruises and related travel products and services. As a Travel Business franchisee, you will compete with: (1) other Expedia Cruises® franchisees; (2) other retail and non-retail or home-based travel businesses; (3) specialized and full-service travel agencies; (4) travel suppliers; and (5) web-based travel reservation businesses, including Expedia Group, us, and CII. Some of these travel businesses are large organizations; others are smaller, independent operations. Some travel businesses are franchised.

REGULATORY MATTERS

Some states require travel agents to obtain a "seller of travel" license or permit. You also may be required to file an application and post a bond. In addition to state-specific laws and regulations applicable to sellers of travel, you must comply with all federal, state and local laws and regulations applicable to business operations generally. The classification of Consultants as independent contractors is subject to rules and regulations imposed by certain federal and state government agencies. Consultants that do not satisfy the criteria of these rules and regulations to be classified as independent contractors will be classified as employees and may be subject to certain terms of employment including taxation, benefits, and withholdings. You are encouraged to speak to an attorney and a tax professional regarding any labor and other laws and regulations that may apply to you in connection with the establishment and operation of a Travel Business in your locale.

ITEM 2. BUSINESS EXPERIENCE

PRESIDENT AND DIRECTOR: MATTHEW EICHHORST

Mr. Eichhorst has served as our President since November 2008 and as a Director since our inception on March 1, 2007. He was our Chief Operating Officer since our inception on March 1, 2007 to October 1, 2013. He also serves as President of CruiseShipCenters International Inc., located in Vancouver, B.C. and has done since November 2008, and was the Chief Operating Officer of CruiseShipCenters International Inc. from May 2002 to October 1, 2013. Additionally, Mr. Eichhorst serves as Vice President, Global Cruise at Expedia Group and has done so since March 2016.

SECRETARY AND DIRECTOR: ROBERT J. DZIELAK

Mr. Dzielak has served as Secretary and Director since October 1, 2013. He also serves as Chief Legal Officer and Secretary of Expedia Group located in Seattle, Washington and has done since March 2018, having previously served as Executive Vice President, General Counsel and Secretary since April 2012. Previously, Mr. Dzielak served as Senior Vice President and acting General Counsel of Expedia Group from October 2011 until April 2012 and as Vice President and Associate General Counsel of Expedia Group from February

2007 until October 2011.

DIRECTOR: LANCE A. SOLIDAY

Mr. Soliday has served as Director since October 1, 2013. He also serves as Senior Vice President, Chief Accounting Officer and Controller of Expedia Group located in Seattle, Washington and has done since March 2017. Previously, Mr. Soliday served as Vice President, Chief Accounting Officer and Controller of Expedia Group from September 2011 until March 2017, as Senior Director, Financial Reporting of Expedia Group from February 2009 to September 2011 and as Director, Financial Reporting of Expedia Group from December 2006 to February 2009.

SENIOR DIRECTOR, FRANCHISE OPERATIONS: MIKE BARRON

Mr. Barron has served as Senior Director, Franchise Operations at CruiseShipCenters International Inc. located in Vancouver, B.C. since January 2019, having previously served as Senior Director, Franchise Performance Coaching from March 2016 to January 2019 and as Director, Franchise Performance Coaching from October 2015 to March 2016. Previously, he served as an Operating Partner for Taywood Ventures, a securities trading firm, from April 2014 to October 2015.

SENIOR DIRECTOR, CRUISE MARKETING: JOHN MAST

Mr. Mast has served as Senior Director, Global Cruise Marketing at Expedia Group and for CruiseShipCenters International Inc. located in Vancouver, B.C. since January 2018. Previously, he served as Vice President, Marketing from November 2008 to December 2018 and Director, Interactive Marketing from May 2005 to October 2008 for CruiseShipCenters International Inc. From May 2000 to April 2005, he served as Director, Client Services for 1to1 Interactive, a technology firm that specialized in systems development consulting for the travel industry, whose parent company was CruiseShipCenters International Inc.

DIRECTOR, FINANCE: RAKESH BHULABHAI, CPA, CGA

Mr. Bhulabhai has served as Director, Finance at CruiseShipCenters International Inc. and Expedia Group since April 2021, having previously served as Senior Manager, Finance since April 2018 and has held various other finance and accounting roles since joining CruiseShipCenters International Inc. in September 2011. He is responsible for the overall financial stewardship of CruiseShipCenters International Inc and of the Franchisor. Mr. Bhulabhai is a Chartered Professional Accountant who received his designation in British Columbia in 2013.

MANAGER, FRANCHISE ONBOARDING: RUBY FUNG

Ms. Fung has served as Manager, Franchise Onboarding at CruiseShipCenters International Inc. located in Vancouver, B.C. since August 2025. Previously, she served as Franchise Services Manager of CruiseShipCenters International Inc. located in Vancouver, B.C. supporting franchisees from March 2016 to August 2025.

FRANCHISE SALES MANAGER: JEFFTON WARKENTIN

Mr. Warkentin has served as Franchise Sales Manager since November 2012. Previously, he served as Franchise Development Manager of CruiseShipCenters International Inc., located in Vancouver, B.C., supporting franchises in Western Canada and Quebec from January 2010 to November 2012.

ITEM 3. LITIGATION

The following action was filed by our affiliate, CII, to enforce the terms of its franchise agreement:

On December 19, 2018, our affiliate, CruiseShipCenters Western Canada Ltd. ("CWC"), a subsidiary of CII,

filed a Notice of Civil Claim in the Supreme Court of British Columbia (claim No. S1813624) against a former franchisee, MRMA Travel Ltd., Alan Arsenault and Maria Arsenault. The defendants formerly operated an Expedia® CruiseShipCenters® location at 124-450 Country Hills Blvd NE, Calgary, Alberta. The defendants failed to pay amounts due to CII in accordance with the franchise agreement and continued to operate a travel agency under a similar name after the expiration of their franchise agreement, diverting business activity to this different travel agency prior to the expiration of their franchise agreement. CWC's claims included breach of the franchise agreement, violation of the defendants' post-term non-compete obligations, unjust enrichment, as well as trademark infringement, passing off, accounting of profits and general and contract damages. CWC was taking action to preserve its rights and integrity of the franchise system. No counterclaim was filed. On January 5, 2024 CII filed a notice of discontinuance on this claim.

The following action was filed by The Kay Group, LLC, former franchisee:

On November 13, 2024, The Kay Group, LLC filed a Demand for Arbitration with the American Arbitration Association ("AAA") against the franchisor, CruiseShipCenters USA Inc. (case No. 01-24-0008-7030). The franchisee formerly operated an Expedia Cruises® location at 909 Central Ave, St Petersburg, Florida. The franchisee has sought losses/damages from the franchisor for alleged actions and omissions of the franchisor, as well as alleged breach of obligations under the franchise agreement. The franchisor has disputed all allegations made by the franchisee. On January 22, 2025, the franchisor provided the franchisee with notice of termination of the franchise agreement on the grounds that franchisee materially breached the franchise agreement by: (1) failing to make required payments of amounts owing to their Landlord under the terms of their lease; and (2) failing to disclose an ongoing investigation and proceedings with the Law Society Tribunal in the province of Ontario, which resulted in his disbarment from the practice of law, as required under the franchise agreement. Hearing dates for the arbitration were scheduled for April 2 and 3, 2025; however, The Kay Group, LLC withdrew their claims and demand for arbitration on March 27, 2025.

Other than this action, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

The non-refundable initial franchise fee payable in a lump sum when you sign the Franchise Agreement is $49,000.

The initial franchise fee includes the following goods and services we provide to you: a travel credit of up to $2,000 for your transportation/accommodation for a Discovery Day, services of a professional real estate and leasing broker, and up to $1500 towards marketing for the opening of your Center.

As members of the International Franchise Association's VetFran program, we currently offer a $7,350 discount off the franchise fee of $49,000 to veterans and first responders, such as police officers and firefighters. This amount equates to a 15% discount on the franchise fee.

For qualified existing franchisees, the non-refundable initial franchisee fee is $29,000. This fee includes the following goods and services provided by the Franchisor: Platinum Marketing Program Flyer Distribution (capped at 5,000 units/5 times) discount for three years, three years of MIS and Marketing Fee relief, and the option to pay the $29,000 franchise fee in three equal payments (first payment on signing, second payment one year from signing, third payment two years from signing). To qualify for expansion, the following criteria must be met: the Franchise Agreement must be for a net-new franchise, a franchisee's current Center(s) must be up to brand standards, the franchisee must be up to date on all payments due to the franchisor, sales benchmarks must be met by all of franchisee's existing Centers, and the existing Center(s) must be enrolled in the marketing program with a minimum requirement level of: Platinum. For the avoidance of doubt, a Franchisee will not qualify for these incentives should they cease operations at an existing Center and subsequently establish a new Center.

Franchisee Referral Program

We offer a Franchisee Referral Program that allows eligible participants to earn a referral bonus for introducing a prospective franchisee who (i) has not previously inquired about an Expedia Cruises franchise, (ii) successfully completes our franchise Discovery Process, and (iii) is awarded a brand-new Expedia Cruises franchise location. Referral bonuses are paid directly by us and do not increase the Initial Franchise Fee paid by the new franchisee; in some cases, as described below, the new franchisee will receive a reduction in the Initial Franchise Fee. We may modify, suspend, or discontinue the Franchisee Referral Program or any of its components at any time. However, changes will not affect referrals submitted prior to the effective date of such changes, unless permitted by law.

Eligibility

Franchisees and other individuals associated with the Expedia Cruises system may participate in the Franchisee Referral Program. Candidates sourced through franchise brokers, as well as existing franchisees opening additional locations, are not eligible to generate referral bonuses. The referral must be for a brand-new Expedia Cruises location; referrals resulting in the purchase of an existing franchise location are not eligible.

To qualify, the referral must be submitted in accordance with our referral procedures before we have any record of contact with the prospective candidate. Referrals for candidates already in our franchise development system do not qualify.

We currently administer two referral program options. Each option provides a referral bonus to the referring party and a discount on the Initial Franchise Fee to the referred new franchisee.

Referral Program Options

1. Direct Referral Program

A Direct Referral is submitted in accordance with our Direct Referral procedures.

- Referral Bonus: We will pay the referring party a $10,000 referral bonus.
- New Franchisee Fee Reduction: The new franchisee will receive a $5,000 reduction in the Initial Franchise Fee (a 10% savings).

2. Website Link Referral Program

A Website Link Referral is submitted through our approved online referral link, following the Website Link Referral procedures.

- Referral Bonus: We will pay the referring party a $5,000 referral bonus.
- New Franchisee Fee Reduction: The new franchisee will receive a $5,000 reduction in the Initial Franchise Fee (a 10% savings).

Payment of Referral Bonuses

Referral bonuses are typically paid within 21 business days after (i) the referred candidate executes the Franchise Agreement for a brand-new location, and (ii) we receive the full Initial Franchise Fee.

Referral bonuses are considered earned once paid and are non-refundable. Each new franchisee referred qualifies for only one referral bonus, regardless of the number of locations the new franchisee purchases. If the referred candidate later purchases additional locations, no additional referral bonus will be paid.

ITEM 6. OTHER FEES

Type of Fee [(1)]	Amount	Due Date	Remarks
Service Fee (Royalty)	9% of Gross Revenues[(2)] paid to you by suppliers	Monthly - we will initiate an electronic funds transfer or "EFT"[(4)] of the Service Fee on or before the 15th day of the month from your designated bank account ("Designated Account"). Service Fee discounts are provided to qualifying new franchisees, on a tiered schedule. The tiered schedule is as follows: year one is 100% discount on the Service Fee, year two is a 67% discount on the Service Fee, and year three is a 33% discount on the Service Fee. For year four and onwards there is no discount applied.	At the end of each of your fiscal years we reconcile the total Service Fees earned and payable on your actual Gross Revenues for the fiscal year against what we collected for the year and draft or refund the difference by EFT.[(5)] To qualify for the discounted Service Fees, Franchisees must be brand new to the Expedia Cruises system and have been awarded a new franchise location. Year one of the tiered schedule commences on the date the Franchisee receives their "Certification of Operational Readiness". The 100% royalty discount will also apply to any sales made prior to receiving Certification of Operational Readiness. Year two begins a year from the start of year one, and so on.

Type of Fee [1]	Amount	Due Date	Remarks
Management Information Systems (MIS) Fee [3]	2% of Gross Revenues[2] paid to you by suppliers up to the specified Annual Threshold Level[3], with maximum fees in 2026 of $4,250 and increases by an annual CPI Adjustment[3] in 2027 and thereafter.	Monthly - we will initiate an electronic funds transfer or "EFT"[4] of the MIS Fee on or before the 15th day of the month from your designated bank account ("Designated Account"). MIS Fee discounts are provided to qualifying multi-unit franchisees. MIS Fee discount schedule is as follows: 20% discount applied to 3rd – 5th Centers owned by the same franchisee; 30% discount applies to 6th – 10th Centers owned by the same franchisee, while maintaining 20% discount for 3rd – 5th Centers; and 40% discount applied to 11th or more Centers owned by the same franchisee, while maintaining 30% discount for 6th – 10th Centers and 20% discount for 3rd – 5th Centers.	Pays for your use and updates to CruiseDesk®. At the end of each of your fiscal years we reconcile the total Service Fees earned and payable on your actual Gross Revenues for the fiscal year against what we collected for the year and draft or refund the difference by EFT.[5] The Annual Threshold Level[3] caps total MIS Fees at $4,250 for calendar year 2026 and increases by an annual CPI Adjustment in 2027 and thereafter (with amounts pro-rated for partial and non-calendar fiscal years). To qualify for the discounted MIS Fee, Franchisees must own 3 or more Expedia Cruises Centers. MIS Fee discounts commence upon signing of Franchise Agreement for applicable multi-unit Center.

Type of Fee [1]	Amount	Due Date	Remarks
Marketing Fee [3]	4% of Gross Revenues[2] paid to you by suppliers up to the specified Annual Threshold Level[3], with maximum fees in 2026 of $8,500 and increases by an annual CPI Adjustment in 2027 and thereafter.	Monthly - we will initiate an electronic funds transfer or "EFT"[4] of the Marketing Fee on or before the 15th day of the month from your Designated Account. Marketing Fee discounts are provided to qualifying multi-unit franchisees. Marketing Fee discount schedule is as follows: 20% discount applied to 3rd – 5th Centers owned by the same franchisee; 30% discount applies to 6th – 10th Centers owned by the same franchisee, while maintaining 20% discount for 3rd – 5th Centers; and 40% discount applied to 11th or more Centers owned by the same franchisee, while maintaining 30% discount for 6th – 10th Centers and 20% discount for 3rd – 5th Centers.	Paid into the Marketing Fund (See Item 11). At the end of each of your fiscal years we reconcile the total Service Fees earned and payable on your actual Gross Revenues for the fiscal year against what we collected for the year and draft or refund the difference by EFT.[5] The Annual Threshold Level[3] caps total Marketing Fees at $8,500 for calendar year 2026 and increases by an annual CPI Adjustment in 2027 and thereafter (with amounts pro-rated for partial and non-calendar fiscal years). To qualify for the discounted Marketing Fee, Franchisees must own 3 or more Expedia Cruises Centers. Marketing Fee discounts commence upon signing of Franchise Agreement for applicable multi-unit Center.
In-person Training: Cruise Management Academy ("CMA") – Additional Trainee	$495	Prior to attendance of additional persons at In-person Training in Vancouver.	In-Person Training for up to two persons is at no charge. You must pay this fee if you wish to bring a third trainee (at your option)
Additional Term Franchise Fee [3]	$5,000	Upon execution of Additional Term Franchise Agreement	The Additional Term Franchise Fee is paid if you are granted an Additional Term Franchise.
Transfer Fee	$29,000 (or if the Transferee is an existing franchisee operating a different Travel Business, the required Transfer Fee will be reduced to $10,000.	Upon execution of documents effecting a transfer of a controlling ownership interest in the Franchisee or your Travel Business.	Transferee pays the Transfer Fee upon transfer of a controlling ownership interest in the Franchisee or your Travel Business (where the transfer results in a change of control or shared control) to a new owner, that is, a person or company that does not already have an ownership interest in the Franchisee or your Travel Business, and our then-current form of Franchise Agreement must be signed.

Type of Fee [1]	Amount	Due Date	Remarks
Document Administration Fee	The greater of $295 or our actual expenses incurred.	Payable upon execution of documents.	Payable if we approve a Transfer of a non-controlling ownership interest in you or your Travel Business or if you take other actions requiring document preparation or modification. (e.g., a change of your entity name).
Site Relocation Fee (Inside your designated Market Area)	The greater of $5,000 or our actual expenses incurred in reviewing your relocation site and any document preparation or modification.	Payable if we approve the relocation of your Center.	You will pay the Site Relocation Fee if you request a relocation of your Center and we approve it. (This fee includes any Document Administration Fee.)
Site Relocation Fee (Outside your designated Market Area)	The greater of $19,000 or our actual expenses incurred in reviewing your relocation site and any document preparation or modification.	Payable if we approve the relocation of your Center and upon execution of Franchise Agreement.	You will pay the Site Relocation Fee if you request a relocation of your Center and we approve it.
Audit Fee	Cost of inspection or audit and related expenses	15 days after billing	Payable only if the audit is a result of your failure to furnish accurate reports, supporting records or other required information under the Franchise Agreement.
Interest	The lesser of 15% per annum or the highest contract rate of interest permitted by applicable law	15 days after billing	Interest is charged on all past due amounts.
Insufficient Funds Fee	$50 per occurrence	As Incurred	Payable if your bank fails to honor an electronic funds transfer ("EFT") request.
Overdue Center Opening Fee	$500 per month	As Incurred	Payable beginning 12 months from the Effective Date of the Franchise Agreement if your Center has failed to receive the Certification of Operational Readiness and open to the public.
Costs and Attorneys' Fees	Will vary under circumstances	As Incurred	You must reimburse us for costs we incur as a result of your failure to comply with the Franchise Agreement.

NOTES

(1) All fees are non-refundable and payable to us unless otherwise stated. All fees are imposed uniformly.

(2) Approved Travel Suppliers pay you a percentage of the revenues generated by your sales of their Approved Travel Products and Services. We refer to these revenues plus any other revenues generated through your Franchised Travel Business as "Gross Revenues".

(3) Although the terminology varies, the Service Fee may be described, for comparative economic purposes, as approximately 1.15% of gross departed commissionable sales.

(4) In 2027 and each calendar year thereafter, we may increase the Annual Threshold Level for the MIS Fee and the Marketing Fee annually on January 1st by a percentage of up to the percentage increase in the U.S. Consumer Price Index for All Urban Consumers (CPI-U) on a seasonally adjusted bases ("CPI") between January 1st and December 31st of the immediately prior year, such increase referred to as the "CPI Adjustment". If we increase the Annual Threshold Level for the MIS Fee or the Marketing Fee by less than the full CPI percentage increase in a given year, we may carry the difference forward and add it to the allowable percentage increase for the following year. By way of example, if the CPI increases 5% and we implement only a 3% increase in the Annual Threshold Level for the MIS Fee, we may carry the remaining 2% forward and add to the CPI increase in the following year, so that if the following year CPI is 2%, we may increase the Annual Threshold Level for the MIS Fee by up to 4%.

(5) You will comply with the procedures we specify in the Franchise Operations Manual (the "Manual") and sign and deliver the documents necessary to allow us to credit and debit by EFT your "Designated Account." You will make funds available in the Designated Account for withdrawal by EFT no later than the date the payments are due. If we determine at any time that you have under-reported or underpaid amounts due to us, we will be authorized to transfer from the Designated Account the amount owed to us plus applicable interest.

(6) We will draft by EFT the "Service Fee", "MIS Fee" and "Marketing Fee" on or before the 15th day of each month. We may change the amount debited each month periodically based on the expected Gross Revenue you will earn. We will notify you prior to any change. At the end of each of your fiscal years during the term of this Agreement and at the end of the term of the Agreement, we will reconcile the actual Service Fees, MIS Fees and Marketing Fees earned and payable for that prior fiscal year or portion of the current fiscal year (as applicable) based on your actual Gross Revenues for that year (or portion thereof). We then will draft (or refund) by EFT the difference between the total of all Service Fees you paid and the actual total Service Fees due and payable for the year (or portion thereof). We will issue you an invoice for that amount drafted or refunded.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure [1]	Amount (low range)	Amount (high range)	Method of Payment	When Due	To Whom Paid [2]
Costs incurred prior to opening					
Initial Franchise Fee	$49,000	$49,000	Lump Sum	When Franchise Agreement is signed	Us

Type of Expenditure [1]	Amount (low range)	Amount (high range)	Method of Payment	When Due	To Whom Paid [2]
In-person Training - Your Transportation and Accommodation [3]	$1,500	$6,000	As Arranged	As Incurred	Suppliers
In-person Training – Additional Trainee [3]	$0	$495	As Arranged	As Incurred	Us
In-person Training – Additional Trainee Transportation and Accommodation [3]	$0	$1,750	As Arranged	As Incurred	Suppliers
Premises Lease Security Deposit [4]	$2,250	$7,500	As Arranged	As Incurred	Landlord
Utilities and Telephone Deposit [5]	$250	$1,000	As Arranged	As Incurred	Suppliers
Leasehold Improvements [6]	$30,000	$80,000	As Incurred	As Incurred	Suppliers
Signage and Merchandising [7][16]	$9,000	$14,000	As Incurred	As Incurred	Suppliers
Computers and Software [8]	$3,000	$6,000	Lump Sum	As Incurred	Suppliers
Office Equipment and Supplies [9]	$2,000	$4,500	As Incurred	As Incurred	Suppliers
Office Furniture and Furnishings [10][16]	$15,000	$22,000	As Incurred	As Incurred	Us or Suppliers
Insurance [11]	$800	$2,000	As Arranged	As Arranged	Insurance Provider
Professional Fees [12]	$500	$3,500	As Arranged	As Arranged	Professionals
Business Licenses and Permits [13]	$500	$1,500	Lump Sum	As Incurred	Local Authorities
TOTAL COSTS INCURRED PRIOR TO OPENING	$113,800	$199,245			
Costs incurred subsequent to opening					
Additional Funds - Working Capital for the first 12-24 Months [14]	$35,500	$59,300	As Needed	As Incurred	Varies
TOTAL ESTIMATED INITIAL INVESTMENT [1][15]	$149,300	$258,545			

NOTES

(1) You should expect to incur these types of expenses as part of your initial investment from the day you sign the Franchise Agreement until you open and begin operating your Travel Business (typically 6 to 9 months), except for Additional Funds, Working Capital, which you should expect to cover the first 12 to 24 months after you open and begin operating your Travel Business. However, the actual amounts of your expenses and Working Capital may vary.

(2) Payments made to us are non-refundable. The ability to obtain a refund of any payments made to third parties and governmental agencies will depend on their individual refund policies.

(3) We provide In-person Training, which is classroom-style training we refer to as Cruise Management Academy ("CMA"), at our offices in Vancouver. We make Cruise Management Academy available for up to two persons at no additional cost, including breakfast and lunch meals. Other meals, hotel and transportation, including airfare, automobile and transfers, are at your cost. You are required to book your own transport and accommodation. Costs may vary depending upon whether you have one or two persons attend the In-person Training in Vancouver and also upon factors including your point of origin, seasonality, and the Canadian-United States dollar foreign exchange rate. Low range transportation and accommodation amounts presented are for one person, high range amounts are for two persons.

If you wish to have a third trainee attend In-person Training, we require a $495 fee and the additional trainee will be responsible for their own private hotel accommodations, transportation, and meals other than lunch meals while on site. See "Training" in Item 11 for more information about the In-person Training program and associated costs.

(4) Rent can vary significantly by site location and size (typically we require the location of the Travel Business to be at least 800 square feet and no greater than approximately 1,200 square feet). The low range is based on a one month security deposit and the high range is based on a two month security deposit. You may also be required to prepay your first month rent, which is not included in these estimates, rather is included as an operating cost included in the estimate of additional funds – working capital as described in note 15 below. If you own your business premises, we cannot estimate or anticipate what, if any, additional investment may be required. The costs of ownership may differ from the rent-based amounts included in these estimates.

(5) The amount of deposit required, if any, for utilities and telephone will depend upon supplier policy and potentially your credit and/or past customer history.

(6) Leasehold improvement expenses will vary significantly depending on the size of your location, the condition and facilities of the premises selected, the market for materials and labor in your area and arrangements with your landlord on who is responsible for improvements. This estimated amount assumes that the premises meets vanilla shell specifications prior to commencing construction. If the landlord does not deliver the premises to vanilla shell specifications, you may be required to incur additional costs, which in turn you may be able to recover from the landlord in the form of a tenant improvement allowance. Leasehold improvement expenses include, among other things, obtaining building permits, framing, drywall, electrical, plumbing, millwork, painting, and flooring which includes carpeting that must be purchased from our approved vendor.

(7) Signage expenses will vary significantly depending on the size and nature of your location, the market for materials and labor in your area and arrangements with your landlord on who is responsible for signage. Expenses include exterior and interior sign(s), interior porthole window, minimum 4 snap frames, 2 specials boards, 2 portable merchandising roll-up displays, a logoed tablecloth, a logo window decal, and/or window dressing posters.

(8) Franchisees must have at least 4 to 8 computers and software that meet our requirements described under the heading "Computer System" in Item 11. The amount you must spend on computers and software will vary based on the type of computers and software you already have, if any. The high range of the estimate assumes that you purchase new computers and all required software, with specifications greater than what we require at a minimum. You will need to have a high-speed internet connection at your Center, including wireless internet router, switch and cables.

(9) Office equipment and supplies include telephone and alarm equipment and associated installation costs, television, fridge, dishwasher, microwave, coffee maker, shredder, printer/copier/fax machine, vacuum cleaner and general office supplies including stationery. The amount you spend on these items will vary

based on the quality of equipment and supplies you select and whether you already own items that are suitable and compliant with our design standards.

(10) Office furniture and furnishings include desks, chairs, cabinets, display units, bookshelf and installation. Certain of these items must be purchased from our approved vendors. Due to recent supply chain shortages, prices for these items may be subject to unexpected and sometimes sharp increases.

(11) We require you to maintain certain minimum level of errors and omissions and general liability insurance coverages for your Travel Business. The amounts of insurance coverage disclosed above vary depending on if you pay your annual insurance coverage up front or pay premiums each month. See "Insurance" in Item 8 for more information about your insurance obligations.

(12) You should consult with a professional, such as an attorney and/or accountant before you decide to invest in a Travel Business. The costs associated with these consultations can vary based on the particular professional and the scope of their review and assistance.

(13) Typical licenses and permits include business name search and registration, business license, CLIA application, IATA application, and travel insurance seller license. Depending on where you are located, you may be required to obtain a "seller of travel" permit (which may require you to post a bond or provide other financial security) and other business licenses and/or permits. The amount of any such security or costs related to arranging required financial security is in addition to amounts presented above. You should consult with an attorney regarding any obligation you may have to obtain such business licenses and/or permits and the expected costs, if any.

(14) This estimate assumes you will receive no income from your Travel Business during the first 12-24 months after you open and begin operating your Travel Business. You will need additional funds to cover your cost of living and other expenses during that period or longer.

Working Capital includes your net operating costs for the first 12-24 months after you open and begin operating and is estimated based on projected "Medium" net revenue for each of the first and second years less operating costs for 3 years (excluding insurance for year 1, which is included in pre-opening costs). These net revenue and operating cost amounts are provided in Item 19. The low and high ranges presented in this table are the estimate of net revenue less operating costs as described above, less 25%, for low range and plus 25% for the high range. Your costs and working capital requirements will depend on factors such as the size of your offices and your operations, the degree to which you follow our methods and procedures for the Travel Business, your management skill, experience and business acumen, general economic conditions, competition and your labor market forces. We relied on our prior experience and recent performance of our existing franchisees to compile these estimates and, although these estimates are based on our expectations prior to the Covid-19 pandemic, as well as financial, economic and competitive data currently available, these estimates are inherently uncertain. You may require more or less working capital than the estimates provided in this table. Your costs, financial performance, and actual living expenses may be more or less than the averages of other new Franchisees.

(15) We are unable to calculate the exact investment required of each Franchisee due to the many factors that influence the total cost to establish a Travel Business. The actual amount of your investment will vary based on location, local economy, competition, and other factors discussed in the previous notes. You should review these estimates carefully with a business advisor and/or accountant before making any decisions to invest in a Travel Business.

(16) In order to expedite ordering and delivery of certain required furniture, décor and merchandising materials, as well as to gain the best possible pricing, we may purchase the items on your behalf and require you to pay us directly in advance to reimburse us for payments we make or will make to various suppliers on your behalf. If this occurs, we will submit to you a detailed invoice in advance of your

required payment. We do not add any fees or other amounts to the amount invoiced by the supplier. This will typically occur once a lease for your Center has been finalized.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

REQUIRED PURCHASES

We provide you with a prototype design plan for the layout of a Center, showing furniture placement and facilities with color coordination scheme and advise you as to the particulars and specifications of office furniture, equipment and supplies to be used in the operation of the Center. We do not require you to purchase or lease any inventory, supplies, fixtures, equipment or services from us or our affiliates. However, we do require you to purchase some of these items from certain approved vendors which we will identify in our Center Design Specifications Resource which we will make available to you or through CruiseDesk® from time to time and we may require you to purchase furniture, décor and merchandising materials through us at our suppliers' price.

You must record all sales activity of all Travel Products and Services in CruiseDesk®. All bookings must be accomplished under our brand and any contracts we have in place with suppliers and vendors, and you must use our identification numbers as the agent code for all bookings. Although you may only offer for sale to your customers those Approved Travel Products and Services, you will not actually *purchase* any Travel Products and Services. The purchases will be made by your customers (See "Approved Travel Suppliers" below).

You are required to license certain software from us and you must have access to CruiseDesk® for which you must pay the monthly MIS Fee. During our last fiscal year, the total amount of MIS Fees we collected from franchisees was $309,000, which represents 0.002% of the $14.733 billion total revenue for Expedia Group, Inc. as reported in Consolidated Statement of Operations included in Item 21. You also must make a monthly Marketing Fee contribution to the Marketing Fund for advertising, marketing and public relations programs and materials we develop. During our last fiscal year, the total amount of Marketing Fees we collected from franchisees was $620,000, which represents 0.004% of the $14.733 billion total revenue for Expedia Group, Inc. as reported in Consolidated Statement of Operations included in Item 21. (See Item 6 and Item 11 for more information regarding the software you are required to license from us and the Marketing Fund.)

APPROVED TRAVEL SUPPLIERS

You are required to use suppliers approved by us and identified in the Manual or CruiseDesk® ("Approved Travel Suppliers") for the sale of all Approved Travel Products and Services. We also may identify suppliers or Travel Products and Services that are expressly not approved. While you do not "purchase" Travel Products and Services from such Approved Travel Suppliers, the Gross Revenues generated by your Travel Business may vary based on which Approved Travel Suppliers you use. We may change Approved Travel Suppliers from time to time. We will update the list of Approved Travel Suppliers, including any suppliers or Travel Products and Services that are expressly not approved, through the Manual, CruiseDesk®, or other forms of communication. You must register with certain Approved Travel Suppliers as a member agency of CII or as directed by us. We and/or our affiliates may be Approved Travel Suppliers for certain products and services. To the extent that we and/or our affiliates are currently the only Approved Travel Supplier for certain products and services, required purchases of such products and services are included in the estimates for "Required Purchases" in the first paragraph above. Our affiliates, CII and Expedia Group, are Approved Travel Suppliers of Travel Services.

COMPENSATION WE RECEIVE FROM TRAVEL PURCHASES

If you meet an Approved Travel Supplier's eligibility requirements for bonuses or tour conductor status, on your own and without aggregation with our activities or those of other Franchisees, then you will receive the

benefit of the bonus or tour conductor status. We and/or our affiliates retain any bonuses or tour conductor benefits that are paid to us by the Approved Travel Suppliers, if your efforts alone did not result in its issuance. We and/or our affiliates are also entitled to retain any overrides, bonuses, overages and advertising allowances paid by such Approved Travel Suppliers that are only available to us.

Approved Travel Suppliers pay you Gross Revenues on your sales of their Approved Travel Products and Services. The Gross Revenues (that is, the percentage of your sales) that each Approved Travel Supplier will pay is dictated by that particular Approved Travel Supplier and varies among Approved Travel Suppliers.

CHANGES OF APPROVED TRAVEL SUPPLIERS OR APPROVED VENDORS

We may terminate, suspend and change Approved Travel Suppliers or approved vendors at any time in our sole discretion, including identification of any suppliers or Travel Products and Services that are expressly not approved. Whether or not we designate a supplier or vendor as an Approved Travel Supplier will be based on meeting the quality standards that we establish from time to time (see "System Standards" below), and may consider not just the quality standards of the products or services, but also, among other things, the proposed supplier's reputation, management, product selection and pricing, delivery capabilities, financing terms and ability to service our franchisees and Expedia Cruises® customers as a whole.

SYSTEM STANDARDS

Your Travel Business must be operated in accordance with the mandatory and suggested specifications, standards, operating procedures, trademark usage guidelines, and rules that we prescribe from time to time for the operation of a Travel Business (collectively, the "System Standards"). System Standards may regulate, among other things, marketing materials, use and display of the Marks, insurance coverage requirements, computer system requirements, pricing and other policies governing the conduct of Travel Businesses. We may periodically modify the System Standards, which may accommodate regional or local variations as we determine. Such modifications may obligate you to invest additional capital in your Travel Business and/or incur higher operating costs. We will notify you of changes to the System Standards and/or names of Approved Travel Suppliers through updates to the Manual or other communications.

ADVERTISING

If you conduct local marketing activities, including print or digital advertising, you must use our software and design templates and only in the manner we prescribe. We will provide designs and images for your print, email, social media, and website advertisements to you either paid for out of the Marketing Fund or at our cost. If you choose to develop your own advertising material, you must adhere to our brand standards and you must submit all material to us for approval prior to your use. Any costs incurred for creating or revising materials produced outside the system are solely the Franchisee's responsibility.

INSURANCE

You must maintain E&O insurance coverage and general liability insurance. We may prescribe the minimum amount of coverage required and may periodically increase or decrease the amounts of coverage required and require different or additional types of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances. All required insurance policies must be issued by an insurance company meeting our minimum rating requirement and must contain the terms and conditions we require. You are required to furnish proof of insurance satisfactory to us. If you fail to furnish such proof of insurance, we may obtain (at our option) insurance on your behalf and you must pay us, on demand, any costs and premiums we incur in obtaining such insurance. Alternatively, you may self-insure your travel agent errors and omissions insurance, as long as you demonstrate to our satisfaction that you have set aside and maintain an adequate reserve for claims that would be covered under a typical errors and omissions insurance policy.

REQUIRED COMPUTER SYSTEM

You must use a computer system that meets our specifications. See "Computer System" in Item 11 for more information. We license CruiseDesk® software and obtain software maintenance services from our affiliate, CII. You will sublicense the CII CruiseDesk® system software from us.

We have a Management Services Agreement (the "MSA") and a Software and Technology License Agreement (the "Software Agreement") with CII. Pursuant to the Software Agreement, CII licenses to us the use of CruiseDesk® (which we in turn sublicense to you under the Franchise Agreement) and CII hosts, manages and maintains CruiseDesk®.

Through the MSA, we have outsourced to CII various services associated with CruiseDesk®, including:

(a) Developing, supporting and hosting CruiseDesk®.

(b) Monitoring, updating and improving CruiseDesk® as new developments and improvements are established or implemented.

(c) Enabling direct bookings, either within a particular Consultant Website or through travel supplier sites accessible through the Consultant Website or via telephone access to the travel supplier provided by CII. CII will provide e-mail support and facilitate and respond to inquiries relative to direct bookings and other related customer services. CII will also provide technical support to us and our Franchisees with respect to functionality of CruiseDesk®.

(d) Providing e-marketing support to Franchisees and their consultants in the form of permission-based personalized, internet-driven marketing programs; consumer accessible product research tools; and on-line booking capabilities.

(e) Extending to us and our Franchisees commission arrangements no less available than those that CII has arranged for its Franchisees.

(f) Providing commission management and bookkeeping tools to our Franchisees and their consultants, including invoicing capabilities, cash flow analysis and commission reporting.

(g) Conducting training programs on our behalf for our Franchisees, including the online cruise consultant certification program we refer to as International Cruise Academy® and the in-person franchise owner training program we refer to as Cruise Management Academy.

We pay CII for the support and other services it provides, and an annual royalty for the licensing of CruiseDesk® and CruiseShipCenters® trademarks. Additionally, we pay Expedia an annual royalty for the licensing of the Expedia® trademark.

MISCELLANEOUS

Except as described above, neither we nor our affiliates currently derive revenue or other material consideration as a result of your purchases. There are currently no purchasing or distribution cooperatives. In the future, we and/or our affiliates may negotiate agreements with Approved Travel Suppliers and we and/or our affiliates may receive consideration from such Approved Travel Suppliers. Our corporate officers may own shares of one or more of the publicly traded Approved Travel Suppliers available to you through CruiseDesk®, however, none of our officers own controlling interests in any Approved Travel Suppliers. We do not provide material benefits (for example, renewal or granting additional franchises) to you based on your purchase of particular products or services or use of particular suppliers.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Items in Disclosure Document
a. Site selection and acquisition/lease	5.03; 5.04	Item 11
b. Pre-opening purchases/leases	5	Items 5, 6, 7 and 11
c. Pre-opening requirements	5	Items 5, 6, 7 and 11
d. Initial and ongoing training	8	Items 6, 7 and 11
e. Opening	5	Items 7 and 11
f. Fees	7	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	12	Item 11
h. Trademarks and proprietary information	9; 10	Items 11, 13 and 14
i. Restrictions on products/services offered	4	Items 8, 11 and 16
j. Warranty and customer service requirements	5.06	None
k. Territorial development and sales quotas	3.03	Items 6 and 12
l. On-going product/service purchases	5	Item 8
m. Maintenance, appearance and remodeling requirements	5.06	None
n. Insurance	21	Items 7, 8 and 11
o. Advertising	7.04; 14	Item 11
p. Indemnification	12.05; 20.04	Exhibit D
q. Owner's participation/management/staffing	12.03; 12.04	Items 11 and 15
r. Records and reports	15	Item 17
s. Inspections and audits	16	Item 6
t. Transfer	17	Items 6 and 17
u. Renewal	3	Items 6 and 17
v. Post-termination obligations	19	Item 17

Obligation	Section in Franchise Agreement	Items in Disclosure Document
w. Non-competition covenants	11; 19.05	Item 17
x. Dispute resolution	23	Item 17
y. CruiseDesk® Terms, Conditions, and Notices	14.06	Item 11; TOU

ITEM 10. FINANCING

We do not offer direct or indirect financing for your initial investment or any capital expenditures. We do not guaranty your notes, leases or obligations.

Franchisees of the Expedia Cruises® System may be eligible for Small Business Administration (SBA) loan guarantees through your lender. If you are eligible for an SBA loan guaranty, we and you will be required to sign a mandatory, non-negotiable two-page "Addendum to Franchise Agreement." (SBA Form 2462).

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

Except as listed below, we need not provide any assistance to you.

PRE-OPENING OBLIGATIONS

Before you open your Travel Business, we will:

(a) advise you on obtaining a license or registration to sell Approved Travel Products and Services with any applicable regulatory authority if you do not already have the necessary license or registration, although we do not guaranty that you will be able to obtain any required licenses or registrations (Franchise Agreement, Section 5.05(a));

(b) assign a designated Market Area within which your Center will be located and in which you will operate your Franchise based on demographic criteria and advise you on selecting a suitable location for your Center in the Market Area based on visibility, traffic count, demographics and local competition (Section 2.04 of the Franchise Agreement);

(c) provide you with graphic standards, including prototypical design plans for the layout of a Center, showing furniture placement and facilities with required color coordination scheme and advise as to the particulars and specifications of office furniture, equipment and supplies to be used in the operation of the Center. We will provide such further guidance as we determine to be necessary to assist you in working with your contractors and their suppliers to complete the development and build out of the Center. (Section 5.03(b) of the Franchise Agreement);

(d) provide assistance in securing a lease for your Center. (Franchise Agreement Section 5.03).

(e) provide you with an initial supply of promotional materials as part of the New Center Marketing Kit (Franchise Agreement, Section 5.05(b));

(f) provide two licenses to access CruiseDesk®, three email accounts, a Center Website and any other related proprietary software for operating your Travel Business (Franchise Agreement Sections 5.05(c) and 13.01);

(g) provide you with training as described in detail in this Item 11 under "Training". (Franchise Agreement Sections 5.05(d); 8.01); and

(h) provide you access to our Franchise Operations Manual described below under "The Manual" (Franchise Agreement Sections 5.05(e); 12.01).

POST-OPENING OBLIGATIONS

During the operation of your Travel Business, we will furnish assistance to you with respect to:

(a) standards, specifications and operating procedures and methods utilized by Travel Businesses (Franchise Agreement Section 6.01(a));

(b) use of CruiseDesk® (Franchise Agreement Section 6.01(b));

(c) current lists of Approved Travel Suppliers, Approved Travel Products and Services, and those suppliers and Travel Products and Services that are not approved (Franchise Agreement Section 6.01(c));

(d) your participation in the marketing program, Environics market information, and related activities (Franchise Agreement Section 6.01(d));

(e) improvements to the System, if any (Franchise Agreement Section 6.01(e)); and

(f) administrative, bookkeeping and accounting procedures (Franchise Agreement Section 6.01(f)).

We will furnish guidance to you through the Manual, in bulletins or other written materials and/or during telephone or field consultations. We will provide training programs for your Consultants at your (or your Consultants') expense.

MARKETING FUND

We administer a system-wide marketing fund (the "Marketing Fund") for such advertising, marketing campaigns, marketing software and public relations programs and materials we deem necessary or appropriate in our sole discretion. You and every other franchisee must contribute to the Marketing Fund on a monthly basis, based on your monthly Gross Revenues subject to an annual maximum ("Annual Threshold Amount"). Beginning in calendar year 2026, we may increase the Annual Threshold Amount annually on or prior to January 1st by a percentage of up to the percentage increase in the U.S. Consumer Price Index ("CPI") between January 1st and December 31st of the immediately prior year. If we increase the Annual Threshold Amount by less than the full CPI percentage increase in a given year, we may carry the difference forward and add it to the allowable percentage increase for the following year. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to our Franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12-month period. We will contribute to the Marketing Fund on the same basis as Franchisees for any Travel Businesses owned and operated by us (Franchise Agreement Section 14.01).

We will direct all programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. The Marketing Fund may be used to pay the costs of preparing and producing video, audio, email, internet-based and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing activities. We may develop these materials in-house, including through CII, or utilize national or regional advertising agencies. The Marketing Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost (Franchise Agreement Section 14.02).

The Marketing Fund will not be held separately but will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and its programs. Any unspent surplus amount in the Marketing Fund remaining at the end of a fiscal year in which it was collected or accrued will remain in the Marketing Fund for future use. We will prepare a periodic statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request (Franchise Agreement Section 14.03.) The Marketing Fund is not audited.

Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Travel Businesses, we have no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Travel Businesses operating in that geographic area or that any Travel Business will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising (Franchise Agreement Section 14.04).

Marketing Fund monies will not be used to directly advertise or otherwise promote the sale of Travel Businesses, although Marketing Fund advertising and marketing materials may include incidental advertising for the opportunity to join Expedia Cruises® as a franchisee or as a travel consultant.

During our fiscal year, from January 1, 2025 through December 31, 2025, Marketing Fund expenditures on advertising for the benefit of all our franchisees totaled approximately $1,471,000 allocated as follows: Personnel, including web development, creative for E-marketing and print media and associated overhead (48%); and print materials and media (52%). None of these expenditures included any advertising for franchise opportunities.

ADVERTISING AND ADVERTISING COOPERATIVES

You are required to participate in the Platinum Marketing Program upon your Center's opening for a period of at least 24 months. In the case of a Transfer of your Travel Business, the transferee will be required to participate in the Platinum Marketing Program for a period of at least 24 months. Actual participation in the Marketing Program will vary, as enrollment is based on a full calendar year. You may also conduct advertising, promotion or marketing in any medium but it must meet our standards and be approved by us before use in all cases (Franchise Agreement Section 14.05). You must develop your promotional material using our approved software and templates. If not using our software, you must submit for prior written approval all promotional and marketing material, including any online advertising, promotions, or listings, that were not supplied by us or by Approved Travel Suppliers. We will notify you of our approval or disapproval of the materials within 5 days from the date we receive them. Approval or disapproval will be at our sole discretion.

We may designate certain areas in which we believe a local advertising cooperative (an "Advertising Cooperative") may be appropriate for all Travel Businesses located in those areas. If an Advertising Cooperative is established in the geographic area where your Travel Business is located, you may join and actively participate in it. If you join an Advertising Cooperative, you must contribute to the Advertising Cooperative such amounts as are determined from time to time by the Advertising Cooperative. We will not set the amount of those contributions. Amounts contributed to the Advertising Cooperative are separate from, and in addition to, any Marketing Fees. The Advertising Cooperative will adopt its own rules, regulations and procedures which you must follow. However, the rules, regulations and procedures of the Advertising Cooperative must be approved by us.

INTERNET USE OF THE MARKS

You may not operate or arrange for the establishment of any Website that is in any way connected to the Travel Business, in either case, without our prior written approval, which we may give or withhold or revoke at our discretion. "Website" means an interactive electronic document, contained in a network of computers linked

by communications software, that you operate or authorizes others to operate and that refers to the Travel Business, the Marks or any of our or our affiliates' other intellectual property, CruiseDesk®, and/or any of the Approved Travel Products and Services, and includes, but is not limited to, internet and World Wide Web home pages. In addition to the prohibition on establishing a Website, you may not adopt, use or register the Marks or any word or symbol that may be similar to any of the Marks so as to cause any likelihood of consumer confusion generally and, in particular, in any Website, e-mail or Website address, domain name or search engine identifier, adword or key word. We have the right to designate and control your use of all URLs, domain names, website addresses, metatags, links, key words, e-mail addresses, social media profiles and pages and any other means of electronic identification or origin ("e-names") used in connection with your Travel Business (Franchise Agreement Section 14.06).

COMPUTER SYSTEM

You must use a computer system (including both hardware and software) that meets our specifications. The personal computers you own or lease (and which may be obtained from any source) must be capable of running the currently commercially available Microsoft Windows® Operating System, Office® and Google Chrome® software and you must have a relationship with an internet service provider to gain high-speed access to CruiseDesk® and other websites.

Franchisees must have at least 4 to 8 computers and software that meet our specifications. The amount you must spend on computers and software will vary based on the type of computers and software you already have, if any. We estimate the cost of purchasing the required computer system, including wireless internet router, switch and cables, at $3,000 to $6,000. The high range of these estimates assumes you purchase new computers and all required software, with specifications greater than what we require at a minimum.

We reserve the right to require you to upgrade your computer system's hardware or software components at any time during the term of the Franchise Agreement. You will be responsible for the costs for upgrades, technical support and ongoing maintenance for the computer system. We may modify the computer system specifications from time to time and you must comply with such modifications at your expense within 60 days after you receive notice from us. Your computer system must be capable of connecting with CruiseDesk®. You must also use high-speed (broadband) internet access and Google Chrome as your internet browser. We will have unrestricted independent access to your computer system so we may review the operation of your Travel Business (Franchise Agreement Section 15.06). In addition, we may require you to submit marketing and related data to allow us to compile consumer trends, costs, and other information on a frequency and detail we deem appropriate (Franchise Agreement Section 15.01). We cannot estimate the costs of maintaining your computer system or any required upgrades because it will depend on your usage, service fees in your market and improvements in technology which we cannot predict at this time.

Your payment of the Initial Franchise Fee, the ongoing Service Fee and the MIS Fee constitute payment to us for your use of CruiseDesk® (a proprietary online software application and marketing system developed specifically for the cruise specialist travel agency or agent by our affiliate, CII). We may require you to license or sublicense from us any additional proprietary software or any third party software applications (collectively, the "Additional Software") and we may charge you an additional fee for Additional Software (Franchise Agreement Section 13.02). We will provide assistance to you through email and in some instances, by telephone, in connection with the use of CruiseDesk® and any proprietary software we require you to use.

We have outsourced to CII the maintenance and improvement requirements for CruiseDesk® and email services, for which you will be required to agree to the Terms of Use (the "TOU"). A copy of the current form of TOU is attached as **Exhibit D**. You will be bound by the TOU and any privacy policy, copyright notice and takedown policies that we establish from time to time regarding CruiseDesk® and email services.

We may designate, approve, control or limit all aspects of your use of CruiseDesk® and any aspect of your Travel Business that you conduct over the Internet ("e-commerce"). You must follow all of our policies and

procedures for the use and regulation of e-commerce and for its use with CruiseDesk®. We may require that you provide graphical, photographic, written or other forms of artistic or literary content to us for use in e-commerce activities associated with the Marks or the System that we may designate. You must provide information to us via CruiseDesk®. You must coordinate your e-commerce activities with us, other Travel Businesses, suppliers and affiliates, and participate in any intranet networks we develop (Franchise Agreement, Section 14.06).

THE MANUAL

Our Franchise Operations Manual (the "Manual") is in the form of an online resource center that contains the current System Standards and information relating to your obligations as a Franchisee. The content of the Manual belongs to us and you will have no ownership interest in the Manual. The Manual may be modified, updated and revised periodically to reflect changes in System Standards and other policies affecting Franchisees. The table of contents of the Manual is attached as **Exhibit C**.

OPENING YOUR TRAVEL BUSINESS

We estimate the typical length of time between the Effective Date of the Franchise Agreement and opening your Center for business to be between 6 and 9 months. Factors affecting the timing include site selection and availability, lease negotiation, build-out/construction implementation and any delays, landlord approvals, and licensing and permitting. Other factors may include the ability to secure financing arrangements, completing training, and fulfilling other pre-opening requirements. Failure to open your Center within 9 months of the Effective Date the Franchise Agreement is a default under, and cause for termination of, the Franchise Agreement. In lieu of termination, however, you may be subject to penalties, including suspension of leads routed to a franchise from both Expedia Cruises channels and external channels, suspension of recruitment leads routed from Expedia Cruises channels, suspension of participation in recognition programs and award trips, suspension of participation in any councils, suspension of eligibility for program discounts, suspension of eligibility for extension or deferral programs, loss of eligibility to receive an Additional Term Franchise/renewal, loss of eligibility to receive approval for a Transfer of the Franchise. Additionally, if you still not have received your Certification of Operational Readiness and opened your Center to the public within 12 months of the Effective Date of your Franchise Agreement, the monthly Overdue Center Opening Fee will become due and will be incurred monthly until you receive your Certification of Operational Readiness and open your Center to the public.

You may not open your Center or begin operating your Travel Business until: (a) we have approved your site selection and construction to our current standards; (b) you (or if you are a business entity, one of your Owners) have completed training (Online Training and In-person Training) to our satisfaction; (c) the Initial Franchise Fee and all other amounts then due to us have been paid; (d) you have furnished to us copies of all insurance policies we require, or other evidence of insurance coverage and payment of premiums as we request or accept; (e) you have demonstrated to our reasonable satisfaction that you have secured the financing necessary to establish the Center and operate your Travel Business; and (f) we have given you written Certification of Operational Readiness of your Travel Business and the Center, which may be conditioned on your compliance with all applicable laws, System Standards and the terms of the Franchise Agreement.

You must open the Center and you must begin operating your Travel Business within two days after we have delivered our written Certification of Operational Readiness. Once open and operating, you must continuously staff the Center with qualified trained employees or Consultants in accordance with the Manual and the terms of your Lease.

SITE REQUIREMENTS

You must propose a site within the Market Area that is acceptable to us where you intend to establish the Center to operate your Travel Business. The criteria we use to determine if a site is acceptable may include visibility, traffic count, demographics and local competition. We reserve the right not to approve a location

based on factors including but not limited to proximity to the border of the Market Area or proximity to another Center. Our acceptance of a particular site for the location of your Center is not a guaranty or warranty of the success of the site. The new site must typically have at least 800 square feet of retail space although we recommend up to 1,200 square feet. Because the Travel Business is a destination site rather than being driven by walk-by traffic, retail store fronts and strip-mall locations are preferred.

You will have up to four months after the Effective Date of the Franchise Agreement to negotiate a lease for the site designated in the Franchise Agreement for the Center and, subject to our review and approval, sign the lease. A condition to our approving the lease is the execution of the Addendum to Lease Agreement (attached as Schedule C to the Franchise Agreement) by you and the landlord or the inclusion of certain required language in the lease. If we cannot agree on an acceptable site or if you are unable to enter into a lease within the required time, at our discretion, we may terminate the Franchise Agreement.

TRAINING PROGRAM

Before you begin operating your Travel Business, we will furnish training for up to two persons on the operation of a Travel business to you (or if you are a business entity, to up to two of your owners). The person or persons who participate in the training program are called the "Trainees". The Trainees must complete five core programs delivered through a combination of e-learning and in-person classroom training to our satisfaction and before commencing operations of the Travel Business. This means the training program must be completed within 9 months after the Effective Date of the Franchise Agreement. The training program consists of the following components:

Online Training

Consultant Certification: The Trainees will receive a combination of e-learning coupled with weekly one-on-one sessions with your designated trainer through an e-learning program referred to as Consultant Certification, which is part of International Cruise Academy ("e-learning"). There is no additional charge for e-learning curriculum. Our e-learning consists of course modules, recorded webinars and student activity / practice exercises in the areas of Preferred Suppliers and Products, Relationshipping, Selling, Servicing and Operations.

New Franchisee Training: Once the Trainees have completed Consultant Certification, they will progress onto New Franchisee Training. This training is a combination of e-learning coupled with weekly one-on-one sessions with your designated trainer. This curriculum consists of e-learning courses, recorded webinars and videos, activities and practical exercises that are designed to help the Trainees run their business by recruiting a team and initiating and servicing sales before their Center's doors open. This curriculum is overseen by their trainer. The Trainees will have specific tasks to complete from the curriculum each week for review on their next training call with their trainer.

Leadership Program (1 core program): The Trainees will also complete the "Navigator's Approach to Selling" program. The program consist of e-learning courses coupled with instructor-led sessions. Navigator's Approach to Selling will help Trainees understand the importance of using consultative selling skills, focus on developing a customer centric mindset, and develop into true sales professionals.

In-Person Training:

Cruise Management Academy (CMA): The Trainees will receive 5 days of classroom training at one of our (or CII's) training facilities, currently located in Vancouver, British Columbia, Canada. CMA is designed to ready Trainees to open their Center's doors to the public by synthesizing their learning and applying it practically to formulate an operational plan for their travel business.

Cruise Management Academy is offered several times a year in Vancouver. If you do not hold a valid

passport, you must obtain one at your expense. The current fees to obtain a U.S. passport are a $130 application fee and a $35 execution fee. You will also need to supply passport photographs, the cost of which will vary depending on the vendor. You may bring a third trainee to in-person training for an additional $495 fee, which will include their breakfast and lunch meals while onsite. Hotel accommodations and transportation costs for all trainees will be at your/their expense. Additional trainees will be required to sign a confidentiality agreement with us prior to attending the In-person Training.

Schedule of Training Program:

Core Program	Topics	Time Spent (in hours)	Location
ONLINE TRAINING			
International Cruise Academy	Preferred Suppliers and Product	5.5	Virtual/e-Learning
	Relationshipping	5.5	
	Selling	5.5	
	Operations	5.5	
Total hours of training		**22.0**	
New Franchisee Training	Welcome and Set Up	1.0	Virtual/e-Learning
	Business Operations and CruiseDesk® Functions	7.5	
	Recruitment Tools and Resources	14.0	
	Onboarding	7.5	
	Marketing and Promotions	10.5	
	Sales and Product	7.5	
Total hours of training		**48.0**	
Navigator's Approach to Selling	Customer Centric Mindset and Qualifying Needs & Interests	2.25	Blended Learning (Online and Virtual Instructor Lead Training)
	Present Options & Values and Ask for the Booking	2.25	
	Relationshipping	2.25	
Total hours of training		**6.75**	
IN-PERSON TRAINING			
Cruise Management Academy	Performance and Operations	7.5	Instructor Lead Training in Vancouver
	Recruitment and Onboarding	7.5	
	Sales and Product	7.5	
	Marketing and Promotions	7.5	
	Systems and Leadership	5.5	

Total hours of training	**35.5**

NOTES

(1) All aspects of our training are integrated throughout each component of the Franchisee Curriculum program. There are not definite starting and stopping times for training on these subjects.

(2) Currently, Franchisee training is managed by our Franchise Onboarding team led by Ruby Fung, Manager, Franchise Onboarding. Ms. Fung's staff includes one Senior Training & Development Specialist who is responsible for both the content and delivery of the new Franchisee Curriculum and coaching new Franchisees on opening benchmarks for the Franchisee's Center. . Our online Consultant Curriculum content is primarily managed by Subject Matter Experts on the Sales Enablement team, led by Senior Director of Strategy, Partnerships and Sales, Ealeen Wong. Ms. Wong has served as Senior Director of Strategy, Partnerships and Sales at CruiseShipCenters International Inc. located in Vancouver, B.C. since March 2023, having previously served as Senior Director, Strategy and Global Cruise Partnerships from June 2021 to March 2023 and as Director, Strategy and Business Development from April 2019 to June 2021.

ADDITIONAL TRAINING

We may offer additional training, including periodic and refresher training courses, at such times and locations that we designate. You are not required to participate in additional training but if you choose to do so, you will pay our charges for furnishing it and you will be responsible for any travel expenses you or your representatives incur. We may make some additional training available through internet-based training programs. If we furnish internet-based training programs, we will furnish them at no additional cost to you.

FRANCHISEE MEETINGS

All franchisees are required to attend our annual National Conference and Regional Franchisee meetings. The Regional Franchisee meetings are typically 4 to 6 days and the National Conference meetings are typically 7 to 8 days. These meetings will typically take place onboard a cruise ship. Land venues have been used in the past and may be utilized for future meetings at the Franchisors discretion. You will be responsible for travel, lodging and other expenses related to your and your representatives' attendance at these meetings.

PAYMENT OF FEES

On the 1st or the 15th day of each month, we will draft by EFT from your designated bank account all Service Fees, the Marketing Fee, MIS Fee and any other monies you owe us for the current month's accounting period.

ITEM 12. TERRITORY

You will receive a designated territory described in Schedule A to your Franchise Agreement (your "Market Area") in which you may establish and operate one Center at one location. We reserve the right to adjust the Market Area upon finalization of the Location for the Center. There is no minimum territory size that comprises a Market Area, however, we estimate a typical Market Area will have between 15,000 and 35,000 "Targeted Households" based upon data provided by a third-party company specializing in geographic-based information. A "Targeted Household" is one with an annual income of approximately greater than $125,000 (although we may adjust the dollar threshold to reflect differences in regional CPI, or for other reasons). The number of Targeted Households in a particular Market Area is based on a number of factors including local cost of living, shopping patterns, geographic aspects, market conditions and demographic criteria, including population density, average and median income and local competition. As long as you are not in default under your franchise agreement, we will not open a Travel Business or allow any future franchisee the right to

establish and operate an Expedia Cruises® franchise within your Market Area. We will not allow any other existing franchisees the right to relocate their Travel Business to be within your Market Area. You are not restricted from doing business with customers residing outside your Market Area. These same restrictions apply to our other franchisees. Leads from external sources including Expedia.com are routed to Franchisees at our sole discretion. Eligibility to receive leads is based on service level requirements and other defined criteria. Leads from these sources may cease at any time at the discretion of the external provider.

Prior to granting you an Additional Term Franchise or upon a Transfer of your Travel Business, we may assess your Market Area to determine if it is being sufficiently serviced. Your Market Area may be determined to be insufficiently serviced if your average Gross Revenue for the final two years of your Term and for the final year of your Term (or two years prior to the Transfer date and for the final year prior to the Transfer Date) is less than $9.00 (subject to annual CPI Adjustment) per Targeted Household in your Market Area. In the case of an Additional Term Franchise, if your Market Area is determined to be insufficiently serviced, then we may opt not to offer an Additional Term Franchise, or alternatively, before we grant an Additional Term Franchise, we may make adjustments to your Market Area, which may include a reduction in the number of Targeted Households. In the case of a Transfer of your Travel Business, if your Market Area is determined to be insufficiently serviced, or an independent third-party geographic data analysis suggests that the Market Area granted to you could, at the time of the Transfer, support two or more viable Market Areas, we may make adjustments to the Market Area, which may include a reduction of the number of Targeted Households in the Market Area included in the Franchise Agreement the transferee will enter into.

You will still face competition from our other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control. Except for your right to the exclusive operation of an Expedia Cruises® franchise within your Market Area, there are no restrictions on us, our affiliates, Approved Travel Suppliers, or anyone else from offering Approved Travel Products and Services to customers located anywhere unless otherwise prohibited by law and you are not compensated for any orders we may solicit or accept from consumers inside your Market Area. Unless we agree in writing, you have no option, right of first refusal or similar right to acquire additional franchises.

We and our affiliates retain all rights not specifically granted to you in the Franchise Agreement including, without limitation, the absolute right to:

(a) Operate, establish and grant other Travel Businesses anywhere on such terms and conditions as we deem appropriate;

(b) Operate, and grant others the right to operate, businesses selling travel-related products or services, including a competitive business, using the Marks or other trademarks or service marks under terms and conditions as we deem appropriate;

(c) Operate, and grant others the right to operate, businesses that do not use any of the Marks; and

(d) Market, provide, offer and sell Travel Products and Services (including through online access) using the Marks or other trade names or service marks.

If you need or decide to relocate the Center because of condemnation, destruction, or expiration or cancellation of your Lease for reasons other than your breach of your Lease, you may do so to another site that is reasonably comparable to your original location, that is acceptable to us and is within your Market Area, as long as you have obtained our written approval for the selection and construction of the new Center consistent with our then-current standards and the new Center is ready to open and operate in conjunction with the move from the original location. You also must keep your Travel Business open and operating during any relocation. You do not have the right to relocate the Center in the event you lose the right to occupy your existing Center premises because of the cancellation of your Lease as a result of your breach (as a Lease cancellation would

be grounds for immediate termination under Section 18.02(f) of your Franchise Agreement).

ITEM 13. TRADEMARKS

The Marks are owned by CII (with the exception of the "EXPEDIA" mark), which, in turn, licenses the rights to use and license others to use the Marks in the United States. The trademark "EXPEDIA" is owned by Expedia and licensed to us for our own use and for our sublicensing to others to use in the United States as part of the "Combination Mark" (defined below). For as long as you remain a Franchisee, we will license the Marks to you to use on a non-exclusive, non-transferable, non-assignable, royalty-free basis solely in connection with your operation of your Travel Business, as well as any future trademarks we develop or license from third-parties for use as part of the System. You must comply with our trademark usage guidelines and other requirements for use of the Marks as prescribed in our System Standards, which we may modify from time to time. The following Marks are currently registered on the Principal Register or Supplemental Register (as indicated) of the United States Patent and Trademark Office ("USPTO"):

Trademark, Service Mark or Design	**U.S. Application or Registration No.**	**Principal/ Supplemental Register**	**Date of Application or Registration**	**Comment**
EXPEDIA	2,612,384	Principal	August 27, 2002	Registered 10-year renewal granted
EXPEDIA CRUISES	5,913,742	Principal	November 19, 2019	Registered
EXPEDIA CRUCEROS	88/850,808	Principal	January 25, 2022	Registered
CRUISESHIPCENTERS	2,420,453	Principal	January 16, 2001	Registered 10-year renewal granted
CRUISESHIPCENTERS (and Design)	3,387,898	Principal	February 26, 2008	Registered 10-year renewal granted
SHIP AND COMPASS Design (Rose of Winds)	3,394,242	Principal	March 11, 2008	Registered 10-year renewal granted
CRUISEDESK	3,347,912	Principal	December 4, 2007	Registered 10-year renewal granted

The Marks licensed to you also include the combined marks "Expedia Cruises®" and "Expedia Cruceros™" (the "Combination Marks").

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court in the United States related to the Marks. There are no pending infringements, opposition or cancellation proceedings, or material litigation involving the Marks in the United States. We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Marks in the United States. All requisite affidavits of use related to the Marks have been filed with the USPTO.

Your right to use the Marks (including any additional Marks we authorize you to use) is derived solely from

the Franchise Agreement and is limited to your use in connection with the operation of your Travel Business. You may not use any Mark as part of any corporate or legal business name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you), or in any modified form, including whereby any characters or symbols within the Marks are reversed, replaced, removed or inserted, nor may you use any Mark in connection with the performance or sale of any unauthorized services or products or in any other manner we have not expressly authorized in writing. You may use the Combination Mark as a fictitious (d/b/a/) name as prescribed in the Manual. No Mark may be used in any advertising concerning the transfer, sale or other disposition of your Travel Business or an ownership interest in you, without our prior written consent.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any person of any superior rights in any Mark. We have the exclusive right to take any action (including taking no action) as we determine appropriate and to control any litigation, USPTO proceeding or any other proceeding relating to the Marks. We will indemnify you against all claims, liabilities, obligations and damages directly arising out of any infringement, or alleged infringement of a third party's rights by virtue of the programs, software, systems, trade names and other intellectual property we provide or license to you. You have the right to defend any such claim against you.

We may notify you at any time of our intent to modify or discontinue the use of any of the Marks. If we modify or discontinue the use of any Mark and/or use one or more additional or substitute Marks, you must comply with such changes within a reasonable time (but not longer than 30 days) after receiving notice. We will reimburse you for your reasonable direct expenses of replacing necessary supplies and marketing materials containing the discontinued Mark. However, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

We license the Marks (other than the "EXPEDIA" mark) from CII pursuant to a License Agreement with CII (the "CII License Agreement"). We license the "EXPEDIA" mark from Expedia pursuant to a License Agreement with Expedia (the "Expedia License Agreement"). We have the right to sublicense these Marks to our franchisees for use in connection with their franchised Travel Businesses within the United States and to use them for certain other travel products and services. The term of the CII License Agreement runs until there are no longer any Travel Businesses operating under the Marks. The term of the Expedia License Agreement is terminable by either Expedia or CII upon 30 days' notice.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents that are material to a Travel Business.

We claim copyrights in: (a) the Manual, advertising materials and related items used in operating a Travel Business; (b) CruiseDesk®; and (c) the Expedia Cruises® website (collectively, the "Copyrights"). These Copyrights have not been registered with the United States Registrar of Copyrights.

CONFIDENTIAL INFORMATION

We possess (and will continue to develop and acquire) certain confidential information (the "Confidential Information") relating to: (i) the development and operation of Travel Businesses; (ii) the development of Approved Travel Suppliers and Travel Products and Services used by and in connection with the operation of Travel Businesses; and (iii) those suppliers and Travel Products and Services that are not approved.

We will disclose Confidential Information to you and personnel of your Travel Business by furnishing the Manual and access to CruiseDesk® to you and by providing training, guidance and assistance to you. In addition, if in the course of operating a Travel Business, you or your employees or consultants develop any ideas, concepts, methods, techniques or improvements ("Improvements") relating to your Travel Business,

you must disclose these Improvements to us. We will be deemed to own the Improvements and may use them and authorize others to use the Improvements in the operation of Travel Businesses. Improvements will then also be Confidential Information.

CONFIDENTIALITY OBLIGATIONS

As a Franchisee, your relationship with us does not give you any interest in the Confidential Information other than the right to use it in the development and operation of your Travel Business in accordance with the terms of the Franchise Agreement. The Confidential Information is proprietary, includes trade secrets belonging to us and will be disclosed to you or authorized for your use solely on the condition that you:

(a) Will not use the Confidential Information in any other business or capacity;

(b) Will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(c) Will not make unauthorized copies of any portion of the Confidential Information disclosed via electronic medium, in written form or in other tangible form, including, for example, the Manual; and

(d) Will adopt and implement all procedures we may prescribe from time to time to prevent unauthorized use or disclosure of the Confidential Information, including, restrictions on disclosure to your employees and the use of nondisclosure and non-competition agreements we may prescribe for employees or others who have access to the Confidential Information.

EXCEPTIONS TO CONFIDENTIALITY

The restrictions on your disclosure and use of the Confidential Information will not apply to the disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

CUSTOMER DATA

You will collect customer data and enter it into CruiseDesk® in the manner and format we specify. Both we and you must comply with all applicable laws pertaining to privacy and data protection relative to customer data. We will maintain all information you and individual consumers enter into CruiseDesk® and any information generated by CruiseDesk®. We will compile sales data, consumer trends, costs, and other such financial and marketing information as we may determine. As between you and us, we own all this data, except for customer data that you owned prior to entering into your franchise agreement with us, which franchisee-owned data we will be entitled to use for economic and marketing analysis.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement, continuously exert your best efforts to promote, enhance, and build and support a team to grow top line sales of your Travel Business and, not engage in any other business or activity that conflicts with your obligations to operate your Travel Business in compliance with the Franchise Agreement (Franchise Agreement Section 2.03). You must operate your Travel Business in accordance with our standards of service, advertising, promotion and management. You must comply with all our business policies, practices and procedures, as we prescribe in the Manual or otherwise in writing from time to time.

You (or one of your controlling owners if you are a business entity) must assume responsibility for the day-

to-day management and operation of your Travel Business and the supervision of your Travel Business personnel. During all hours of operations, you will ensure your Travel Business is at all times under your direct on-premises supervision (or if you are a business entity, under the direct on-premises supervision of one of your controlling owners who has satisfactorily completed training and who we have approved to supervise your Travel Business) or by one of your employees or consultants whom we have approved to manage your Center, based on the criteria outlined in the Manual. During the first 3 years of operation, you are not permitted to be "Materially Absent" from your store. Materially Absent is defined as not being physically in-person at the store for three or more days per week, 50% or more of the time, or otherwise not being physically in-person at the store for 50% or more of the required Opening Hours, excluding time away for attendance at Conference, Anchor or other Expedia Cruises events/training and periodic, reasonable time away escorting groups or on vacation. After 3 years of operation, you will be permitted to be Materially Absent and retain a Manager, as long as your Total Bookings (as defined in item 19 of this disclosure document) for the prior 12 months exceed the sales benchmark for third year stores, currently $2,050,000; you have a minimum of 12 Independent Contractors; your Franchise owner sales are less than 30% of total sales; you are not in default of the franchise agreement; and we have approved your business plan for the operation of your franchise while being Materially Absent. These criteria are set out in the Manual and may be amended from time-to-time. You will at all times keep us informed of the person(s) managing the day-to-day operation of the Center and require such person(s) to sign a written agreement to maintain confidentiality and to observe covenants not to compete described in Items 14 and 17. Your supervising managers or employees are not required to own equity in your Travel Business.

If you are a business entity (corporation, limited liability company or general partnership), your owners must sign a "Franchisee Owner's Guaranty" requiring your owners and their spouses to guaranty your obligations under the Franchise Agreement. Our current form of Franchisee Owner's Guaranty is attached to the Franchise Agreement as Schedule F.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only the Approved Travel Products and Services provided by suppliers that we have approved. You may not offer any products or services that are not Approved Travel Products and Services or are provided by suppliers that we have specifically identified as not approved.

We may change the types of Approved Travel Products and Services from time to time without limitation.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

PROVISION	SECTION IN THE FRANCHISE AGREEMENT	SUMMARY
(a) Length of the Franchise Term	3.01	10 years beginning on the Effective Date of the Franchise Agreement. If the Term is being entered into as a result of a Transfer of the Travel Business, or as an Additional Term Franchise, the Franchise Term is 5 years beginning on the Effective Date of the Franchise Agreement.

PROVISION	SECTION IN THE FRANCHISE AGREEMENT	SUMMARY
(b) Renewal or extension of the Term	3.02	If you are in good standing and meet other requirements, you may obtain an additional 5-year Term.
(c) Requirements for franchisee to renew or extend	3.03	Our approval, sign new Franchise documents, which may contain terms materially different from the original agreements, general releases, complete required training, bring Center into compliance with then-current System Standards on a specified timeline and pay the Additional Term Franchise Fee.
(d) Termination by franchisee	18.01	We materially fail to comply with the Franchise Agreement and do not commence correction of such failure within 60 days after written notice of such material failure is delivered to us.
(e) Termination by franchisor without cause	None	Not Applicable
(f) Termination by franchisor with cause	18.02	We can terminate only if you commit one of several violations
(g) "Cause" defined – curable defaults	18.02	Non-payment of amounts owed to us and/or affiliates, vendors or suppliers, failure to comply with advertising policies; violation of any law, ordinance or regulation; failure to comply with any other provision of this Agreement or any System Standard. While in default of the Franchise Agreement, penalties may be imposed until such default is cured. Penalties include suspension of leads routed to a franchise from both Expedia Cruises channels and external channels, suspension of recruitment leads routed from Expedia Cruises channels, suspension of participation in recognition programs and award trips, suspension of participation in any councils, suspension of eligibility for program discounts, suspension of eligibility for extension or deferral programs, loss of eligibility to receive an Additional Term Franchise/renewal, loss of eligibility to receive approval for a Transfer of the Franchise. Details of the compliance model, including penalties, may be amended from time-to-time and are contained in the Manual (as referred to in Item 11 of this disclosure document).

PROVISION	SECTION IN THE FRANCHISE AGREEMENT	SUMMARY
(h) "Cause" defined – non-curable defaults	18.02	Misrepresentations; failure to: complete training, actively operate your Travel Business, pay taxes, submit timely reports, maintain licenses, certificates, registrations, approvals and/or exemptions; improper transfers; certain criminal, dishonest or unethical conduct; excessive late payments; interfere with our relationship with Approved Travel Suppliers; or insolvency.
(i) Franchisee's obligations on termination/non-renewal	19	Pay all amounts owed to us and/or our affiliates; pay all outstanding commissions owed to Authorized Independent Contractors; stop using the Marks; not disclose any confidential information; provide assistance as required to transfer all bookings with travel not completed to either the Franchisor or to another Expedia Cruises® franchisee; ensure that for any bookings not transferred, all customers receive all pricing, amenities and benefits (including but not limited to onboard credits) as if the booking were to have remained with Expedia Cruises® and you must comply with other requirements in Section 19 of the Franchise Agreement.
(j) Assignment of contract by franchisor	17.01	No restriction on our right to assign.
(k) "Transfer" by franchisee - definition	17.02; 17.03	Requires approval by us, includes voluntarily, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: you or your Travel Business. If we approve, in most cases, the transferee must sign a new Franchise Agreement.
(l) Franchisor's approval of transfer by franchisee	17.04	We have the right to approve all transfers

PROVISION	SECTION IN THE FRANCHISE AGREEMENT	SUMMARY
(m) Conditions for franchisor's approval of transfer	17.04	Transferee qualifies; you or transferee pays Transfer Fee or Document Administration Fee, as applicable; you pay us all amounts due; all defaults and non-compliance cured; new owners and/or managerial employees agree to be trained; transferee and its owners agree to be bound by terms and conditions of the Franchise Agreement and sign owner's guaranty (and to sign our then-current form of Franchise Agreement if the transfer results in a change of control or shared control in you or the Travel Business and the transferee is not a current Owner); you currently operate your Center; we approve material terms of the purchase and sale agreement; you subordinate amounts due to you; and you sign other documents we require – including general releases (see (r) below)
(n) Franchisor's right of first refusal to acquire franchisee's business	None	Not Applicable
(o) Franchisor's option to purchase franchisee's business	19.13	We have an option to purchase at fair market value all or some of the assets of your Travel Business on termination of the Franchise Agreement. This option is subordinate to the rights of your creditors (if any). We also have the right to assume your Lease on termination.
(p) Franchisee's death or disability	17.07; 17.08	Travel Business must be properly assigned within 6 months and must be run by a trained manager. We may appoint qualified manager.
(q) Non-competition covenants during the term of the franchise	11	No interest in a competitive business, no direct or indirect controlling ownership interest in, or performance of services for, any business promoting, offering or selling cruise packages or any cruise-related services or products anywhere.

PROVISION	SECTION IN THE FRANCHISE AGREEMENT	SUMMARY
(r) Non-competition covenants after the franchise is terminated or expires	19.05; 19.08	For 2 years after termination or expiration, no interest in a competitive business, no direct or indirect controlling ownership interest in, or performance of services for, any business promoting, offering or selling cruise packages or any cruise-related services or products that is located within 10 miles of any of our franchised locations. Regardless of location, you may not use any data pertaining to customers or Authorized Independent Contractors, either actual or prospective, acquired during the operation of the Travel Business as such data is and remains our property.
(s) Modification of the agreement	24.13	No modifications except by written agreement, but Manual and System Standards are subject to change.
(t) Integration/merger clause	24.13	Only the terms of this franchise disclosure document and the Franchise Agreement (including System standards in the Manual) are binding (subject to state law). Any other promises outside of this franchise disclosure document and the Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	23	Except for certain claims, all disputes first must be mediated (non-binding) at our offices in Seattle, WA. Arbitration proceedings also will be held at our headquarters. Any dispute and any arbitration proceeding will be conducted on an individual and not a class-wide, multi-plaintiff or similar basis. No arbitration will be consolidated with any other arbitration involving another person, except for affiliates of the parties in the arbitration. Further restrictions are stated in Article 24.
(v) Choice of forum	24.08	King County, Washington (subject to state law).
(w) Choice of law	24.07	Washington law (subject to state law).

See any state specific riders or addenda attached as **Exhibit A**.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote our franchises at this time.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned Travel Businesses, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing Travel Business you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The following table illustrates projections based upon historical data for annual bookings, departed revenue and gross revenues as well as projected cost of revenues (selling expenses payable to us and to your consultants). The columns of numbers represent potential amounts at the various sales levels attained based upon the year of operation.

These figures are estimates of the sales and revenues levels that may be achieved. Your individual results may differ. Reaching these levels of sales and revenues depends entirely on your ability to implement our marketing and operational systems, to develop a cruise-focused sales team, and to make connections in your community.

These projection levels are based on the operations of Travel Business franchises as entered into CruiseDesk® by franchisees. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. All amounts are in United States dollars.

The assumptions as to the average booking value and, consequently, the number of bookings needed to achieve these revenue levels are based on historical data. **Some franchises have achieved these revenue levels but there is no assurance you will do as well, your individual results may differ.** Expenses payable to us are as disclosed.

Annual Sales and Net Revenue

The following table presents amounts at various levels of performance for Mature Stores (stores that have been operational at least since 2021) during 2025 and stores in each of their first three years of operations. Net revenue is the amount of revenue, after deducting directly associated costs, that is available to fund operating expenses, service financing if applicable, or for other uses as you determine.

	Mature Stores [1]				1st Year of Operations [2]	2nd Year of Operations [2]	3rd Year of Operations [2]
	USA Low	USA Medium	USA High	USA Upper	USA Medium	USA Medium	USA Medium
Number of Consultants during the year[3]	24	33	49	41	18	24	25
Total Bookings [4]	$2,146,000	$4,265,000	$5,059,000	$10,152,000	$1,078,000	$2,026,000	$2,067,000
Total Departed Revenue[5]	**$2,041,000**	**$3,897,000**	**$4,969,000**	**$8,724,000**	**$604,000**	**$1,437,000**	**$1,792,000**
Commission Rate [6]	12.9%	13.2%	13.5%	13.9%	12.8%	13.0%	12.8%
Gross Revenue [7]	**$263,289**	**$514,404**	**$670,815**	**$1,212,636**	**$77,312**	**$186,810**	**$229,376**
Commissions Rate Paid to your Consultants[8]	40.6%	41.1%	41.1%	39.4%	34.9%	36.6%	38.0%
Less Commissions Paid to your Consultants [9]	$99,458	$190,750	$248,129	$440,428	$16,886	$51,295	$73,203
Less Franchisor Service Fees [10]	$23,696	$46,296	$60,373	$109,137	$0	$5,604	$13,763

Less Variable Marketing/MIS Fee[10]	$12,750	$12,750	$12,750	$12,750	$4,639	$11,209	$12,750
Net Revenue	**$127,385**	**$264,608**	**$349,563**	**$650,321**	**$55,787**	**$118,468**	**$129,660**
Number of franchises	59	59	59	59	13	11	6
Number of franchises attaining each Net Revenue level	45	20	12	5	6	7	3

NOTES AND ASSUMPTIONS – ANNUAL SALES AND NET REVENUE

(1) Amounts presented for a "Mature Store" franchise operations are projected based upon the historical performance for the year of 2025 of Expedia Cruises® franchises that had been open for at least 4 full years prior to 2025, being franchises opened in 2021 and earlier. Franchises that were operated as a Competing Travel Business prior to becoming an Expedia Cruises® franchise, Franchises not operated from a commercial storefront are also excluded, as is one franchisee that was operated with an atypically high cost base, as their results are not typical of the type of Travel Business that you will operate.

(2) Amounts presented for the first, second and third years of a franchise's operations are projected based upon the historical performance of Expedia Cruises® franchises that have been operating since 2023 .. These projections are based on franchises that are typical of the type of Travel Business that you will operate. New Centers opened by existing franchisees are not included in these projections, as these franchises typically perform to a higher level than experienced by a new franchisee. For purposes of these projections, we also excluded 3 franchises with atypical results that did not recruit a minimal number of productive Consultants and did not offset the resultant lower Consultant sales through a higher level of Franchise Owner sales. (However, we did provide historical performance information on these 3 franchises in note 2 below)

(3) Number of Consultants During the Year is the average number of Consultants retained throughout the year. "Low" results are projected based upon the 25th percentile, being the performance of the individual franchise that is higher than 25% of the other franchises. "Medium" results are based on the average performance of franchises. "High" results are projected based upon the 75th percentile, being the performance of the individual franchise that is higher than 75% of the other franchises. "Upper" results are projected based upon the 90th percentile, being the performance of the individual franchise that is higher than 90% of the other franchises.

(4) Total Bookings is the commissionable fare from travel booked with Approved Travel Suppliers during the period, and excludes taxes and other non-commissionable items. "Low" results are projected based upon the 25th percentile, being the performance of the individual franchise that is higher than 25% of the other franchises. "Medium" results are based on the average performance of franchises. "High" results are projected based upon the 75th percentile, being the performance of the individual franchise that is higher than 75% of the other franchises. "Upper" results are projected based upon the 90th percentile, being the performance of the individual franchise that is higher than 90% of the other franchises. The 2025 average Total Bookings of all USA "Mature Store" franchises (excluding Travel Businesses owned by the Franchisor) was $4,264,554 ($5,040,477 including taxes and other non-commissionable items) with 19 of the 59 mature franchises attaining this volume. The median of these Total Bookings was $3,339,769 ($4,052,214 including taxes and other non-commissionable items) with the highest being $13,514,289 ($15,293,670 including taxes and other non-commissionable items) and the lowest being $252,159 ($307,816 including taxes and other non-commissionable items).

Bookings Supplemental Information:

	USA	USA high performer
Average Booking Value [i]	$ 2,223	$ 2,432

(i) Average Booking Value is the commissionable fare per booking from travel booked with Approved Travel Suppliers, excluding taxes and other non-commissionable items. Average Booking Value is based upon the 2025 historical performance of franchises. Franchises that were operated as a Competing Travel Business prior to becoming an Expedia Cruises® franchise, Franchises not operated from a commercial storefront are excluded as their results are not typical of the type of Travel Business that you will operate. "USA high performer" results are based upon the 75th percentile, being the average booking value of the individual franchise that is higher than 75% of the franchises.

(5) Total Departed Revenue is the commissionable fare from travel bookings with Approved Travel Suppliers that departed during the period and excludes taxes and other non-commissionable items. "Low" results are projected based upon the 25th percentile, being the performance of the individual franchise that is higher than 25% of the other franchises. "Medium" results are based on the average performance of franchises. "High" results are projected based upon the 75th percentile, being the performance of the individual franchise that is higher than 75% of the other franchises. "Upper" results are projected based upon the 90th percentile, being the performance of the individual franchise that is higher than 90% of the other franchises.

(6) Commission Rate is projected based upon the average commission rate earned by all franchises in the respective USA "Low", "Medium", "High" or "Upper" population, as applicable, expressed as a percentage of Total Departed Revenue.

(7) Gross Revenue is the product of Total Departed Revenue multiplied by the Commission Rate.

(8) Commission Rate Paid to your Consultants is projected based upon the average percentage rate paid by all franchises on sales made by EC Travel Consultants in the respective USA "Low", "Medium", "High" or "Upper" population, as applicable, expressed as a percentage of Gross Revenue. You will retain 100% of Gross Revenues from sales you make as Franchise owner, subject to applicable fees. The percentage rate of your Commissions Paid to your Consultants may vary significantly from the amounts presented depending upon the productivity of your Consultants. Consultants generating Gross Revenues of more than $20,000 (approximately $165,000 of Departed Revenue) will typically be paid at a higher percentage rate.

(9) Commission Paid to your Consultants is the product of Gross Revenue multiplied by the Commission Rate. Gross Revenue from sales you make as Franchise owner are excluded from this calculation as you will retain 100% of these Gross Revenues. Gross Revenue from sales you make as Franchise owner, which are excluded from the calculation of Commission Paid to your Consultants, is calculated as the product of Total Departed Revenue multiplied by the Commission Rate. The following table sets out the projected Franchise Owner Total Departed Revenue generated from Franchise owner sales:

Mature Stores [1]				**1st Year of Operations [2]**	**2nd Year of Operations [2]**	**3rd Year of Operations [2]**
USA Low	**USA Medium**	**USA High**	**USA Upper**	**USA Medium**	**USA Medium**	**USA Medium**
$142,000	$381,000	$497,000	$682,000	$226,000	$354,000	$287,000

(10) Service Fees are payable to us at a rate of 9% of Gross Revenue, net of Service Fee discounts described in Item 4 for the first three years of operation (year one is 100%, year two is 67%, year three is a 33%, year four and onwards there is no discount). Service Fees for USA Mature Stores in 2025 were 1.09% of Total Bookings (0.92% of Total Bookings including taxes and other non-commissionable items).

MIS Fees and Marketing Fees are payable to us at rates of 2% and 4% of Gross Revenues, respectively, up to an Annual Threshold Level, being the first $212,500 of Gross Revenues in 2025. The fees presented in this Item 19 are based upon the 2025 Annual Threshold Level, with the maximum annual MIS and Marketing Fees totaling $12,750. The Annual Threshold Level is subject to annual CPI adjustment in 2026 and thereafter. All Marketing Fees are contributed to the Marketing Fund.

(11) The following table sets out the Net Revenues of the franchises in the respective populations that are the highest, lowest and median ("middle" result, being the performance of the individual franchise that is higher than 50% of the other franchises). Also presented are the average Net Revenues of 3 franchises that we excluded from our projections because their performance was atypical (as set out in Note 2 above):

	Mature Stores [(1)]	**1st Year of Operations [(2)]**	**2nd Year of Operations [(2)]**	**3rd Year of Operations [(2)]**
Highest franchise	$860,400	$109,300	$157,900	$254,900
Lowest franchise	$11,400	$18,200	$49,100	$18,200
Median	$207,600	$51,900	$124,000	$130,300
Excluded franchises[(i)]	-	$11,900	-	-

(i) We excluded 3 franchises with atypical results that did not recruit a minimal number of Consultants necessary to meet Store sales goals and did not offset the resultant lower Consultant sales with a higher level of sales by the Franchise Owner directly. We excluded franchises with first year performance of 4 or fewer Consultants that averaged monthly Total Bookings of $2,000 unless the Franchise Owner Total Bookings for the year were at least $155,000.

(12) The following table sets out the Total Bookings, Net Revenues and the percentage of a franchises' business generated from Expedia.com leads:

	Mature Stores [(1)]				**1st Year of Operations [(2)]**	**2nd Year of Operations [(2)]**	**3rd Year of Operations [(2)]**
	USA Low	**USA Medium**	**USA High**	**USA Upper**	**USA Medium**	**USA Medium**	**USA Medium**
Total Bookings [(4)] from Expedia.com leads	$ 26,400	$139,600	$210,000	$335,200	$152,800	$231,000	$291,700
% of Total Bookings	1%	3%	4%	3%	14%	12%	14%
Net Revenue from Expedia.com leads	$2,700	$10,100	$15,800	$26,200	$12,900	$17,000	$22,700
% of total Net Revenue	2%	4%	5%	5%	23%	15%	18%

Annual Operating Costs

Projected operating costs presented in the following chart will vary depending on a number of factors including the economic conditions and costs of real estate and services in your community as well as your preferences and abilities as an operator. The following information is intended to support your determination of possible

financial performance as you pass the breakeven point of your business, which we don't expect you to reach during the first year or two of operation of the Travel Business. Expenses payable to us are as disclosed.

Projected Annual Operating Costs [1]

Rent and premises [2]	$44,000
Marketing and promotion [3]	23,000
Office and courier [4]	12,000
Insurance	1,900
Administration [5]	4,700
Education and Travel [6]	10,500
Meals and entertainment	2,800
Client appreciation	1,900
Total projected annual operating costs	**$100,700**

NOTES AND ASSUMPTIONS – ANNUAL OPERATING COSTS

(1) Projected Operating Costs illustrate typical annual costs during the first 4 years of operations. Operating Costs will vary depending upon many factors including local economic conditions; the size, type and location of premises you occupy; and your preferences and abilities as an operator. Total Annual Operating Costs typically range between $63,000 and $126,000, based on the experience of roughly 80% of the franchisees used in our representative sample. Of the 20% of franchisees outside this range, roughly half of those were above and the other half were below the range.

(2) Rent is based on premises that are typically 1,000 square feet and will vary depending on your local economic and real estate conditions, site selected and size of premises. Amounts presented do not include any rent that may be payable prior to opening. Premises costs include telephone, internet and utilities. Rent and premises costs will typically range between $33,000 and $50,000.

(3) Projected based upon our recommended and required participation in Marketing Fund core programs and local marketing and promotional activities. Participation in the Platinum Marketing Program is required for 24+ months commencing at the opening of your Center. More details on this program are available in the Manual. Marketing and promotion costs will typically range between $14,000 and $34,000.

(4) Office and courier includes office supplies, repairs and maintenance and courier costs.

(5) Administration includes professional fees (accounting and legal), business licenses, and bank charges.

(6) Education and Travel includes costs to attend the annual National Conference and one regional Franchisee meeting, with low range being for one attendee and high range two attendees.

ADDITIONAL ASSUMPTIONS

A. These projections assume you act as manager of your center and do not receive a separate salary. They assume you only use commissioned sales agents (consultants) who are independent contractors and you do not hire any other employees to help you. If you need other individuals to staff your Center at certain times, your expenses may increase significantly because you may have to pay salaries and benefits to employees.

B. We did not include any corporate or personal income tax expense.

C. Operating costs are not illustrated to include any expenses for the lease/purchase of your equipment,

depreciation, amortization, interest, or the repayment of debt. We anticipate every franchisee will fund its initial investment differently and, as a result, we cannot project how you would account for these items.

D. The projections are based on economic and market conditions that existed in February 2020 with no consideration in any category for inflation related adjustments or weaknesses in general economic conditions.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Systemwide Travel Business Summary
For Years 2023 to 2025
(Table No. 1)

Travel Business Type	Year	Travel Businesses at the Start of the Year	Travel Businesses at the End of the Year	Net Change
Franchised	2023	92	99	7
	2024	99	98	-1
	2025	98	93	-5
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Travel Businesses	2023	92	99	7
	2024	99	98	-1
	2025	98	93	-5

NOTES

(1) Our fiscal year ends December 31st.

(2) A roster of franchisees currently under Franchise Agreements with us in the format discussed in this Disclosure Document is attached to this Disclosure Document as **Exhibit E**. Any franchisees who left the system during the last fiscal year or whom we have not heard from within 10 weeks from the date of this Disclosure Document are listed in Exhibit E.

(3) If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. There are no independent franchisee organizations that have asked to be included in this disclosure document. There is no trademark-specific franchisee organization associated with our franchise system. No franchisee has signed a confidentiality clause (a provision restricting a franchisee's ability to discuss his personal experience with us) within the last three fiscal years.

Transfers of Travel Businesses From Franchisees to New Owners
(Other than to Expedia Cruises®)
For Years 2023 to 2025
(Table No. 2)

State	Year/Period	Number of Transfers
N/A	2023	6
	2024	1
	2025	2

Status of Franchised Travel Businesses
For Years 2023 to 2025
(Table No. 3)

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Travel Businesses at End of Year/ Period
AL	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
AZ	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
CA	2023	10	2	0	0	0	0	12
	2024	12	2	0	0	0	0	14
	2025	14	0	0	0	0	1	13
CO	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
CT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Travel Businesses at End of Year/ Period
DE	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
FL	2023	20	2	0	0	0	2	20
	2024	20	1	0	0	0	0	21
	2025	21	0	1	0	0	0	20
GA	2023	5	1	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
ID	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
IL	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KS	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
LA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MA	2023	2	0	0	0	0	1	1

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Travel Businesses at End of Year/ Period
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MI	2023	1	0	0	0	0	1	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
NC	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NH	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
NJ	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
	2025	3	0	0	0	0	0	3
NY	2023	4	0	0	0	0	0	4
	2024	4	1	1	0	0	0	4
	2025	4	0	0	0	0	0	4
NV	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
OR	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Travel Businesses at End of Year/ Period
	2025	1	0	0	0	0	0	1
PR	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TN	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TX	2023	6	1	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
UT	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
VA	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
WA	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	1	6
	2025	6	0	0	0	0	1	5
WI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations - Other Reasons	Travel Businesses at End of Year/ Period
Total	2023	77	8	0	0	0	4	81
	2024	81	7	1	0	0	2	85
	2025	85	4	1	0	0	2	86

(1) See note 2 to Table No. 1 above.

Status of Company Owned Travel Businesses
For Years 2023 to 2025
(Table No. 4)

State	Year	Travel Businesses at Start of Year/Period	Travel Businesses Opened	Travel Businesses Reacquired from Franchisees	Travel Businesses Closed	Travel Businesses Sold to Franchisees	Travel Businesses at End of Year/Period
Totals	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

PROJECTED OPENING OF TRAVEL BUSINESSES
FOR FISCAL YEAR 2026
(Table No. 5)

STATE	FRANCHISE AGREEMENTS SIGNED BUT FRANCHISED TRAVEL BUSINESSES NOT OPEN	PROJECTED NEW FRANCHISED TRAVEL BUSINESSES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED TRAVEL BUSINESSES IN NEXT FISCAL YEAR
Alabama	0	0	0
Arizona	1	2	0
California	0	2	0
Delaware	0	0	0
Florida	2	3	0
Georgia	0	0	0
Indiana	0	1	0
Illinois	0	1	0
Massachusetts	0	0	0
Michigan	0	1	0
North Carolina	0	0	0

STATE	FRANCHISE AGREEMENTS SIGNED BUT FRANCHISED TRAVEL BUSINESSES NOT OPEN	PROJECTED NEW FRANCHISED TRAVEL BUSINESSES IN THE NEXT FISCAL YEAR	PROJECTED COMPANY OWNED TRAVEL BUSINESSES IN NEXT FISCAL YEAR
Nevada	1	1	0
New Jersey	0	0	0
New York	0	1	0
Oregon	0	0	0
Pennsylvania	0	1	0
Puerto Rico	0	0	0
Texas	1	1	0
Virginia	1	1	0
Washington	0	1	0
Wisconsin	0	1	0
Totals:	6	17	0

ITEM 21. FINANCIAL STATEMENTS

The audited financial statements of our affiliate, Expedia Group, Inc. (formerly Expedia, Inc.) are attached as **Exhibit G** to this Disclosure Document in lieu of our financial statements. These audited financial statements comprise the consolidated balance sheets of Expedia Group, Inc. as of December 31, 2025 and 2024, and the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years ended December 31, 2025, 2024 and 2023, and the related notes. Should we fail to fulfill our obligations to you or other franchisees, Expedia Group unconditionally guarantees to fulfill these obligations. A copy of Expedia's written guaranty is included with Expedia Group's financial statements.

ITEM 22. CONTRACTS

Our current forms of the following agreements are attached as Exhibits to this Disclosure Document:

Franchise Agreement – Exhibit B
Lease Addendum – Schedule C to Franchise Agreement
Bank Authorization Agreement – Schedule D to Franchise Agreement
Franchisee Owner's Guaranty – Schedule E to Franchise Agreement
Franchisee Owner's Statement – Schedule F to Franchise Agreement
Consent To Release Data To Expedia Cruises® – Schedule G to Franchise Agreement

CruiseDesk® Terms, Conditions, and Notices – Exhibit D

Franchisee Compliance Certificate – Exhibit H

ITEM 23. RECEIPTS

The last 2 pages of this Disclosure Document are duplicate Receipts, which will serve as an acknowledgment by you that you have received a copy of this Disclosure Document. You should sign both copies of the Receipt, return one copy to us and retain one for your records. If the Receipt pages, or any other page or Exhibit is missing from your copy of the Disclosure Document, please contact us immediately.

EXHIBIT A

DISCLOSURE DOCUMENT STATE ADDENDA

STATE DISCLOSURE ADDENDA

As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, the franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

The following states have statutes that may supersede the Franchise Agreement and other related agreements in your relationship with the Franchisor. These statutes may affect the enforceability of provisions in the agreements related to termination; transfer; renewal; covenants not to compete; choice of law; jurisdiction; venue selection; execution of waivers and releases of claims under the statute; injunctive relief; waiver of rights to jury trial; punitive and liquidated damage provisions, and other remedies; arbitration; and discrimination between franchisees: Ark. Code Ann. § 4-72-201 Michie 1993); Cal. Corp. code §§ 31000 - 31516 (West 1994); Cal. Bus. & Prof. Code §§ 20000 - 20043 (West 1994); Conn. Gen. Stat. § 42-133e (1994); Del. Code Ann. tit. 6 § 2552 (1993) Haw. Rev. Stat. § 482E-1 - 482E-12 (1993); 815 ILCS 705/1 - 44 (1994); Ind. Code §§ 1 - 51 (1994); Ind. Code Ann. § 23-2-2.7 (West. 1994); Iowa Code § 523H.1 - 523H.17 (1994); Md. Code Ann., Bus. Reg. §§ 14-201 - 14-233 (1998 Repl. Vol. & Supp. 2002); Mich. Comp. Laws §§ 445.1501 - 445.1545 (1994); Minn. Stat. §§ 8OC.01 - 8OC.22 (1994); Minn. Stat. §§ 80C.01 - 80C.14 (1994); Miss. Code Ann. § 75-24-51 (1993) Mo. Ann. Stat. § 407.400 (Vernon 1994); Neb. Rev. Stat. § 87-401 (1993); N.J. Stat. Ann. § 56:10-1 (West 1994); N.Y. Gen. Bus. Law §§ 680 - 695 (1994); N.D. Cent. Code § 51-19-01 (1993); Or. Rev. Stat. §§ 650.005 - 650.085; R.I. Gen. Laws §§ 19-28.1-1 - 19-28.1-34 (1993); S.D. Codified Laws Ann. §§ 37-5A-1 - 37-5A-87 (1994); Tex. Rev. Civ. Stat. Ann. art. 16.01 (1994); Va. Code Ann. §§ 13.1-557 - 13.1-574; Wa. Rev. Code §§ 19.100.010 - 19.100.940 (1994); Wis. Stat. §§ 553.01 - 553.78 (1994); Wis. Stat. §§ 135.01 - 135.07 (1984). These and other states may have fair practice laws and other civil statutes affecting contracts and state and federal court decisions that may also affect the enforcement of provisions in the Franchise Agreement and other related agreements.

A provision in the Franchise Agreement which terminates the agreement upon your bankruptcy may not be enforceable under 11 U.S.C. §101 et seq.

ADDENDUM TO EXPEDIA CRUISES®
DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

1. Item 3 is amended to reflect that:

   Neither the Franchisor nor any person identified in Item 2 of the disclosure document is subject to any current effective order of any national securities association or national securities exchange as defined in the Securities Exchange Act of 1934, U.S.C.A. 78a et seq., suspending or expelling such persons from membership is such association or exchange.

2. Item 17 is amended by the addition of the following language:

   California Business and Professions Code Sections 20000 through 20043 provide you with rights concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The franchise agreement requires binding arbitration. The arbitration will occur at our headquarters in Seattle, Washington, with the costs being borne equally by the Parties, although the arbitrator may award reimbursement of attorneys' fees and related costs to the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

   The Franchise Agreement requires the application of the laws of Washington. This provision may be unenforceable under California Law.

   You must sign a general release if you renew or transfer your franchise. California Corporations Code Sec. 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). California Business and Professions Code Sec. 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

   The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

   No statement, questionnaire, or acknowledgment signed by or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
   Section 31126 of the California Corporations Code applies to any transfer of a franchise subject to California law, including making any transfer forms reasonably available to the prospective transferee by email or hard copy within fifteen calendar days of receiving a written request; making the standards for approval of a transfer application "reasonably available" or otherwise communicating the standards within fifteen calendar days of receiving a written request; notifying a prospective transferee of the approval or rejection of a transfer application in writing by email, courier, or certified mail within sixty days of receiving a transfer application; and if rejected, providing the prospective transferee with written notice, including the reasons for the rejection, which reasons must be reasonable in consideration of all relevant circumstances.

3. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

4. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

5. As to any state law described in this Addendum that declares void or unenforceable any provision contained in the Franchise Agreement, we reserve the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

ADDENDUM TO EXPEDIA CRUISES®
DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

(A) No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

(B) No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations

(C) No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, anti-fraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

(D) No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": You may terminate the agreement on any grounds available by law.

5. The following is added to the Summary" sections of Item 17(v) titled "Choice of Forum" and Item 17(w), titled "Choice of Law:

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor o upon the franchisee by Article 33 of the General Business law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

ADDENDUM TO EXPEDIA CRUISES®
DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF MASSACHUSETTS

The EC Travel Business model contemplates the franchisee's engagement of independent travel agents to sell Travel Products and Services for the franchisee. These agents are treated as independent contractors for purposes of tax and employment laws, however, Massachusetts has adopted a law (M.G.L. c. 149, s. 148B) which applies a three part test to determine the classification of employees and independent contractors. The three prongs of the test are: (1) freedom of the individual from control and direction in connection with the performance of the service; (2) the services performed are outside the usual course of business of the employer; (3) the individual is customarily engaged in an independently established trade, occupation, profession or business of the same nature as that involved in the service performed. It is possible that a state agency or court could rely on this law to assert a misclassification claim against a franchisee that EC independent contractors are misclassified and instead should be considered employees. If that occurs, the franchisee may be subject to civil and criminal penalties for violations of wage and hour laws or other labor and employment laws. You should show this franchise disclosure document to your legal advisor and discuss the franchise business model and use of independent contractors with him or her.

ADDENDUM TO EXPEDIA CRUISES®
DISCLOSURE DOCUMENT
FOR THE COMMONWEALTH OF VIRGINA

Effective July 1, 2026, the Virginia Retail Franchising Act, Sec. 13.1-563 Code of Virginia makes it unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. Therefore, as of July 1, 2026, in compliance with Virginia law, the section references in Item 17(r) middle column are deleted and replaced with the word "None"; and the summary paragraph in Item 17(r) is deleted in its entirety and replaced with the words "Not Applicable".

EXHIBIT B

FRANCHISE AGREEMENT

CRUISESHIPCENTERS USA INC.

d/b/a EXPEDIA CRUISES®

FRANCHISE AGREEMENT

[Name of Franchisee]

[Date of Agreement]

CRUISESHIPCENTERS USA INC.
d/b/a EXPEDIA CRUISES®
FRANCHISE AGREEMENT

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EXPEDIA CRUISES®
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is entered into as of this _____ day of _____, 202_ (the "**Effective Date**"), by and between **CruiseShipCenters USA Inc.,** a Nevada corporation, with its principal business address at 1111 Expedia Group Way West, Seattle, Washington 98119 (referred to as "**we**," "**us**", "**our**" or in some cases as the "**Franchisor**"), and **[Name of Franchisee]**, whose principal business address is _____ (referred to as "**you**", "**your**" or in some cases as the "**Franchisee**"). We and you are collectively referred to hereinafter as the "**Parties**" or, individually, as a "**Party**").

INTRODUCTION

A. As the result of significant expenditures of time, skill, effort and money, our Affiliate, CruiseShipCenters International, Inc., a British Columbia corporation ("**CII**"), has developed a business format for operating a travel agency business (a "**Travel Business**") that offers reservations services for cruise ships, airlines, car rentals and hotels, as well as other leisure products and related travel services (collectively, the "**Travel Products and Services**") using the "System" and the "Marks" (each as defined below).

B. Pursuant to license agreements by and between CII and us and Expedia, Inc., a Washington corporation ("**Expedia**") and us, respectively, we have the right to use the System and the Marks in the United States in connection with the right to franchise Travel Businesses to third parties, pursuant to and in accordance with this Agreement. Specifically, we have the right to use and promote the trademarks "**Expedia Cruises®" and Expedia Cruceros®** (together, the "**Combination Marks**") and other trademarks, service marks, trade names, slogans and other commercial symbols owned by CII, including but not limited to the trademarks set forth on Schedule B to this Agreement (collectively, including the Combination Marks, the "**Marks**"), in the operation of Travel Businesses.

C. All Travel Businesses operate under and in accordance with the "**System**", as modified from time to time. The System includes distinctive proprietary business formats, methods, procedures, techniques, designs, layouts, standards, specifications and the CruiseDesk® system ("**CruiseDesk®**"), formerly referred to as Expedia Group Partner Central ("**Partner Central**"), a proprietary internet-based software application, which includes an 'agents-only' application and a consumer-oriented website customized for your Travel Business ("**Center Website**").

D. We grant to certain Persons who, in our determination, meet our qualifications and are willing to undertake the investment and effort, the right to operate a Travel Business using the System and Marks (a "**Franchise**"), pursuant to the terms, conditions and provisions of this Agreement. A person to whom we grant a Franchise is referred to as a "**Franchisee**." The Travel Business you own and operate using the System and Marks as a Franchisee under this Agreement is referred to as "**your Travel Business**" or "**the Travel Business**".

1. DEFINITIONS

Term and Section Cross-Reference	Definition
Account Section 7.06	The operating account of your Travel Business that we are authorized to debit and credit by way of EFTs for payments of amounts due under the Agreement.
Additional Term Franchise Section 3.02	An extension of the Term of your Franchise for an additional 5 years under our then-current franchise agreement.
Additional Term Franchise Fee Section 3.03(f)	A fee of $5,000, subject to annual CPI Adjustment that you pay to us before we grant you an Additional Term Franchise.
Additional Software Section 13.02	Any Proprietary Software we may develop and require you to use, or third party software we may require you to use, in the future.
Additional Training Section 8.02	Periodic and refresher training courses.
Additional Training Fees Section 8.02	Any fees you pay to us for Additional Training.
Affiliate Section 24.17	In the case of a Business Entity, Affiliate means any Person directly or indirectly Controlled or under Control of such Business Entity. In the case of an individual, the term "Affiliate" includes parents, spouses, offspring and siblings, and the parents and siblings of spouses of such individual.
Agreement Introductory Paragraph	This Franchise Agreement between CruiseShipCenters USA Inc. and you.
Approved Travel Suppliers Section 4.02	Suppliers of Travel Products and Services approved by us.
Approved Travel Products and Services Section 4.01	The Travel Products and Services that we approve and authorize for offer and sale by your Travel Business.
Approved Vendors Section 5.06(f)	Vendors approved by us for the Center's furniture, fixtures, equipment and tenant improvements.
Authorized Independent Contractor(s) Section 2.01	A travel agent who enters into an Independent Contractor Agreement with you, utilizing our form of Independent Contractor Agreement, who sells Approved Travel Products and Services through and on behalf of your Travel Business (also referred to as a "Consultant").
Business Entity Section 22.03	A business organization like a corporation, limited liability company or partnership (general or limited).

Center Section 2.04	Your Travel Business established at the Location, open to the public and operated as a retail storefront travel agency pursuant to the terms and conditions of this Agreement.
Center Website Introduction Paragraph C.	An internet website provided and customized for your Travel Business by CII on the expediacruises.com domain for the purpose of attracting Consultants and customers to your Travel Business.
Certification of Operational Readiness Section 5.01(f)	Written certification that we provide to you once you have completed all requirements to open your Center to the public and begin operating your Travel Business.
Claims Section 20.04	All obligations, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution, travel and living expenses.
Combination Marks Introduction Paragraph B.	The trademarks "Expedia Cruises®", "Expedia Cruceros®", "Expedia Cruises®" (design mark), and "Expedia Cruceros®" (design mark).
Competing Business Section 11.02	Any business (other than a Travel Business operated under a franchise agreement with us or one of our Affiliates) providing cruise-focused services or offering cruise-related products.
Conditional Approval Section 3.04(b)	Our grant of approval for an Additional Franchise Term on a temporary month-to-month basis, subject to certain conditions you must meet.
Confidential Information Section 10.01	Certain confidential information we possess (and will continue to develop and acquire) relating to: (i) the development and operation of Travel Businesses; (ii) Approved Travel Suppliers; (iii) Approved Travel Products and Services; and those suppliers and Travel Products and Services that are not approved.
Consultant Website(s) Section 14.06	An internet website provided and customized by CII for each of our Authorized Independent Contractors for the purposes of attracting customers and enabling them to purchase Approved Travel Products and Services.
Control Section 24.17	The power (by contract or through voting rights) to direct or cause the direction of management and policies (and, for purposes of this Agreement, Control includes shared control, such that if all owners have an equal ownership interest, then each of them holds a controlling interest).
CPI Section 7.03	The U.S. Consumer Price Index for All Urban Consumers (CPI-U) on a seasonally adjusted basis, maintained by Bureau of Labor Statistics, a division of the U.S. Department of Labor.
CPI Adjustment Section 7.07	The increase in any fixed fee we charge you which is tied to an increase, if any, in the CPI during the prior calendar year.
CruiseDesk® Introduction Paragraph C.	Our internet-based application you must use in the operation of your Travel Business, and any improvements we make thereto from time to time.

Disability Section 17.07	A mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner of a controlling interest in you from managing and operating your Travel Business.
Dispute Section 23.01	Any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise between or involving (i) the Parties or their respective partners, directors, partners, officers, employees, agents, attorneys, accountants, guarantors or otherwise; or (ii) you and any other Franchisee.
Document Administration Fee Section 17.04	A fee in the amount of the greater of $295 or our out-of-pocket administrative and legal expenses we incur which you must pay us any time there is a Transfer of a non-controlling ownership interest in you or your Travel Business or your action otherwise requires us to change existing contracts or prepare additional documents (e.g., a change of your entity name).
e-commerce Section 14.06	All aspects of your use of CruiseDesk® and any aspect of your Travel Business that you conduct over the Internet, including, use of e-names, e-mail, home pages, bulletin boards, chat rooms, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software or hardware.
e-names Section 14.06	All URLs, domain names, website addresses, metatags, links, key words, e-mail addresses, social media profiles and pages and any other means of electronic identification or origin used in connection with your Travel Business.
Effective Date Introductory Paragraph	The date first written above in the introductory paragraph of this Agreement; provided that this Agreement is effective only after it is fully executed by the Franchisee and the Franchisor.
EFT Section 7.06	An electronic funds transfer pre-authorized by you to allow us to debit your Account.
Election Notice Section 3.04(a)	Written notice to us of your election to acquire an Additional Term Franchise.
Franchise Introduction Paragraph D.	The right to own and operate a Travel Business using the System and Marks on the terms and conditions of a franchise agreement with us.
Franchisee Introductory Paragraph; Section 24.17	You; one or more persons, or the Business Entity executing this Agreement, as the case may be, to whom we grant a Franchise.
Franchisee Owner's Guaranty Section 22.03(e); Schedule F	An undertaking by your Owners to be bound jointly and severally by all provisions of this Agreement and any other agreements between the Parties.

Franchisee Owners Statement Section 22.03(c); Schedule E	A complete and accurate list of all of your Owners and their interests in you.
Franchisor Introductory Paragraph	CruiseShipCenters USA Inc.
Gross Revenues Section 7.02	All pre-tax gross revenues paid by suppliers as a result of sales of such suppliers' Travel Products and Services conducted by or through your Travel Business or otherwise generated in association with the Marks, and/or any booking fees or other revenues you may charge your customers for activity conducted by or through your Travel Business or otherwise generated in association with the Marks.
Improvements Section 10.02	Ideas, concepts, methods, techniques or improvements that you or your employees may develop in the course of the operation of your Travel Business, relating to your Travel Business.
Indemnified Parties Section 20.04	Us, including all our Affiliates, partners, directors, officers, employees, agents, successors and assigns or You, including all your partners, directors, officers, employees, agents, successors and assigns
Initial Franchise Fee Section 7.01; Schedule A	The non-recurring and non-refundable initial franchise fee in the amount stated in Section 7.01.
In-person Training Section 8.01	The in-person training at one of our training facilities (also referred to as Cruise Management Academy or "CMA").
Insufficient Funds Fee Section 7.09	A $50 fee due upon failure of your bank to honor an EFT debit request.
Location Section 2.04	The location of the Center approved by us within the Market Area.
Manual Section 12.01	Our operations manual, comprising information and materials available to Franchisees in the online Resource Center in CruiseDesk® in various formats, including, audio and video recordings, magnetic or digital media, computer software and written materials, which sets out standard operating procedures, best practices, mandatory specifications and organizational protocols.
Market Area Section 2.04	The geographic area defined in Schedule A under Market Area in which you are permitted to locate your Travel Business.
Marketing Fee Section 7.04; Schedule A	Your monthly payment to the Marketing Fund.
Marketing Fund Section 14.01	The system-wide marketing fund for advertising, marketing and public relations programs and materials we deem necessary or appropriate.

Marks Introduction Paragraph B.	The trademarks, service marks, trade names, slogans, trade dress and other commercial symbols including the trademarks "Expedia Cruises®" and "Expedia Cruceros®" that we or our Affiliates own, use, promote and license in the operation of Travel Businesses or the System.
MIS Fee Section 7.03; Schedule A	Your monthly payment to us for use of CruiseDesk® and related management information services and support.
Online Training Section 8.01(a)	An initial training program offered to Trainees through an online correspondence course (also referred to as "International Cruise Academy" training).
Opening Date Section 5.01(f); Schedule A	The date indicated on the Certification of Operational Readiness.
Overdue Center Opening Fee Section 5.02	A $500 fee due monthly, beginning 12 months from the Effective Date, for failure to receive your Certification of Operational Readiness and open your Center to the public.
Owner Section 24.17	Any Person holding a direct or indirect, legal or beneficial ownership interest or voting rights in you (or a transferee of this Agreement or an interest in you), including any Person who has a direct or indirect interest in you or this Agreement and any Person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets.
Person Section 24.17	An individual or Business Entity.
Pre-authorized Payments Section 7.06	The monthly payment of recurring fees due under this Agreement, adjusted in accordance with Section 7.07.
Proprietary Software Section 5.05(c)	Any proprietary software we have developed and included in or used in conjunction with CruiseDesk®, and any proprietary software we may develop or require you to use in the future.
Response Notice Section 3.04(b)	Written notice of our decision regarding your Election Notice.
Section Section 24.16	A section or subsection of the Agreement.
Service Fee Section 7.02	The amount you pay to us on a monthly basis as a percentage of your Gross Revenues.
Site Relocation Fee (Inside your designated Market Area) Section 5.07(d)	The greater of $5,000or our actual expenses incurred in reviewing a proposed site for relocation of your Center and any document preparation or modification if we approve the relocation.
Site Relocation Fee (Outside your designated Market Area) Section 5.07(d)	The greater of $19,000 or our actual expenses incurred in reviewing a proposed site for relocation of your Center and any document preparation or modification if we approve the relocation

System Introduction Paragraph C.	Our distinctive proprietary business formats, trademarks, trade dress, systems, methods, procedures, techniques, designs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.
System Standards Section 12.01	The mandatory and suggested specifications, standards, operating procedures and rules that we prescribe from time to time for the operation of a Travel Business.
Targeted Household Section 3.03(k); Section 3.03(l)	A household with an annual income of approximately $125,000 (this threshold is subject to adjustment in our discretion to reflect changes in CPI, or for other reasons).
Term Section 3.01	Your right to operate a Travel Business and to use the System and the Marks in the operation of your Travel Business for an initial term of 10 years or 5 years if this is an Additional Term Franchise or you are the transferee of the Travel Business, starting on the Effective Date.
Trade Accounts Section 15.03	Accounts you agree to maintain with all Approved Travel Suppliers.
Trainees Section 8.01	The person or persons who participate in Training.
Training Section 8.01	The Online Training and In-Person Training programs provided to Trainees on the operation of a Travel Business.
Transfer Section 17.03	Your (or your Owners') voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) your Travel Business.
Transfer Fee Section 17.04(e)	A fee in the amount of Twenty Nine Thousand Dollars ($29,000) payable to us in connection with a Transfer of a controlling interest in you or your Travel Business, however, if the transferee is an existing franchisee operating a different Travel Business, the required Transfer Fee will be $10,000.
Travel Business(es); your Travel Business Introduction Paragraph A.	Businesses that offer Travel Products and Services using our System and Marks; the Travel Business you own and operate using the System and Marks as a Franchisee under this Agreement.
Travel Products and Services Introduction Paragraph A.	Reservation services for cruises and other authorized leisure products and related travel services.
we, us, our or Franchisor Introductory Paragraph	CruiseShipCenters USA Inc., its successors and assigns.
you, your or Franchisee Introductory Paragraph	You, one or more persons, or any Business Entity, as the case may be.

2. GRANT OF FRANCHISE

2.01 Grant of Franchise

Subject to all of the terms, conditions and provisions of this Agreement, we grant you the right to establish one Center in the Market Area at and through which you will operate a Travel Business in accordance with this Agreement and our System Standards, and advertise, promote, market and provide "**Approved Travel Products and Services**." Except with respect to your engaging "**Authorized Independent Contractors**" pursuant to our form of Independent Contractor Agreements, the foregoing grant and the consideration therefore does not confer on you any right to license any other Persons the right to use the System, the Marks, to operate a Travel Business or to otherwise offer or sell Approved Travel Products and Services to the public.

2.02 Rights We Reserve

Subject to the limitations otherwise set forth in this Agreement, we retain the absolute right to:

(a) operate, establish or grant Franchises for other Travel Businesses anywhere on such terms and conditions as we deem appropriate;

(b) operate, or grant others the right to operate, businesses selling travel-related products or services, including a Competing Business, using the Marks or other trademarks or service marks under terms and conditions as we deem appropriate;

(c) operate, and grant others the right to operate, businesses that do not use any of the Marks; and

(d) market, provide, offer and sell Travel Products and Services (including through online access) using the Marks or other trade names or service marks.

2.03 Performance

You will at all times faithfully, honestly and diligently perform your obligations, continuously exert your best efforts to advertise, promote, market and sell the Approved Travel Products and Services at and through the Center, grow top line sales of your Travel Business, and promote and enhance the System and the Marks. You will not engage in any other business or activity that conflicts with your obligations as a Franchisee to operate your Travel Business in compliance under this Agreement.

2.04 Location

You will establish a Center in the geographic market area (the "**Market Area**") described in Schedule A to this Agreement from which you will operate your Travel Business. You are responsible for locating the site of the Center within the Market Area (the "**Location**"), provided, however, you must first submit the Location to us for our approval. We will either approve or reject the Location in writing in our reasonable discretion. We reserve the right not to approve a location based on factors including but not limited to proximity to the border of the Market Area or proximity to another Center. We expressly disclaim making, and you acknowledge that you have not received any warranty, guarantee, expressed or implied, as to the potential volume, profits or success of the Center. You may not, without our prior written consent, operate your Travel Business from any location other than the Location approved by us. You may not sublet the Center or any portion of your Location without our prior written approval.

2.05 Limited Exclusivity

As long as you and your Affiliates are not in default, after any and all applicable grace, notice and/or cure periods, under this Agreement, we will not open a Travel Business or award any future Expedia Cruises® franchisee the right to open a Travel Business within the Market Area.

3. TERM; ADDITIONAL TERM

3.01 Term

The term of this Agreement is 10 years, commencing on the Effective Date (the "**Term**"). If this Agreement has been entered into as a result of a Transfer of the Travel Business or as an Additional Term Franchise, the term of this Agreement is 5 years, commencing on the Effective Date.

3.02 Additional Term

If you (and each of your Owners) have complied with all of your obligations under this Agreement during the Term, are in compliance at the expiration of the Term and, in addition, you meet the terms and conditions set forth below, then upon expiration of the Term, we will grant you a Franchise for an additional 5-year period on the terms and conditions of our then-current franchise agreement (a "**Additional Term Franchise**"), which may or may not include the right to be granted subsequent terms thereafter.

3.03 Terms and Conditions for Additional Term

In order for us to consider granting you an Additional Term Franchise, you (or your Owners if you are a Business Entity) must meet all of the following terms and conditions to our satisfaction:

(a) you are current on all of your monetary obligations under this Agreement and are in compliance with all of your non-monetary obligations under this Agreement;

(b) you agree to execute our then-current franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Franchises (modified to be consistent with this Article 3);

(c) you agree to execute general release, in a form satisfactory to us, of any and all claims against us and our partners, officers, directors, employees, agents, successors, assigns and Affiliates. Failure by you or your Owners to sign such agreements and releases and deliver them to us for acceptance and execution within 60 days after their delivery to you will be deemed an election not to acquire an Additional Term Franchise;

(d) you make all changes we deem necessary to bring the Center into compliance with the then-current System Standards at your own cost, including updating all signage, décor, furnishings, computer software, hardware and other equipment, prior to the expiration of the Term of this Agreement;

(e) you complete to our satisfaction any new training and refresher programs as we may reasonably require. You are responsible for travel, living and compensation costs of attendees;

(f) you remit to us the Additional Term Franchise Fee via EFT at the time of execution of the Additional Term Franchise;

(g) you have complied with the terms and conditions of this Agreement and have not received three or more notices of breach under any of the termination provisions set forth in Section 18.02

during the Term, including but not limited to defaults relating to use of the Marks, disparagement, and failure to make payments of any amounts due to us;

(h) you continue to comply with all of the terms and conditions of this Agreement through the date of its expiration;

(i) you have not, in our opinion, adversely interfered with or prejudiced our relationships with our Approved Travel Suppliers;

(j) you have not taken any action that we deem to be materially adverse to the reputation of the System or the Marks; and

(k) your Market Area is sufficiently serviced. Your Market Area may be determined to be insufficiently serviced if your average annual Gross Revenue for the final two years of your Term and for the final year of your Term is less than $9.00 (subject to annual CPI Adjustment) per Targeted Household in your Market Area.

(l) Alternatively, if your Market Area is determined to be insufficiently serviced in accordance with Section 3.03 (k), before granting an Additional Term Franchise we may make adjustments to your Market Area, which may include a reduction in the number of Targeted Households.

3.04 Procedure for Additional Term Franchise

(a) Election Notice. You will give us written notice of your election (the "**Election Notice**") to acquire an Additional Term Franchise at least 180 days before the expiration of the Term.

(b) Response Notice. We agree to give you written notice of our decision (the "**Response Notice**"), within 60 days after we receive the Election Notice. The Response Notice will inform you of our decision to:

(i) grant you an Additional Term Franchise;

(ii) grant you conditional approval for an Additional Term Franchise ("**Conditional Approval**"), subject to Sections 3.04(c) and 3.05 below; or

(iii) not grant you an Additional Term Franchise based on our determination that you and your Owners have not substantially complied with this Agreement during the Term.

(c) Conditional Approval. If applicable, the Response Notice may contain certain conditions for an Additional Term Franchise that you are required to fulfill in order to bring your Travel Business in compliance with then-current System Standards, and the timeframe to comply with such conditions. Such conditions may include, but are not limited to adjustments to your Market Area in accordance with Section 3.03(l) above and correcting deficiencies of your Travel Business, or in your operation of your Travel Business.

3.05 Extension of Term Pending Award of Additional Term Franchise

In the event that we grant you a Conditional Approval, we may extend this Agreement on a month to month basis for such period of time as is necessary, but in no event more than twelve (12) months, in order to provide you with reasonable time to correct deficiencies or comply with the conditions of Section 3.04(c) above; provided, however, that we may alter the material terms of this Agreement as part of our Conditional Approval, including, among other things, reconfiguring the Market Area, rescinding

modifications or amendments to this Agreement previously negotiated, or discontinuing allowances or privileges that are inconsistent with terms of our then-current Franchise Agreement. If we grant you an Additional Term Franchise after the Term of this Agreement has expired, but we have extended the Agreement on a month to month basis following that expiration date, then the Term of the Additional Term Franchise shall be deemed to have commenced on the day following the expiration of the prior Term and will run for a period of five (5) years from that date.

4. APPROVED TRAVEL PRODUCTS AND SERVICES; APPROVED TRAVEL SUPPLIERS

4.01 Approved Travel Products and Services

We will identify in the Manual or in CruiseDesk® the Travel Products and Services we have approved (collectively, the "**Approved Travel Products and Services**"). You will not offer, sell or otherwise use any products or services through your Travel Business other than the Approved Travel Products and Services. We will also identify Travel Products and Services that specifically are not approved and which you may only offer, sell or otherwise use with our express written consent. We, in our sole discretion, may change, add to or remove products, supplies or any other type of item or service included as Approved Travel Products and Services or as non-approved Travel Products and Services as we deem necessary, from time to time. You will immediately adopt all changes we make to the Approved Travel Products and Services and related services.

4.02 Approved Travel Suppliers

The Manual and/or CruiseDesk® will identify the suppliers that we have approved ("**Approved Travel Suppliers**") and you will obtain all Approved Travel Products and Services solely from Approved Travel Suppliers. We will also identify travel suppliers that specifically are not approved and whose travel products and services you may only offer, sell or otherwise use with our express written consent. We may negotiate agreements with Approved Travel Suppliers and we may receive rebates or other consideration from such Approved Travel Suppliers.

4.03 Changes to Approved Travel Suppliers

Whether or not we designate a supplier as an Approved Travel Supplier and its Travel Products and Services approved will be based on meeting the quality standards that we establish from time to time, including quality of its products or services, delivery capabilities, financial terms and ability to service our franchise system as a whole. We may withhold approval of any Approved Travel Products and Services or any Approved Travel Supplier that does not meet our quality standards by giving you written notice (which notice may be delivered via electronic mail). If we do so, you will stop purchasing, selling or otherwise using such products and services in your Travel Business immediately and from then on until we notify you that such supplier or such products and services meet our quality standards.

5. OPENING AND OPERATING YOUR TRAVEL BUSINESS

5.01 Requirements to Open and Operate Your Travel Business

You will not begin operating your Travel Business until:

(a) you (or if you are a Business Entity, one of your Owners) have completed Training to our satisfaction;

(b) the Initial Franchise Fee and all other amounts then due to us have been paid;

(c) you have furnished to us copies of all insurance policies required under this Agreement, or such other evidence of insurance coverage and payment of premiums as we request or accept; and

(d) you have demonstrated to our reasonable satisfaction that you have secured the financing necessary to establish the Center and operate your Travel Business.

You will not open your Center to the public until:

(e) you have satisfied all the requirements under Sections 5.03 and 5.04 regarding the Lease and build-out of the Location; and

(f) we have delivered to you our written certification of operational readiness of your Travel Business and the Center ("**Certification of Operational Readiness**"), which may be conditioned upon your compliance with all applicable laws, System Standards and the terms, provisions and conditions of this Agreement. You must open the Center and begin operating your Travel Business within two days after the date indicated on the Certification of Operational Readiness (such date referred to herein as the "**Opening Date**").

5.02 Operation From a Center

The Travel Business shall be operated from a single Center at a fixed Location open to the public and only at and from that Center. You must satisfy your requirements to open your Travel Business, obtain your Certification of Operational Readiness and open the Center within nine months of the Effective Date, and you must continuously staff the Center with qualified trained employees and Authorized Independent Contractors in accordance with the Manual and the terms of your Lease.

Commencing 12 months from the Effective Date, we retain the right to charge you $500 per month from your designated Account if you have not obtained your Certification of Operational Readiness and opened your Center to the public (an "**Overdue Center Opening Fee**").

5.03 Center Location and Lease

Within four months after the Effective Date, you must locate a retail storefront site suitable for the Center Location (as we may reasonably determine) and negotiate the Lease for the Center, subject to our prior approval. We reserve the right not to approve a location based on factors including but not limited to proximity to the border of the Market Area or proximity to another Center. You may not execute any lease, sublease or purchase contract or any modification thereof without our approval. The Lease must require that the premises be used only for the operation of a Center and must grant us the right (but not the obligation) to take possession of the Center, to assume the Lease, and to assign it to another Franchisee in the event of the expiration or termination of this Agreement or a threatened termination of the Lease as a result of your breach of the Lease. To effect the foregoing requirements, you and the Center landlord must include and incorporate into the Lease the form of Lease Addendum attached hereto as Schedule C or, in the alternative, include the terms and provisions of the Lease Addendum in the Lease itself. Our approval of the Lease and our agreement as to the Location is merely an indication that we find the Location acceptable and is not, nor is it intended in any way to be, a guaranty or warranty of the success of your Travel Business or the Center. You must deliver to us a fully executed copy of the Lease and the Lease Addendum (unless we otherwise waive this requirement). In order to assist you with the foregoing Location requirements, we will:

(a) review and approve your proposed site for the location of the Center within the Market Area, based on criteria, including, without limitation, location of the customer base, population and any available traffic patterns in the area, transportation infrastructure, local licensing and permit requirements, applicable building by-laws and building codes, local government approvals, visibility, competition and size; provided, however, that by our approval of a proposed site (or any Lease related thereto), we make no guaranty or warranty of the feasibility of the terms of any Lease or the success of the Center or your Travel Business; and

(b) provide you with graphic standards, including prototypical design plans for the layout of a Center, showing furniture placement and facilities with color coordination scheme and advise as to the particulars and specifications of office furniture, equipment and supplies to be used in the operation of the Center.

5.04 Center Construction or Build-Out

You will purchase all furniture, fixtures, signage, merchandising, equipment and tenant improvements in accordance with the specifications, design and layout included in the System Standards and from certain Approved Vendors. Before commencing any construction of the Center or undertaking any leasehold improvements at the Location, you must comply, at your own expense, with all of the following requirements:

(a) you must employ a qualified general contractor or such other qualified person for the purposes of implementing the construction and build-out of the Center in accordance with our design plan and ensuring the completion of all leasehold improvements; and

(b) you must obtain all business licenses, permits and certifications required for the lawful construction and ongoing operation of the Center (including, without limitation, zoning, access, variances, health and safety, sign and fire requirements) and must certify in writing to us that all such licenses, permits and certifications have been obtained.

5.05 Additional Pre-Opening Assistance

Prior to opening your Travel Business, we will:

(a) advise you on obtaining a license or registration to sell Approved Travel Products and Services with any applicable regulatory authority; provided, however we make no representation that any required licenses or registrations will be obtained;

(b) provide you with an initial supply of stationery and promotional materials;

(c) provide to you access to CruiseDesk® and other Proprietary Software related thereto on the terms and conditions described in Article 13;

(d) provide you with Training as described in Section 8.01; and

(e) provide you access to the Manual subject to the terms and conditions in Section 12.01.

5.06 Operation of the Center

In operating the Center, you will:

(a) ensure that the operation of the Center is at all times under the direct, on-premises control by you or by one of your employees or consultants whom we have approved to manage your Center, based on the criteria and limitations outlined in the Manual, as amended from time-to-time. You will at all times keep us informed of the person(s) managing the day-to-day operation of the Center;

(b) operate the Travel Business and the Center in accordance with the System Standards (as further described in Section 12.02), use the Center only for the operation of a Travel Business and for no other purpose, and redecorate, repair and restore the Center when required to comply with System Standards;

(c) maintain the interior and exterior of the Center in a sound, clean and attractive condition;

(d) maintain the standards of the System in accordance with the specifications we provide;

(e) not alter, modify or otherwise change, add to or delete from any portion of the System, the Marks, or the Approved Travel Products and Services;

(f) purchase all furniture, fixtures, equipment and tenant improvements in accordance with the specifications, design and layout included in the System Standards and from certain Approved Vendors;

(g) ensure all email communications relating to the Travel Business will be sent through CruiseDesk® or through your @expediacruises.com email account;

(h) ensure that a customer invoice is created through CruiseDesk® and delivered to the customer for all sales and cancellations conducted through your Travel Business;

(i) recruit, hire, supervise and maintain at all times a sufficient number of trained employees or consultants to service the customers of the Center in accordance with the System Standards and ensure that all employees and consultants servicing customers of the Center are efficient, competent, sober and courteous and meet every requirement imposed by applicable laws with respect to the offer and sale of any products and services through the Center or your Travel Business;

(j) cause all of your employees or consultants, while engaged in the operation of the Center, to present a neat and clean appearance and render competent and courteous service to the customers of the Center;

(k) use, publish or display in connection with the Center only those signs, advertising or other materials we have approved in accordance with System Standards;

(l) if requested, use only branded marketing collateral, promotional items and other like articles which comply with the specifications established under the System Standards;

(m) use only those methods of data processing we have designated;

(n) operate the Center only under the name "Expedia Cruises®" without any accompanying words or symbols of any nature unless written notice is delivered to you of an alternate operating name and, on receiving notice of such alternate name, you will cause all necessary changes in identification we have requested to be implemented within the time specified in the notice and at your expense;

(o) not permit any vending machines, entertainment devices and products not included in the System or consistent with the System Standards to be sold, displayed or used in the Center unless we have first consented in writing;

(p) make prompt payment in accordance with the terms of invoices rendered to you for the purchase of all furniture, fixtures, equipment, leasehold improvement and supplies;

(q) secure and maintain in force all required licenses, permits and certificates relating to the operation of the Center and operate the Center in full compliance with all applicable laws and regulations, including, without limitation, all governmental regulations relating to occupational hazards and health, safety, workers' compensation insurance, health and welfare plans, employment insurance, withholding and payment of federal state and local income taxes, goods and services taxes and sales taxes, and applicable consumer protection and travel industry regulations;

(r) not commence construction or build out of the Center until we have first reviewed and approved in writing the design for the Center;

(s) not negotiate directly with Approved Travel Suppliers of any Approved Travel Products and Services, unless we otherwise first consent to such negotiation in writing;

(t) purchase goods and services that are of a standard and of a quality consistent with the System Standards;

(u) advise Approved Travel Suppliers, contractors and all others with whom you deal that you are an independent contractor, that all debts you incur are for your own account only, and not on our account, and, if applicable, that your officers and directors are not our officers or directors;

(v) faithfully observe and perform in a timely fashion, all covenants required under the Lease for the Center premises;

(w) not, without the prior consent of the relevant contractor or employer, knowingly contract or employ or seek to contract or employ any person who is at the time employed by or under contract with us or one of our subsidiaries or Affiliates, or by any person who is at the time operating a Center or a Travel Business under our Marks, or otherwise directly or indirectly induce any person described above to leave his or her employment or not renew his or her contract. Any provision of this Agreement restricting, restraining, or prohibiting you from (i) soliciting or hiring any employee of another franchisee under contract with us or (ii) soliciting or hiring any of our employees is made a part of the agreement only to the extent that such restrictions are not per se illegal pursuant to the Antitrust Guidelines for Business Activities Affecting Workers issued by the U.S. Department of Justice and the Federal Trade Commission, as revised in January 2025;

(x) maintain an inventory of advertising materials and supplies sufficient to satisfy customer demand;

(y) pay the salary of any agent or employee of ours or our Affiliates or subsidiaries who works at the Center and performs services which would otherwise have to be performed by a regular employee or Authorized Independent Contractor of yours and, in addition, pay the out-of-pocket expenses including transportation, lodging and food of such agent or employee; and

(z) pay the salaries and related expenses of your employees or consultants who are temporarily engaged as part of an on-the-job training program at a Travel Business, which may be owned by CII or a Franchisee.

5.07 Relocation of the Center

If you need or decide to relocate the Center because of condemnation, destruction, or expiration or cancellation of your Lease for reasons other than a breach of your Lease, we will grant you authority to do so to a new site that is reasonably comparable to your existing Location, that is acceptable to us and is within your Market Area or has received necessary approval if outside your Market Area; provided that:

(a) the new Center is ready to open and operate in conjunction with the move from the original Location and is constructed in accordance with our then-current standards, including satisfaction of all the requirements and obtaining the necessary approvals under Sections 5.03 and 5.04 in particular our written approval of the Location, the Lease and the build-out of the Location and also that you may not execute any lease, sublease or purchase contract or any modification thereof without our prior written approval;

(b) you have received from us a Certification of Operational Readiness;

(c) your Travel Business is kept open and operating during any relocation. You do not have the right to relocate the Center in the event you lose the right to occupy the Center premises because of the cancellation of your Lease due to your breach, such Lease cancellation being grounds for immediate termination under Section 18.02(f); and

(d) you pay us the Site Relocation Fee, which varies depending upon whether the relocation is within your Market Area or outside of your Market Area.

6. ONGOING ASSISTANCE

6.01 General Assistance

As long as you are not in default of this Agreement or any other agreement with us, we will generally assist you with respect to:

(a) System Standards, specifications and operating procedures and methods utilized by Travel Businesses;

(b) use of CruiseDesk®;

(c) current lists of Approved Travel Suppliers, Approved Travel Products and Services, and those suppliers and Travel Products and Services that are not approved;

(d) advertising and marketing programs and related materials;

(e) Improvements to the System, if any; and

(f) administrative, bookkeeping and accounting procedures.

Such general assistance will be provided in CruiseDesk®, in the Manual, in bulletins and similar postings or communication, in other written materials or during telephone or field consultations.

6.02 Additional Assistance

At your request, we may furnish additional assistance as we deem appropriate. If we consider your requests for additional assistance to be excessive or unreasonable, we may refuse to provide such additional assistance or we may charge you a reasonable fee for such additional assistance, including per diem charges and travel and living expenses for our personnel.

7. FEES

7.01 Initial Franchise Fee

At the time you sign this Agreement, you must pay us a nonrecurring initial franchise fee in the amount set forth in Schedule A (the "**Initial Franchise Fee**"). The Initial Franchise Fee is non-refundable and is fully earned by us when you sign this Agreement.

7.02 Service Fee

During the term of this Agreement, you will pay us a Service Fee as a percentage of Gross Revenues as set forth in Schedule A and in the manner set forth in Section 7.05 below. We may change the amount debited each month periodically based on the expected Gross Revenue you will earn. We will notify you prior to any change.

7.03 Management Information Systems Fee

During the term of this Agreement, you will pay us a monthly Management Information Systems fee ("**MIS Fee**") as a percentage of Gross Revenues as set forth in Schedule A and in the manner set forth in Section 7.05 below. We may change the amount debited each month periodically based on the expected Gross Revenue you will earn. We will notify you prior to any change. The MIS Fee will be subject to annual CPI Adjustment (as described below in Section 7.07) based on the Consumer Price Index ("**CPI**").

7.04 Marketing Fee

During the term of this Agreement, you will pay us a monthly Marketing Fee (the "**Marketing Fee**") as a percentage of Gross Revenues as set forth in Schedule A, in the manner set forth in Section 7.05 below and as provided pursuant to Section 14.01 below. We may change the amount debited each month periodically based on the expected Gross Revenue you will earn. We will notify you prior to any change. The Marketing Fee will be subject to annual CPI Adjustment (as described below in Section 7.07).

7.05 Annual Reconciliation

At the end of each of your fiscal years during the term of this Agreement and any Additional Term Franchise Agreement or upon termination of this Agreement, we will reconcile the actual Service Fees, Management Information Systems Fees, and Marketing Fees earned and payable hereunder for the prior fiscal year (or portion of the prior fiscal year in the case of the termination of this Agreement) based on your actual Gross Revenues for that year (or portion thereof) and we will draft (or refund) by EFT the difference between the total Service Fees, Management Information Systems Fees, and Marketing Fees paid and the actual Service Fees, Management Information Systems Fees, and Marketing Fees earned and due for the year (or portion thereof). We will issue you an invoice for that difference.

7.06 Pre-Authorized Payments Through EFT

You will pay us all fees and any interest you owe us under the terms of this Agreement by way of electronic funds transfer ("**EFT**") from a bank account you designate (the "**Account**") pursuant to and in accordance with the terms of this Article 7. We retain the right to obtain payment for all Pre-authorized Payments and any other amounts you owe us by way of EFT. You will execute all bank documents and other instruments necessary to permit the EFT from your Account to us. You will comply with the procedures we specify in the Manual and sign and deliver a Bank Authorization Agreement in the form attached hereto as Schedule D and such documents as may be necessary to accomplish EFT transactions. You will give us authorization, in a form that we designate, to initiate debit entries or credit entries to your Account. You will make funds available in the Account for withdrawal by EFT no later than the date the payments are due. If we determine at any time that you have under-reported or underpaid amounts due to us, we will be authorized to initiate a transfer from the Account the amount we reasonably believe is owed to us, plus applicable interest.

7.07 CPI Adjustment

Any of the recurring fixed fees you must pay under this Agreement are subject to a CPI Adjustment, based on the percentage increase, if any, in the CPI between January 1 of the then-current year and January 1 of the immediately prior year. Each adjustment will be made on July 1 based on the January index or adjustments may be made cumulatively on or prior to July 1 of any year in our absolute discretion. If we increase a given fee by less than the full CPI increase in a given year, we may carry the difference forward and add it to the allowable percentage increase for the following year. By way of example, if the CPI increases 5% and we implement only a 3% increase in the MIS Fee, we may carry the remaining 2% forward and add to the CPI increase in the following year, so that if the following year CPI is 2%, we may increase the MIS Fee by up to 4%.

7.08 Interest on Late Payments

All amounts you owe us will bear interest after their due date at the annual rate of 15% or the highest contract rate of interest permitted by law, whichever is less. You acknowledge that we are not required to accept any payments after the due date nor commit to extend credit to, or otherwise finance the operation of, your Travel Business. Your failure to pay all amounts when due constitutes grounds for termination of this Agreement.

7.09 Insufficient Funds Fee

We retain the right to charge you $50 per occurrence of insufficient funds when we draft from your designated Account (an "**Insufficient Funds Fee**").

7.010 Application of Payments

Notwithstanding any designation you might make, we have sole discretion to apply your payments to any amounts you owe us.

7.011 Payment Set-Offs

We may set-off from any amounts that we may owe you by any fees or amounts that you owe us, for any reason whatsoever, and any accrued interest thereon. Thus, payments that we make to you may be reduced, in our discretion, by amounts that you owe us from time to time. We will notify you monthly if we do so.

7.012 Discontinuance of Service

If you do not timely pay amounts due us under this Agreement, we may discontinue any services to you, without limiting any of our other rights in this Agreement.

8. TRAINING AND ASSISTANCE

8.01 Training

Before your Travel Business opens, we will furnish training on the operation of a Travel Business (the "**Training**") as described in the Manual. You (or if you are a Business Entity, one of your Owners) must complete the Training to our satisfaction within nine months of the Effective Date. The person or persons who will participate in the Training are individually and collectively called the "**Trainees**." The Training consists of the following components:

(a) Online Training: The Trainees will receive Online Training through a curriculum consisting of online and offline course modules, which typically include recorded webinars and videos, activities and practical exercises, and one on one sessions with a designated trainer ("**Online Training**"). Online Training consists of Consultant Certification which is part of International Cruise Academy, training and Franchisee Training. There is no additional charge for Online Training which is typically completed within 3.5 months.

(b) In-Person Training: The Trainees will receive 5 days of classroom training at one of our training facilities ("**In-Person Training**"). This In-Person Training is referred to as Cruise Management Academy ("CMA") training. We will provide lunch meals and continental breakfast while on site. Hotel and transportation are at your cost. You are required to book your own transport and accommodation. You may bring up to two Trainees to In-Person Training for no charge and you may bring one additional trainee to In-Person Training for a $495 fee but we will not provide private hotel accommodations or airfare for the additional trainee. Additional trainees may be required to sign a confidentiality agreement with us prior to attending the In-Person Training. In-Person Training is restricted to Franchisees andtheir spouses. As an alternative to classroom training at one of our training facilities, we may provide the In-Person Training through live, interactive online videoconferencing and will not provide any meals.

8.02 Additional Training

We may offer additional training, including periodic and refresher training courses at such times and locations that we designate ("**Additional Training**"). You are not required to participate in Additional Training but if you choose to do so, you will be responsible for any fees associated with the Additional Training (the "**Additional Training Fees**") and any travel expenses you incur for the Additional Training. Some Additional Training may take place through internet-based training initiatives, which we will provide to you at no additional cost.

9. MARKS

9.01 Grant of License

We hereby grant to you a non-exclusive, non-transferable, non-assignable, royalty-free license to use in the United States (i) the Marks (other than the trademark "EXPEDIA®") and (ii) the Combination Mark**s**, in each case, solely in connection with your operation of a Franchise and the provision of services and products in the Travel Business to your customers. We will license the Marks to you and other franchisees for use only in accordance with the System Standards, the terms of which we may change at

any time at our discretion, without notice to you and the operating standards and quality control specifications attendant thereto which underlie the goodwill associated with and symbolized by the Marks. We do not grant you the right to sub-license the Marks or Combination Marks (except pursuant to the Independent Contractor Agreement in the form provided through CruiseDesk®).

9.02 Ownership and Goodwill of Marks

Your right to use the Marks is derived solely from this Agreement and is limited to the operation of your Travel Business under this Agreement and the System Standards. Your usage of the Marks and any goodwill established by such use will be exclusively for our benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate your Travel Business in compliance with this Agreement and the System Standards). We may in the future develop, enhance or modify various aspects of the Marks as well as add new trademarks, trade names, service marks, trade dress, and other commercial symbols. All provisions of this Agreement applicable to the Marks will also apply to any additional proprietary trademarks, service marks, logos and commercial symbols we authorize you to use in your Travel Business. Any uses of the Marks (including the Combination Marks) as permitted herein must be in compliance with the Brand Standards, as may be amended from time to time, included as part of our Manual.

9.03 Limitations on Your Use of Marks

You will use the Marks as the sole identification of your Travel Business, except that you will identify yourself as an independent operator of the Travel Business in the manner we prescribe in the Manual or otherwise. You may not use any Mark: (i) as part of any corporate or legal business name (although you may use the Combination Mark as a fictitious (d/b/a) name in the manner we prescribe in the Manual or otherwise); or (ii) as part of any social media profiles or pages, e-mail addresses, URLs or website addresses; or (iii) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos we license to you); or (iv) in any modified form, including whereby any characters or symbols within the Marks are reversed, replaced, removed or inserted, nor may you use any Mark in connection with the performance or sale of any unauthorized services or products; or (v) in any other manner we have not expressly authorized in writing. No Mark may be used in any advertising concerning the transfer, sale or other disposition of your Travel Business or an ownership interest in you.

You are not permitted to use the EXPEDIA® mark on its own or in combination with any other word except “CRUISES” (or “CRUCEROS”) at any time in relation to your Travel Business. When using the Combination Mark, the EXPEDIA® mark must be of a prominence that is equal to or lesser than that of the word CRUISES (or CRUCEROS) , within the Combination Mark.

You will not manufacture, or cause to have manufactured, any promotional items having the Marks affixed or otherwise associated with in any way whatsoever, without our prior written approval. You will display the Marks prominently in the manner we require in connection with forms and marketing materials. You will give such notices of trade and service mark registrations as we specify and you will obtain any fictitious or assumed name registrations required under applicable law. Your unauthorized use of the Marks is a breach of this Agreement and an infringing use of the Marks.

9.04 Notification of Infringements and Claims

You will notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any claim by any Person of any rights in any Mark, and you will not communicate with any Person other than us, our attorneys and your attorneys in connection with any such infringement, challenge or claim. We have sole discretion to take such action as we deem appropriate and the right to control

exclusively any litigation, U.S. Patent and Trademark Office proceeding or any other administrative proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark. You will sign any and all instruments and documents, render such assistance and do such acts and things as, in our opinion, are deemed necessary or advisable to protect and maintain our interests in any litigation, regulatory action or other administrative proceeding or otherwise to protect and maintain our interests in the Marks.

9.05 Discontinuance of Use of Marks

If it becomes advisable at any time in our sole discretion for us or you to modify or discontinue the use of any Mark or use one or more additional or substitute trade or service marks, you will comply with our directions within a reasonable time after receiving notice but in no event longer than thirty (30) days. We will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

10. CONFIDENTIAL INFORMATION

10.01 Types of Confidential Information

We possess (and will continue to develop and acquire) certain confidential information (the "**Confidential Information**") relating to: (i) the development and operation of Travel Businesses; (ii) Approved Travel Suppliers; (iii) Approved Travel Products and Services; and (iv) those suppliers and Travel Products and Services that are not approved. The Confidential Information includes, without limitation:

(a) the System and the know-how related to its use;

(b) sources and design of marketing materials and supplies;

(c) marketing, advertising and promotional programs for Travel Businesses;

(d) the selection, testing and training of Franchisees and Travel Businesses personnel;

(e) CruiseDesk® and other Proprietary Software we make available for Travel Businesses;

(f) methods, techniques, formats, specifications, procedures, information and systems related to and knowledge of and experience in the development, operation and franchising of Travel Businesses;

(g) knowledge of specifications for and suppliers of certain products, materials, supplies, furnishings and equipment;

(h) know-how, techniques and expertise related to the sale, service and use of Approved Travel Products and Services;

(i) knowledge of operating results and financial performance of Travel Businesses other than those operated by you; and

(j) knowledge, know-how, operating results, methods, techniques, formats, specifications, procedures and information systems associated with our agreements with Approved Travel Suppliers, including commission rates, incentive programs, overrides and volume requirements.

10.02 Disclosure and Limitations on Use

We will disclose Confidential Information to you and personnel of your Travel Business by furnishing the Manual to you and by providing training, guidance and assistance to you. In addition, in the course of operating your Travel Business, you or your employees may develop ideas, concepts, methods, techniques or improvements ("**Improvements**") relating to your Travel Business that you agree to disclose to us. We will be the deemed owner of the Improvements and may use them and authorize others to use the Improvements in the operation of Travel Businesses. Improvements will then also constitute Confidential Information.

10.03 Your Confidentiality Obligations

Your relationship with us does not vest in you any ownership or other interest in the Confidential Information other than the right to use it in the development and operation of your Travel Business, and that the unauthorized use or duplication of the Confidential Information would constitute an unfair method of competition. You acknowledge and agree that the Confidential Information is proprietary, includes trade secrets belonging to us and is disclosed to you or authorized for your use solely on the condition that you agree, and, therefore you:

(a) will not use the Confidential Information in any business or capacity other than in a Travel Business pursuant to this Agreement;

(b) will maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(c) will not make unauthorized copies of any portion of the Confidential Information in written form or in any other tangible or intangible form, including, for example, computer files or other electronic or digital format; and

(d) will adopt and implement all reasonable procedures we may require from time to time to prevent unauthorized use or disclosure of the Confidential Information, including, restrictions on disclosure to your employees and the use of nondisclosure and non-competition agreements we may require for employees or others who have access to the Confidential Information.

10.04 Exception to Confidentiality

The restrictions on your disclosure and use of the Confidential Information will not apply to disclosure or use of the Confidential Information in judicial or administrative proceedings when and only to the extent you are legally compelled to disclose it, provided that you have first given us the opportunity to obtain an appropriate protective order or other assurance satisfactory to us that the information required to be disclosed will be treated confidentially.

10.05 Our Confidentiality Obligations

You acknowledge that we will acquire knowledge of the operating results, financial performance and financial plans or goals of your Travel Business in the course of our relationship with you under this Agreement. We will not disclose or discuss this information in a manner that identifies your Travel

Business specifically, or enables such information to be directly associated with your Travel Business, with any person who is not an employee or agent of the Franchisor and its Affiliates.

11. EXCLUSIVE RELATIONSHIP

11.01 Competing Business Restrictions

You acknowledge and agree that we have granted a Franchise to you in consideration of, and reliance upon, your agreement to deal exclusively with us. Further, during the Term of this Agreement and any Additional Term, you will receive valuable confidential and other information regarding the business, promotional, sales, marketing and operational methods and techniques of Franchisor's proprietary operating system and, therefore, during the Term of this Agreement and any Additional Term, and subject to the post termination provisions contained herein, and except as we otherwise approve in writing, neither you nor any of your Owners (nor any of your or your Owners' spouses or children), either directly or indirectly, for yourself or through, on behalf of or in conjunction with any person, persons, partners or entity, will:

(a) have any direct or indirect interest as a disclosed or beneficial owner in a Competing Business (except that you may own up to 1% of the common stock of a Competing Business that is publicly traded on a national stock exchange); or

(b) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competing Business, wherever located.

11.02 Definition of a Competing Business

The term "**Competing Business**" as used in this Agreement means any business (other than a Travel Business operated under a franchise agreement with us or one of our Affiliates) providing cruise-focused services or offering cruise-related products.

12. OPERATION AND SYSTEM STANDARDS

12.01 Franchise Operations Manual; System Standards

During the term of this Agreement, we will provide you access to our franchise operations manual (the "**Manual**"). The content of the Manual is accessed on CruiseDesk®, in an electronic format. The Manual contains mandatory and suggested specifications, standards, operating procedures and rules ("**System Standards**") that we require from time to time for the operation of a Travel Business and information relating to your obligations as a Franchisee. The content of the Manual belongs to us and you have no ownership interest in the Manual or any content therein. The Manual may be modified, updated and revised from time to time to reflect changes in System Standards. In the event of a dispute relating to its contents, the current electronic version of the Manual we maintain, in CruiseDesk®, will be controlling. You are not permitted to download, transmit, reproduce, or save a local copy on your computer. Except as described above, you may not copy, duplicate, record or otherwise reproduce any part of the Manual without our permission. Upon our request, and immediately upon termination of this Agreement, you must destroy or surrender all copies of the Manual, regardless of form, in the manner specified by us. We may require you to provide evidence to our satisfaction of such destruction or otherwise certify your compliance with these requirements. If any portion of the Manual is in conflict with the terms and conditions of this Agreement, this Agreement prevails but the remaining provisions of the Manual will remain in full force and effect.

12.02 Compliance with System Standards

You acknowledge and agree that the operation and maintenance of your Travel Business in accordance with System Standards is essential to preserve the goodwill of the Marks and all Travel Businesses. Therefore, at all times during the Term, you will operate and maintain your Travel Business in accordance with all System Standards, as we periodically modify and supplement them during the term of this Agreement. Through System Standards, we may regulate any one or more of the following aspects, among others, of your Travel Business:

(a) required or optional Approved Travel Products and Services;

(b) terms and conditions of the sale, terms and methods of payment for Approved Travel Products and Services and other products, materials, supplies and services that you obtain from us, Approved Travel Suppliers or others;

(c) sales, marketing, advertising and promotional programs and materials and media used in such programs;

(d) online listings, websites, or any other third party portal, site, or marketplace;

(e) use and display of the Marks;

(f) qualifications, training and appearance of personnel;

(g) participation in market research and testing and product and service development programs and customer satisfaction programs;

(h) acceptance of credit cards, gift certificates, coupons, frequent purchaser programs, and payment systems and check verification services;

(i) bookkeeping, accounting, data processing and record keeping systems, including software, and forms; methods, formats, content and frequency of reports to us of sales, revenue, financial performance and condition; and furnishing tax returns and other operating and financial information to us;

(j) types, amounts, terms and conditions of insurance coverage required to be carried for your Travel Business and standards for underwriters of policies providing required insurance coverage; our protection and rights under such policies as an additional named insured; required or impermissible insurance contract provisions; assignment of policy rights to us; periodic verification of insurance coverage that must be furnished to us; our right to obtain insurance coverage for your Travel Business at your expense if you fail to obtain required coverage; our right to defend claims; and similar matters relating to insured and uninsured claims;

(k) compliance with applicable laws; adherence to good business practices; observance of high standards of honesty, integrity, fair dealing and ethical business conduct in all dealings with customers, suppliers and us; and notifying us if any action, suit or proceeding is commenced against you or your Travel Business;

(l) regulation of such other aspects of the operation and maintenance of your Travel Business that we determine from time to time to be useful to preserve or enhance the efficient operation, image or goodwill of the Marks and Travel Businesses;

(m) your or your designee's performance of any and all necessary confirmations and follow-up services for all Approved Travel Products and Services;

(n) types, amounts, terms and conditions of service agreements, use agreements, contracts and other agreements between the Parties, your customers and Approved Travel Suppliers;

(o) your required attendance at the franchisee meetings, including the regional "Anchor" meetings and annual National Conference, for which you are responsible for all travel, lodging and related expenses; and

(p) your required participation in the Platinum marketing program for at least the first 24 months from the opening of your Travel Business, or in the event of a Transfer of the Travel Business, for at least the first 24 months from the date the transferee becomes the Franchisee.

You agree and acknowledge that System Standards prescribed from time to time in the Manual, or otherwise communicated to you in writing or other tangible or intangible form, constitute provisions of this Agreement as if fully set forth herein. We may in the future develop, enhance or modify various aspects of the System and System Standards and all references to this Agreement include the System and all System Standards as modified. We may from time to time develop or test prospective programs or aspects of the System in collaboration with individual Travel Businesses or a group of Travel Businesses, which may include Travel Businesses owned by us.

12.03 Management

You (or if you are a Business Entity, your controlling Owner(s)) will assume responsibility for the day-to-day management and operation of your Travel Business and the supervision of your personnel, if any. At all times of operation your Travel Business must be under the direct on-premises supervision of a controlling Owner or by one of your employees or consultants whom we have approved to manage your Center, based on the criteria and limitations outlined in the Manual, as amended from time-to-time. We may require you to sign and deliver our then-current form of Confidentiality Agreement, or other form satisfactory to us. We may also require your personnel to sign and deliver our then-current form of Confidentiality Agreement, or other form satisfactory to us. You will at all times keep us informed of the person(s) managing the day-to-day on-premises operation of the Center and if there is a change in day-to-day on premises management, we may require that person to complete Training.

12.04 Personnel

As a condition of their employment, your personnel must meet every requirement imposed by applicable federal, state and local law.

12.05 Compliance with Laws; Indemnification

You will secure and maintain in full force all required licenses, permits, registrations and certificates relating to the operation of your Travel Business and the Center. You will operate your Center and Travel Business in full compliance with all applicable laws, rules, ordinances and regulations, including all government regulations relating to transfer of an interest in this Agreement, occupational hazards, consumer protection, trade regulation, workers' compensation, unemployment insurance and withholding, payment of federal and state income taxes and social security taxes and sales, use and property taxes. You will indemnify and hold us and our Affiliates (and all officers, directors, partners, and employees) harmless against any and all claims arising, and expenses incurred (including attorneys' fees), directly or indirectly from, as a result of, or in connection with, any alleged failure on your part to comply with any applicable laws, rules, ordinances or regulations.

12.06 No Disparagement

Neither you nor any of your Owners will publicly disparage us or our Affiliates or our officers, directors, employees, other Franchisees, Approved Travel Suppliers or Approved Vendors, except that this requirement will not apply to any statements or information required to be disclosed pursuant to any law or order of any court or government authority.

13. CRUISEDESK® SYSTEM LICENSE; ADDITIONAL SOFTWARE

13.01 CruiseDesk® System License

Your payment of the Initial Franchise Fee and the recurring Service Fee and MIS Fee constitutes payment to us for your use of CruiseDesk® and any improvements thereto on a non-exclusive basis. In developing and operating your Travel Business, you will use CruiseDesk® and any periodic improvements thereto. We may require you to obtain specified computer hardware or software and we may modify specifications for and components of CruiseDesk® from time to time. Our improvements to CruiseDesk® may require you to incur costs and, if required, you will incur such costs, to purchase, lease or license new or modified computer hardware or software and to obtain service and support for CruiseDesk® during the Term or the Additional Term. You will obtain any such required hardware and software components relative to CruiseDesk® that we designate and require within 60 days after we notify you. Your computer hardware must be capable of running and connecting with CruiseDesk®. We will provide assistance to you through e-mail and in some instances, by telephone, in connection with the connectivity and use of CruiseDesk® and any Proprietary Software we require you to use.

13.02 Additional Software License

In addition to CruiseDesk®, we may require you to license or sublicense from us any additional Proprietary Software we may develop and require you to use in the future, and any third party software applications we may require you to use (such third party software together with the additional Proprietary Software, hereinafter referred to as "**Additional Software**") and we may charge you an additional fee for such Additional Software. Subject to the terms and conditions of this Agreement, if we license, sublicense or otherwise provide any Additional Software to you, we grant to you a non-exclusive, non-transferable and non-sub-licensable license to use the Additional Software as follows:

(a) Use of the Additional Software. You and your personnel may use the Additional Software solely within the scope of your operation of your Travel Business under this Agreement.

(b) Additional Software Restrictions. You are responsible for all use of the Additional Software in compliance with this Agreement; any breach by you or any user or third party will be deemed to have been incurred by you. You must also comply with the terms of any licenses or sublicenses for any Additional Software.

13.03 No Reverse Engineering

You must not decompile or reverse engineer any executable code for CruiseDesk® or any Proprietary Software or Additional Software we provide (*e.g.*, to reveal the corresponding source code). You will not avoid, circumvent, or disable any security device, procedure, protocol, or mechanism that we may include, require or establish with respect to CruiseDesk®, Proprietary Software or Additional Software. You will not delete, alter, cover, or distort any copyright, trademark or other proprietary rights notice placed by us or any third-party licensor on or in CruiseDesk®, Proprietary Software or Additional Software, and will ensure that all such notices are reproduced on all copies of CruiseDesk®, Proprietary Software or Additional Software.

13.04 Reservation of Rights

CruiseDesk®, and any Proprietary Software or any Additional Software, may not be used except as expressly authorized in this Agreement. We reserve all rights not expressly granted.

13.05 Ownership

As between the Parties, we will retain all rights in and to CruiseDesk® (excluding hardware, but including disks, drives or other storage devices that carry our Proprietary Software) and any Proprietary Software and Additional Software (and all copies and derivatives), including all copyrights and other intellectual property rights in or to CruiseDesk® and any Proprietary Software and Additional Software, in accordance with our license agreement with CII. Except as otherwise expressly provided in this Agreement, you will not obtain, nor grant to any third party any express or implied rights in or to, any part of CruiseDesk®, any Proprietary Software or any Additional Software.

13.06 Protection from Unauthorized Use

You will take all reasonable steps to protect CruiseDesk®, and any Proprietary Software and Additional Software, from any use, reproduction, publication, disclosure or distribution that is not specifically authorized by this Agreement. You will ensure that you and your personnel not disclose their user IDs and passwords to any Person. You will be responsible for the security of your user IDs and passwords, and will immediately notify us of any suspected or actual theft, loss or fraudulent use of them.

13.07 Support Services

During the term of this Agreement, we will provide limited support services with respect to CruiseDesk® and any Proprietary Software to the extent we deem practicable in the manner we designate from time to time in the Manual.

13.08 Updates

Any updates, patches, bug fixes, modifications, enhancements and new versions of CruiseDesk® and any Proprietary Software and all other deliverables and work product we develop for such CruiseDesk® and any Proprietary Software we provide to you will be subject to the terms and conditions of this Agreement, unless otherwise expressly agreed in writing by us. Our technical support services for CruiseDesk® and other Proprietary Software, if any, extend only to CruiseDesk® and any Proprietary Software, free of any additions or modifications that have not been made by us or our agents, or approved by us in writing. Our support services do not include the following and we have no responsibility or liability for:

(a) addressing errors, defects, or damage in or to the Proprietary Software resulting from causes other than those arising in the ordinary permitted use of the Proprietary Software, or from the use of third party software, firmware or data, or from the use of hardware not meeting our minimum recommended configuration;

(b) providing hardware-related services;

(c) providing training to your personnel except as otherwise provided in this Agreement; or

(d) developing or otherwise providing you with additional features, functionality, or customizations to the Proprietary Software.

13.09 Your Responsibility

You will cooperate fully with us in the performance of our technical support services, including by providing us with such timely, accurate and complete information and reasonable access to your personnel, if any, as we may require or request. You are responsible for using CruiseDesk® and any other Proprietary Software and Additional Software in compliance with this Agreement and for obtaining written agreements in the form we provide from each of your personnel and Authorized Independent Contractors who have access to or utilize any aspect of CruiseDesk® and any other Proprietary Software to the effect that such persons agree to be bound by the terms of this Agreement (and all other agreements) with respect to the use of CruiseDesk® and any other Proprietary Software and Additional Software. You will be in breach of this Agreement if any user to whom you have given access to CruiseDesk® or any Proprietary Software or Additional Software fails to comply with the requirements under this Agreement governing the use of CruiseDesk® or any Proprietary Software or Additional Software. To the extent you delay or fail to satisfy your obligations to us, we will be relieved of our obligations under this Agreement and you will be deemed in breach of it.

13.010 Discontinuation of Use

We will have no responsibility for (a) the results of termination of your access to CruiseDesk® after we have notified you of such termination; (b) your use of the Proprietary Software with content, assets, technology or other materials not supplied by us; or (c) alteration of CruiseDesk® or any Proprietary Software or use of a version of CruiseDesk® or any Proprietary Software that has been superseded by a newer version.

13.011 Warranty Limitations

We and our Affiliates disclaim any warranties of any nature whatsoever, whether express, written, oral, implied or statutory, including any implied warranties of merchantability or fitness for a particular purpose, title or non-infringement, or any warranties arising under the uniform computer information transactions act, however enacted in any state or jurisdiction. Neither we nor our Affiliates are liable under any circumstances to you for any consequential, special, exemplary, indirect, incidental or collateral damages of any nature whatsoever in connection with any of the supplies or CruiseDesk®, Proprietary Software or Additional Software, or any other products, equipment or supplies you obtain from us or others and their design (including your right to use, delivery, installation and your use of them), the service and functions they perform (or fail to perform), and this agreement, whether by reason of imperfection or defect in them or in their performance, our (or any of our Affiliates) breach or otherwise, even if we (or our Affiliates) are advised of the possibility of such damages, regardless of whether they are based in tort or in contract.

14. MARKETING AND PROMOTION

14.01 Marketing Fund

In recognition of the value of advertising and marketing to the goodwill and public image of all Travel Businesses, we administer a system-wide marketing fund (the "**Marketing Fund**") for such advertising, marketing and public relations programs and materials we deem necessary or appropriate in our sole discretion. We may consult with franchisees on a timely basis to obtain their input regarding the contents and type of advertising for which the Marketing Fund will be used. Franchisee input that is reasonable and in the best interest of all franchisees will be considered in the management of the Marketing Fund. You must contribute the Marketing Fee to the Marketing Fund on a monthly basis in the amount set forth on Schedule A. The Marketing Fee will be subject to an annual CPI Adjustment. We reserve the right

to defer or reduce contributions of a Franchisee and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the Marketing Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be distributed to our Franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12-month period. We will contribute to the Marketing Fund on the same basis as Franchisees for any Travel Businesses owned and operated by us.

14.02 Management of Marketing Fund

We will direct all programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. We may use the Marketing Fund to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; supporting public relations, market research and other advertising, promotion and marketing activities.

14.03 Accounting for the Marketing Fund

We are not required to hold funds in the Marketing Fund in a separate account, although we will account for the funds in the Marketing Fund separately. We will not use the Marketing Fund to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Marketing Fund and its programs. We may spend, on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Travel Businesses to the Marketing Fund in that year, and the Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. We will prepare a periodic statement of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request.

14.04 Marketing Fund Limitations

You acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of Travel Businesses generally. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Travel Businesses, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by Travel Businesses operating in that geographic area or that any Travel Business will benefit directly or in proportion to its contribution to the Marketing Fund. Except as expressly provided in this Section 14.04, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to the Marketing Fund and will not be held liable for any act or omission with respect to the Marketing Fund which is consistent with this agreement, the Manual or that which is done in good faith.

14.05 Local Marketing

You agree that any advertising, promotion and marketing you conduct will be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and the promotion policies which we prescribe from time to time. You will submit to us samples of all advertising, promotional and marketing materials which we have not prepared or previously approved for approval before use. You must provide any non-approved advertising to us at least 5 days prior to the deadline for running the advertisement. Any advertising or promotional materials not approved by us within 3 days of receipt will

be deemed disapproved. You may not use any advertising or promotional materials that we have disapproved. We will not approve any materials submitted to us with pricing that does not comply with Approved Travel Suppliers' policies.

14.06 Website and E-Commerce

We have the right to designate and control your use of all telephone and facsimile numbers for the Center, URLs, domain names, website addresses, metatags, links, key words, e-mail addresses, social media profiles, online listings, and pages and any other means of electronic identification or origin ("**E-names**") used in connection with your Travel Business. We also have the right to designate, approve, control or limit all aspects of your use of CruiseDesk® and any aspect of your Travel Business that you conduct over the Internet ("**E-commerce**"), including, use of e-names, e-mail, home pages, bulletin boards, chat rooms, linking, framing, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software or hardware. You must follow all of our policies and procedures, either contained in the Manual or communicated to you in any written form, for the use and regulation of e-commerce and for its use with CruiseDesk®. We may require that you provide graphical, photographic, written or other forms of artistic or literary content to us for use in e-commerce activities associated with the Marks or the System that we may designate. We may restrict your use of e-commerce to CruiseDesk®, Center Website, Consultant Websites or other form of e-commerce that we designate or operate. You will be bound by any terms of use, privacy policy and copyright notice and takedown policies and the like that we establish from time to time. You must coordinate your e-commerce activities with us, other Travel Businesses, suppliers and Affiliates, and participate in any intranet networks we develop. You acknowledge and agree that as between the Parties: (a) we hold all license rights in and to CruiseDesk® and any other websites and any e-names created or used in connection with the System or Travel Businesses; (b) we own all rights, title and interest in and to any and all data or other information collected via e-commerce related to the System or the Marks, including any customer data, click-stream data, cookies, user data, hits and the like; and (c) such data or other information also constitutes our Confidential Information.

15.ACCOUNTING; TRADE ACCOUNTS; REPORTS

15.01 Accounting System

You will establish and maintain at your own expense a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use approved computer hardware and software in order to maintain certain sales data and other information including updating of the Manual and for communication purposes. You will provide us with access to such sales, marketing and related data and other information through CruiseDesk® at all times.

15.02 Accounting and Records

It is your responsibility to obtain accounting services and any required hardware or software related to them. At all times, you will maintain the books and records in accordance with the applicable laws and taxation requirements of your jurisdiction, including, without limitation, sales and expense information and Independent Contractor Agreements. To the extent we require support for accounting software used by you, such support will only be provided with respect to the accounting software then used by us in the operation of Travel Businesses.

15.03 Trade Accounts and Taxes

You will maintain your accounts with all Approved Travel Suppliers (collectively, your "**Trade Accounts**") in a current status, timely transfer on or before the due date all customer payments, deposits and other customer funds to the appropriate Approved Travel Suppliers, and seek to resolve any disputes involving your Trade Accounts promptly. You will pay all taxes incurred in connection with your Travel Business's operations in a timely manner. If you fail to maintain your Trade Accounts in a current status or fail to file or pay all taxes in a timely manner, you will be in default of this Agreement.

15.04 Reports

Upon request, within fifteen (15) days of such request, you will deliver to us a profit and loss statement and balance sheet covering the operations of your Center/Travel Business for the immediately preceding completed month, fiscal year-to-date, or other such period as may reasonably be requested, a statement of Gross Revenues in the form and containing the breakdown of the amounts comprising Gross Revenues as we may require, and any other evidence of operation of the Center during the period requested that we require. You will communicate electronically with us the Center/Travel Business's daily sales activity and other reports as we may request from time to time. You will allow us access to and advise us of all passwords and codes necessary to access your computer system. Our access will be limited to information prescribed in this agreement and the Manual as amended from time to time. Upon request, within fifteen (15) days of such request you will furnish to us other periodic reports and financial statements as we may reasonably require in the Manual or otherwise.

15.05 Financial Statements

You will submit to us within ninety (90) days after the end of each fiscal year complete financial statements in the format we prescribe, including a profit and loss statement covering the operations of the Center for that fiscal year and a balance sheet as at the end of the fiscal year, which financial statements will be reviewed by the external accountants of the Franchisee if requested by Franchisor.

15.06 Access and Disclosure of Information

You will verify and sign each report and financial statement in the manner we prescribe. We have the right to disclose data derived from such reports without identifying you or your Travel Business. We also have the right to review your records if we reasonably believe that the reports are incorrect. Moreover, we have the right as often as we deem appropriate (including on a daily basis) to access your CruiseDesk® and to retrieve all information relating to the operation of your Travel Business.

16. INSPECTIONS AND AUDITS

16.01 Our Right to Inspect

To determine whether you and your Travel Business are complying with this Agreement and all System Standards, we and our designated agents have the right at any time during your regular business hours, to:

(a) inspect your Center and Travel Business;

(b) observe and make photographs/digital images and audio and/or video recordings of the operations of your Center and Travel Business for such consecutive or intermittent periods as we deem necessary;

(c) interview personnel and customers of your Travel Business;

(d) interview and review records from Approved Travel Suppliers;

(e) inspect and copy any books, records and documents relating to your operation of your Travel Business;

(f) inspect and copy any promotional, advertising or other material that incorporates the Marks and that relates to the operation of your Travel Business;

(g) request information from government agencies that regulate your Travel Business for the purpose of confirming your status and standing to operate your Travel Business during the term of the Franchise Agreement (you must consent to allow state regulators to provide us such information by signing a consent, a form of which is attached as Schedule G); and

(h) pose as a customer or potential customer and to survey/observe your interactions with customers without notice to you.

You will cooperate with us fully in connection with any such inspections, observations, photographing, audio and video recording, product removal and interviews. You will present to your customers such evaluation forms that we periodically prescribe and to participate or request your customers to participate in any surveys performed by us or on our behalf. You will correct or repair any unsatisfactory conditions we specify within 5 days.

16.02 Our Right to Audit

We have the right at any time during your business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, the bookkeeping and accounting records, sales and income tax records and returns and other records of your Travel Business. You will cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis, or if the information is not accurate (meaning that your payments to us were deficient by 2% or more), or if we incur expenses in obtaining required information from regulatory agencies or other governmental authorities, you will reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board and compensation of our personnel within 10 days of billing. You also must pay us any shortfall in the amounts you owe us, including late fees and interest, within 10 days of our notice, and we have the right to debit your Account for these amounts by way of an EFT. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law. Our right to audit will survive the termination or expiration of this Agreement.

17. TRANSFER

17.01 By Us

This Agreement is fully transferable by us and inures to the benefit of any transferee or other legal successor to our interests, as long as such transferee or successor agrees to be bound by, and assumes all of our continuing obligations under this Agreement.

17.02 By You

You understand and acknowledge that the rights and duties created by this Agreement are personal to you (or, if you are a Business Entity, to your Owner(s)) and that we have granted the Franchise to you in reliance upon our perceptions of the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you or your Owner(s). Accordingly, you may not transfer or assign this Agreement (or any interest in it or any of the rights we grant you hereunder) nor any ownership or other interest in you or your Travel Business without our prior written approval. Any transfer without our prior approval constitutes a breach of this Agreement and is void and of no effect.

17.03 Definition of a Transfer

As used in this Agreement, the term "**Transfer**" means a voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition of any interest in: (a) this Agreement; (b) you; or (c) your Travel Business, including:

(a) a transfer of ownership of capital stock or any partnership interest;

(b) a merger or consolidation or issuance of additional securities or interests representing an ownership interest in you;

(c) any issuance or sale of your stock or any security convertible into your stock;

(d) any transfer of an interest in you, this Agreement or your Travel Business in a divorce, insolvency or corporate or partnership dissolution proceeding or otherwise by operation of law;

(e) any transfer of an interest in you, this Agreement or your Travel Business, in the event of your death or the death of one of your Owners, by will, declaration of or transfer in trust or under the laws of intestate succession; or

(f) any pledge of this Agreement (to someone other than us) or of an ownership interest in you as security, foreclosure upon your Travel Business, or your transfer, surrender or loss of possession, control or management of your Travel Business.

17.04 Conditions for Approval of Transfer

In connection with any proposed Transfer of this Agreement, any of the rights hereunder, or a controlling interest in you (or any series of Transfers which in the aggregate constitute the Transfer of this Agreement or a controlling interest in you), we require the following as conditions to our approval:

(a) the transferee (or its direct and indirect owners, if it is a Business Entity) is of good character and has/have sufficient business experience, aptitude, financial resources and all necessary licenses required to operate a Travel Business and otherwise meets our then applicable standards for Franchisees (which include, if the transferee is an existing franchisee operating a different Travel Business, that the transferee is fully compliant with System Standards and in all other obligations to the Franchisor);

(b) you have paid all amounts owed to us and to third-party creditors, have submitted all required reports and statements, and otherwise are in full compliance with this Agreement;

(c) the material terms and conditions of such proposed Transfer are acceptable to us, including any draft and final versions of the proposed purchase and sale agreement, and we determine that the price and terms of payment will not adversely affect the ongoing operation of the Travel Business;

(d) the transferee (or, if the transferee is a Business Entity, one or more of its controlling Owners and any of its employees or consultants whom we have approved to manage the Travel Business) agree(s) to complete the Franchisor's required Training;

(e) if the proposed Transfer is to a transferee who is not a current Owner, then such transferee has executed our then-current form of Franchise Agreement and related agreements and paid the required Transfer Fee, the amount of which is set forth in the definition in Section 1 above (and each of such transferee's owners has executed our Franchisee Owner's Guaranty if it is a Business Entity);

(f) if the proposed Transfer is to a transferee who is a current Owner and (i) the Transfer results in a change of control in you in favor of the transferee, then such transferee has paid the Transfer Fee; or (ii) the Transfer does not result in a change of control in you in favor of the transferee, then such transferee has paid the Document Administration Fee, and, in either case, has (or if such current Owner is a Business Entity, then its Owner(s) have/has) executed our Franchisee Owner's Guaranty;

(g) you have completed to our satisfaction the requirements under Section 5.01 of this Agreement, including but not limited to obtaining our Certification of Operational Readiness, and are currently operating your Center;

(h) you make all changes we deem necessary to bring the Center into compliance with the then-current System Standards, including updating all signage, décor, furnishings, computer software, hardware and other equipment, prior to the Transfer; or, alternatively, the transferee agrees to make such changes as we deem necessary in accordance with a specified timeline, prior to the Transfer, pursuant to our current form of Franchise Agreement to be entered into by the transferee or otherwise;

(i) you (and your transferring Owners if you are a Business Entity) execute a release, in a form satisfactory to us and our partners, officers, directors, employees and agents;

(j) if you (or your Owners if you are a Business Entity) finance any part of the sale price of the transferred interest, you (or your Owners if you are a Business Entity) agree that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you (or your Owners) have reserved in your Travel Business are subordinate to the transferee's obligation to pay all fees and other amounts due to us and to operate the Travel Business in accordance with and otherwise in compliance with this Agreement, meaning, among other things: (x) that any payment by the transferee to you or your Owners is conditional upon the transferee first having paid in full when due all amounts then owed by the transferee to us or our Affiliates; and (y) in no event shall you take or be entitled to take any action to hinder or interfere with the operation of the Travel Business, enter the premises of the Center or attempt to retake or resume occupancy of the Travel Business or Location while a Dispute is threatened, pending or in the process of being resolved (although following the resolution of a Dispute in accordance with the procedures agreed upon for resolving Disputes, you may attempt to collect any money damages from the transferee awarded to you or to which you are entitled); and

(k) you (or your Owners if you are a Business Entity) agree to not directly or indirectly at any time or in any manner (except with respect to other Travel Businesses you are licensed to operate) identify yourself (or themselves) or any business as a current or former Travel Business, or as one of our Franchisees, use any Mark, any colorable imitation of a Mark, or other indicia of a Travel Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with us.

In connection with any proposed Transfer of a non-controlling interest in you, we may require any or all of the foregoing as conditions to our approval, as applicable, except for the payment of a Transfer Fee

pursuant to Section 17.04(e), in lieu of which, you must pay a Document Administration Fee. You also must pay the Document Administration Fee any time you take any other action that requires us to change existing contracts or prepare additional documents.

For the avoidance of doubt, in no case will we permit the Transfer of this Franchise Agreement as part of a sale of substantially all of the equity in or assets owned by you or your Travel Business. Instead, such acquirer of substantially all of the equity in or assets owned by you or your Travel Business will be required to sign our then-current form of Franchise Agreement to operate your Travel Business. If your Market Area is determined to be insufficiently serviced, this new Franchise Agreement signed by the acquirer may include an adjustment to your Market Area, which may include a reduction in the number of Targeted Households. Your Market Area may be determined to be insufficiently serviced if your average annual Gross Revenue for the final two years prior to the date of Transfer and for the final year prior to the date of Transfer are less than $9.00 (subject to annual CPI Adjustment) per Targeted Household in your Market Area. Additionally, if an independent third-party geographic data analysis suggests that the Market Area granted to you could, at the time of the Transfer, support two or more viable Market Areas, we may make adjustments to the Market Area, which may include a reduction of the number of Targeted Households in the Market Area included in the Franchise Agreement the transferee will enter into.

17.05 Effect of Consent to Transfer

Our consent to a Transfer does not constitute (i) a representation as to the fairness of the terms of any contract between you (or your Owners if you are a Business Entity) and the transferee; (ii) a guarantee that the transferee will be successful in operating the Travel Business; or (iii) a waiver of any claims we may have against you (or your Owners if you are a Business Entity) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

17.06 Transfer to a Business Entity

Notwithstanding the conditions for approval of a Transfer described above, if you are in full compliance with this Agreement, you may transfer this Agreement to a Business Entity that conducts no business other than your Travel Business and, if applicable, other Travel Businesses so long as you own, control and have the right to vote 51% or more of its issued and outstanding ownership interests (like capital stock or partnership interests); provided, however, that: (a) any other Owners of this sole-purpose Business Entity are subject to our approval; (b) you and any other Owners guarantee its performance under this Agreement by signing the Franchisee Owner’s Guaranty; and (c) you and any other Owners agree not to engage in a Competing Business in violation of Section 11.01. The organizational or governing documents of the Business Entity must recite that the issuance and transfer of any ownership interests in the Business Entity are restricted by the terms of this Agreement, are subject to our approval, and all certificates or other documents representing ownership interests in the Business Entity must bear a legend referring to the restrictions of this Agreement. You must reimburse us for any administrative or legal expenses we incur in connection with a Transfer described in this Section 17.06.

17.07 Transfer Upon Death or Disability

Upon your death or disability or, if you are a Business Entity, the death or disability of the Owner of a controlling interest in you, your or such Owner's executor, administrator, conservator, guardian or other personal representative must transfer your interest in this Agreement or such Owner's interest in you to a third party. Such disposition of this Agreement or the interest in you (including, without limitation, transfer by bequest or inheritance) must be completed within a reasonable time, not to exceed 6 months from the date of death or disability, and will be subject to all of the terms and conditions applicable to transfers contained in this Article 17. A failure to transfer your interest in this Agreement or the ownership interest

in you within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "**disability**" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent you or an Owner of a controlling interest in you from managing and operating your Travel Business.

17.08 Operation Upon Death or Disability

If, upon your death or disability, or the death or disability of the Owner of a controlling interest in you, your Travel Business is not being managed by a manager we deem to be reasonably qualified, your or such Owner's executor, administrator, conservator, guardian or other personal representative must, within a reasonable time, not to exceed 30 days from the date of death or disability, appoint a qualified manager to operate your Travel Business. Such manager will be required to complete the Franchisor's required Training at your expense. Pending the appointment of a qualified manager, or if we believe your Travel Business is not being managed properly, we have the right to suspend operation of your Travel Business or, in the alternative appoint a Franchisee or other designee to operate and manage your Travel Business, whose compensation for such management will be at your expense.

18. TERMINATION OF AGREEMENT

18.01 By You

If you (and your Owners if you are a Business Entity) are in compliance with this Agreement and we materially fail to comply with this Agreement and we do not correct or commence correction of such failure within 60 days after written notice of such material failure is delivered to us, you may terminate this Agreement effective 60 days after delivery to us of written notice of termination. Your termination of this Agreement for any other reason or without such notice will be deemed a termination without cause.

18.02 By Us

We have the right to terminate this Agreement immediately upon delivery of written notice of termination to you, if:

(a) you (or any of your Owners) have made any material misrepresentation or omission in connection with your application to be granted a Franchise;

(b) you fail to successfully complete Training to our satisfaction or to open and commence operating your Center within nine months after the Effective Date;

(c) you abandon or fail to actively operate your Travel Business for 3 or more consecutive business days (excluding Sundays and statutory holidays), unless your Travel Business has been closed for a purpose we have approved or because of casualty or government order;

(d) If a threat or danger to public health or safety results from the construction, maintenance or operation of the Center;

(e) you (or any of your Owners) fail to attend without our prior written approval, any of our regional Franchisee meetings or the annual National Conference, the associated costs of which including for travel, lodging and meals are your responsibility;

(f) you breach or fail to comply with any material provision, covenant, warranty, undertaking or obligation in or under any agreement relating to the operation of your Travel Business to

which you are a party, including making timely payments of all amounts due to your creditors, your landlord or any Approved Travel Suppliers, or an event of default occurs under any such agreement to which you are a party which is not cured after any required notice and/or cure period;

(g) you or your agents or your personnel fail to acquire and maintain all licenses, certificates, registrations, approvals or exemptions necessary for your Travel Business, your agents or personnel to fully comply with all federal, state and municipal laws, rules, regulations and ordinances;

(h) you take any action, or fail to act, in a manner which, in our opinion, interferes with or causes harm to our relationships with the Approved Travel Suppliers and Approved Vendors or interferes with or causes harm to the relationship between an Approved Travel Supplier or Approved Vendor and any other Franchisee;

(i) you fail on 2 or more separate occasions to obtain our prior approval of any and all advertising, marketing or promotional plans and materials in whatever form you use in connection with the promotion of the Travel Business;

(j) you fail on 2 or more separate occasions to comply with our policies and procedures with respect to advertising, marketing or promotion and do not correct such failure within 5 calendar days after written notice is delivered to you;

(k) you violate any law, ordinance or regulation and do not begin to cure the noncompliance or violation immediately, and such noncompliance or violation is not corrected within 5 calendar days after written notice is delivered to you;

(l) you fail to enforce and abide by the terms of the Independent Contractor Agreement between you and your Authorized Independent Contractors, including but not limited to the payment of commissions due to your Authorized Independent Contractors.

(m) you (or any of your Owners) have committed a felony or other crime or offense that is likely to adversely affect your reputation, our reputation or the reputation of any other Travel Business (probable cause includes, but is not limited to, a conviction by a trial court or a plea of guilty or no contest);

(n) you (or any of your Owners) engage in any dishonest or unethical conduct that may adversely affect the reputation of your Travel Business or other Travel Businesses or the goodwill associated with the Marks;

(o) you (or any of your Owners) make any unauthorized use or disclosure of any Confidential Information or use, duplicate or disclose any portion of the Manual or CruiseDesk® in violation of this Agreement;

(p) you fail to make payments of any amounts due to us and do not correct such failure within 5 calendar days after written notice of such failure is delivered to you;

(q) you incur 3 or more Insufficient EFT Fees within a 12 month period;

(r) you (or any of your Owners) knowingly maintain false books or records, fail to report any revenues generated by your Travel Business, or submit any false statements, applications or reports to us or any assignee of us;

(s) you fail on 2 or more separate occasions within any period of 12 consecutive months to submit when due reports or other data, information or supporting records, regardless of whether such failures were corrected after written notice of such failure was delivered to you;

(t) you (or any of your Owners) fail to pay when due any federal or state income, service, sales or other taxes due on the operations of your Travel Business, unless you are in good faith contesting your liability for such taxes;

(u) you surrender or transfer control of the operation of your Travel Business without our prior written consent;

(v) you (or any of your Owners) make an unauthorized Transfer of this Agreement or of an ownership interest in you or your Travel Business;

(w) in the event of your death or disability (or the death or disability of the Owner of a controlling interest in you), this Agreement (or such Owner's interest in you) is not assigned as required under this Agreement;

(x) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee or liquidator of all or the substantial part of your property; your Travel Business is attached, seized, subjected to a writ or distress warrant or levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within 30 days; or any order appointing a receiver, trustee or liquidator of you or your Travel Business is not vacated within 30 days following the entry of such order; or

(y) you (or any of your Owners) fail to comply with any other provision of this Agreement , including any policies and procedures established by Approved Travel Suppliers, and do not correct such failure within 30 days after written notice of such failure is delivered to you.

While you are in default of the Franchise Agreement, penalties, as set out in the Manual, will be imposed until such default is cured.

19.RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION

19.01 Payment of Amounts Owed to Us

Upon the termination or expiration of this Agreement, we may debit your Account through an EFT for all other fees, including interest due thereon and all other amounts owed to us which are then unpaid. If we elect not to debit your Account through an EFT, you will pay us the foregoing amounts within 15 days after the effective date of termination or expiration of this Agreement, or on such later date that the amounts due to us are determined.

19.02 Marks

Upon the termination or expiration of this Agreement:

(a) you may not, directly or indirectly, at any time or in any manner (except with respect to other Travel Businesses you own and operate) identify yourself or any business as a current or former Franchisee, use any Mark, any colorable imitation of a Mark or other indicia of a Travel Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that indicates or suggests a connection or association with us, except in connection

with provision of a resume/CV (or similar disclosure) or in a personal profile on LinkedIn (or similar professional networking platform) identifying past business or work experience;

(b) you will deidentify your Center, as soon as reasonably possible but within seven (7) days or less of following the date of termination or expiration;

(c) you agree to not challenge the validity of any trademarks or trade names owned or used by us, Expedia, CII or their Affiliates;

(d) you will take such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(e) you agree within 30 days after, as applicable, the date of expiration of this Agreement or the Notification Date (defined below) to dispose of and provide proof, if requested, all marketing materials, forms and other items and materials containing any Mark or otherwise identifying or relating to a Travel Business;

(f) you will notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, telecopy or other numbers and any regular, classified or other telephone directory listings associated with any Mark, authorize the transfer of such numbers and directory listings to us or at our direction or instruct the telephone company to forward all calls made to your telephone numbers to numbers we specify;

(g) you will remove all instances of the Marks and any information pertaining to your Travel Business on any websites or online profiles owned, operated created, or controlled by you, including but not limited to co-branded and social media websites, except in connection with provision of a resume/CV (or similar disclosure) or in a personal profile on LinkedIn (or similar professional networking platform) identifying past business or work experience; and

(h) you will furnish to us, within 30 days after, as applicable, the date of termination or expiration of this Agreement, with evidence of your compliance with the foregoing obligations in a form satisfactory to us.

19.03 Confidential Information

Upon termination or expiration of this Agreement, you will immediately cease to use any of our Confidential Information in any business or otherwise and destroy or surrender all copies of the Manual and any other confidential materials that we have loaned to you, regardless of form, in the manner specified by us. We may require you to provide evidence to our satisfaction of such destruction or otherwise certify your compliance with these requirements.

19.04 No Disparagement

Neither party will publicly disparage the other party, any Approved Travel Suppliers, or any of their respective Affiliates. This obligation excludes any statements or information required to be disclosed pursuant to any law or order of any court or government authority.

19.05 Competitive Restrictions

(a) Upon termination or expiration of this Agreement for any reason whatsoever (except where you have entered into an Additional Term Franchise), you and your Owners agree that, for a period of two (2) years commencing on the effective date of termination or expiration of this Agreement, neither

you nor any of your Owners will engage in a Competing Business in violation of Section 11.01, except that the limitation on ownership of or service to a Competing Business shall be limited to Competing Businesses located within your Market Area and a radius of ten (10) miles of your Market Area or the market area of any one of our other franchisees in existence as at the date of the termination or expiration of this Agreement.

(b) If any person subject to the foregoing restrictions under Section 19.05(a) refuses to comply voluntarily with the foregoing obligations, the two-year period will be extended to include two (2) years from the entry of an order of an arbitrator, or court if necessary, enforcing this provision.

(c) You and your Owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section 19.05 will not deprive you of your personal goodwill or ability to earn a living.

(d) You will promptly obtain and deliver to us agreements containing similar covenants as those contained in this Section 19.05 and in a form satisfactory to us, signed by all personnel performing managerial or supervisory functions and all personnel receiving training from you. Without limiting your obligations under this Section 19.05, persons required to sign such agreements will include your managerial personnel and all Owners, officers, directors and partners, if any, all of which agreements you will strictly enforce.

19.06 Payment of Service Fees

Upon termination of this Agreement for any reason whatsoever or upon expiration of this Agreement where you have not entered into an Additional Term Franchise, the Service Fee will apply to and be due on all Gross Revenues for all sales bookings made during the Term of this Agreement which have not been transferred to either the Franchisor or another Expedia Cruises® franchisee.

We will generate a report from information that is stored in CruiseDesk® and from information provided by our Approved Travel Suppliers to determine the total amount of Service Fees that will be owing, subject to Section 19.08, and will invoice you for that amount.

19.07 Assumption of Center Leases

Upon termination of this Agreement pursuant to Section 18.02, you shall assign to us or a nominee upon our request, unless not otherwise assigned pursuant to the terms of the Lease Addendum, the Lease(s) for the Center, which assignment we may require to be made under your corporate seal and in a form and on terms and conditions satisfactory to us.

19.08 Continuity of Business Activity

Upon termination of this Agreement for any reason whatsoever or upon expiration of this Agreement where you have not entered into an Additional Term Franchise, Franchisor shall have the right to take such actions it deems reasonable and appropriate in order to maintain the customers' and the Authorized Independent Contractors' satisfaction and relationship with Expedia Cruises®, including the following:

(a) All bookings that have not completed travel at the date of expiration or termination of this Agreement will be transferred to the Franchisor, or to another Expedia Cruises® franchisee at the Franchisor's sole discretion. If for any reason the booking is not transferred to the Franchisor or another Expedia Cruises® franchisee, you are responsible to ensure that the customer receives all pricing, amenities and benefits (including but not limited to onboard credits) as if the booking were to have remained with

Expedia Cruises®. For bookings that are unable to be transferred, or for which you have received or will receive commission from the supplier, you will pay Independent Contractors at 100% of the Commission Compensation Level.

(b) You will provide us with written consent or other such documentation as may be required by Approved Travel Suppliers in order to transfer to us, or to another Expedia Cruises® franchisee as the case may be, all bookings and any commission payments for travel that has not completed at the date of termination or expiration of this Agreement.

(c) You will pay all commission and other amounts owed to Authorized Independent Contractors for all Gross Revenues received during the Term of this Agreement and subsequent to the expiration or termination of this Agreement.

(d) You will pay all required commission and other amounts owed to Authorized Independent Contractors on a timely basis not later than fifteen (15) days after receipt of an invoice, including such payments as outlined in the Independent Contractor Agreement under the Payment of Commissions upon Termination section.

(e) Any data pertaining to customers, prospective customers, Authorized Independent Contractors or prospective Authorized Independent Contractors acquired as a result of the operation of the Travel Business during the Term of this Agreement, during the term of any prior franchise agreement between you or any of our Affiliates and the Franchisor, or during any subsequent Additional Term Franchise(s) shall remain the property of Franchisor and Franchisor shall have the unrestricted right to contact and market to those parties.

19.09 Independence of Covenants

The parties agree that each of the covenants in this Article 19 shall be construed as independent of each other and of any other covenant or provision of this Agreement. If any or all portions of the covenants contained herein is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

19.010 Modification of Covenants

You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Section 19.05 or any portion thereof, without your consent, effective immediately upon receipt by you of written notice thereof, and you agree that it shall forthwith comply with any covenant as so modified.

19.011 Enforcement of Covenants

You expressly agree that the existence of any claims you may have against us shall not constitute a defense to our enforcement of the covenants contained in this Agreement. You agree to pay all costs and expenses (including reasonable attorneys' fees) we incur in connection with the enforcement of the covenants set forth in this Agreement.

19.012 Continuing Obligations

All of our and your (and your Owners') obligations which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Examples include indemnification, payment, de-identification and dispute resolution provisions.

19.013 Our Purchase of Certain Assets

(a) In the event of termination of this Agreement pursuant to Section 18.02 and subject to the rights of third party creditors, you and your Owners grant to us or our nominee the option to purchase from you at fair market value at the time of termination any portion or the entire inventory, supplies, furniture, fixtures and equipment situated in the Center, which option may be exercised by our written notice to you within thirty (30) days of the termination of this Agreement. The exercise notice will state our desire or our nominee's desire to purchase some or all of the aforementioned inventory, supplies, furniture, fixtures and equipment. We or our nominee will pay the purchase price to you on your delivery of the documents necessary, in the opinion of our counsel, or our nominee to transfer the inventory, supplies, furniture, fixtures and equipment and delivery and payment of the purchase price will take place on a date not more than twenty-one (21) days following the determination pursuant to Section 19.13(c) of the fair market value of the property to be transferred.

(b) In the event that we terminate this Agreement pursuant to Section 18.02 and we sublease the Center to you and the sublease or the lease of the Center is assigned to us pursuant to the provisions of Sections 5.03, 19.07 and/or the Lease Addendum, and subject to the rights of third parties pursuant to financing arrangements, we will purchase from you and you will sell to us, at the fair market value at the time of termination, the leasehold improvements at the Center.

(c) We and you will agree on the fair market value of all inventory, supplies, furniture, fixtures, equipment and leasehold improvements we or our nominee purchase under this Section 19.13 and, in the event of a failure to mutually agree within forty-five (45) days of the termination of this agreement, fair market value will be determined by a qualified appraiser mutually agreed on by you and us or our nominee. If we or our nominee and you cannot mutually agree on an appraiser within a further period of ten (10) days, the appraiser will be selected by our accountants, which selection will be binding on the parties.

20. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

20.01 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between the Parties, that you and we are and will be independent contractors and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner or employee of the other for any purpose. You will identify yourself conspicuously in all dealings with customers, suppliers, public officials, personnel and others as the Owner of your Travel Business under a Franchise we have granted to you and place such notices of independent ownership on such forms, business cards, stationery and advertising and other materials as we may require from time to time. If you do not do so, we may place the notices and accomplish the foregoing as we see fit, and you must reimburse us for doing so.

20.02 No Liability for Acts of Other Party

You will not employ any of the Marks in signing any contract or applying for any license or permit, or in a manner that may result in our liability for any of your indebtedness or obligations. You will not use the Marks in any way we have not expressly authorized. Neither you nor we will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other, represent that our respective relationship is other than franchisor and franchisee or be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized in writing. We will not be obligated for any damages to any Person or property directly or indirectly arising out of the operation of your Travel Business.

20.03 Taxes

We will have no liability for any taxes levied upon you or your Travel Business, including, without limitation and by way of example, sales, use, service, occupation, excise, gross receipts, income, payroll or property taxes (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility.

20.04 Indemnification

(a) **By You:** You will indemnify, defend and hold us and all our Affiliates, partners, directors, officers, employees, agents, successors and assigns (the "**Franchisor Indemnified Parties**") harmless against and reimburse any one or more of the Franchisor Indemnified Parties for all claims, liabilities, obligations and damages including any and all taxes described in Section 20.03, directly or indirectly arising out of the operation of your Travel Business. We have the right to defend any such claim against us. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Franchisor Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses, in order to maintain and fully recover a claim against you. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Franchisor Indemnified Party may recover from you.

(b) **By Us:** We will indemnify, defend and hold you and all your partners, directors, officers, employees, agents, successors and assigns (the "**Franchisee Indemnified Parties**") harmless against and reimburse any one or more of the Franchisee Indemnified Parties for all claims, liabilities, obligations and damages directly arising out of any infringement, or alleged infringement of a third party's rights by virtue of the programs, software, systems, trade names and other intellectual property we provide or license to you. You have the right to defend any such claim against you. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will you or any other Franchisee Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate your, their or our losses and expenses, in order to maintain and fully recover a claim against us. We agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts you or another Franchisee Indemnified Party may recover from us.

(c) For purposes of this Section 20.04, "**claims**" includes all obligations, liabilities, damages (actual, consequential or otherwise) and costs reasonably incurred in the defense of any claim against any of the Franchisor Indemnified Parties or Franchisee Indemnified Parties, including, without limitation, reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration or alternative dispute resolution, travel and living expenses.

21. INSURANCE

21.01 Mandatory Insurance

You must, at all times during the Term, maintain in full force and effect, a travel agent professional liability policy (travel agent error and omissions) in the minimum amounts we specify in the Manual, on a per occurrence basis, and other insurance coverages in the minimum amounts we prescribe from time to time in the Manual, including, without limitation, comprehensive general liability insurance, fire and extended coverage insurance on equipment, leasehold improvements and stock at the Center, and business interruption insurance coverage. We may periodically increase or decrease the amounts of coverage

required under these insurance policies and require different or additional kinds of insurance at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes and circumstances. Alternatively, you may self-insure your travel agent errors and omissions insurance, provided you demonstrate to our satisfaction that you have set aside and maintain an adequate reserve for claims that would be covered under a typical errors and omissions insurance policy.

21.02 Group Policies

You must obtain and participate in any group errors and omissions insurance policies we designate from time to time. We may recover from you the costs and premiums for such group policies as an EFT.

21.03 Policy Terms

All insurance policies must:

(a) be issued by an insurance company meeting our minimum ratings as described in the Manual;

(b) not contain a provision which in any way limits or reduces coverage for us in the event of any claim by us or our directors, officers or agents;

(c) provide indemnity for all obligations assumed by you under this Agreement and all items for which you are required to indemnify us under the provisions of this Agreement or otherwise;

(d) name us and our Affiliates as additional insureds;

(e) contain a waiver of the insurance company's right of subrogation against us;

(f) provide that the insurance company will provide us with at least 15 days prior written notice of termination, expiration, cancellation or material modification of any policy; and

(g) provide that you cannot reduce the policy limits, restrict coverage, cancel or otherwise alter or amend the policies without our prior written consent.

21.04 Evidence of Coverage

Before the expiration of the term of each insurance policy, at our request, you must furnish us with a copy of each new, renewal or replacement policy (or at our option, a certificate evidencing such policy) you have obtained to extend your coverage, along with evidence of the premium payment. If you do not maintain the required insurance coverage, or do not furnish us with satisfactory evidence of insurance coverage and premium payments, we may obtain, at our option and in addition to our other rights and remedies under this Agreement, any required insurance coverage on your behalf. If we do so, you must fully cooperate with us in our effort to obtain the insurance policies and must promptly sign all forms required to obtain or maintain the insurance. You must also allow any inspections of your Travel Business required to obtain or maintain the insurance. Finally, you must pay us any costs and premiums we incur in obtaining insurance on your behalf, which we may draft from your Account as an EFT. Neither your obligation to maintain insurance coverage nor our maintenance of insurance on your behalf will reduce or absolve you of any obligations of indemnification described in this Agreement.

22. ACKNOWLEDGMENTS AND REPRESENTATIONS

22.01 Acknowledgments

By signing this Agreement, you acknowledge:

(a) the importance of operating your Travel Business in strict conformity with our standards;

(b) you have conducted an independent investigation of owning and operating a Travel Business as a Franchisee under this Agreement and recognize that the nature of being a Franchisee may evolve and change over time, that an investment in your Travel Business involves business risks and that your business abilities and efforts are vital to your success as a Franchisee;

(c) you recognize the benefits to be derived from being a Franchisee and being able to utilize the System and the Marks which we make available to you;

(d) you have read this Agreement and our Franchise Disclosure Document and understand and accept the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards by each Travel Business to protect and preserve the goodwill of the System and the Marks;

(e) in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity and that all business dealings between you and such Persons as a result of this Agreement are solely between the Parties;

(f) we have advised you to have this Agreement reviewed and explained to you by a professional, such as an attorney and/or accountant;

(g) any statements regarding the potential or probable revenues, sales or profits of Franchisees are made solely in the Franchise Disclosure Document delivered to you prior to signing this Agreement;

(h) any statement regarding the potential or probable revenues, sales or profits of Franchisees or statistical information regarding any existing Franchisee that is not contained in our Franchise Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately;

(i) any information you obtain from our Franchisees relating to sales, revenues, profits, cash flows or otherwise does not constitute information obtained from us and we do not warrant or guarantee the accuracy of any such information;

(j) you have not received nor relied upon any representations about being a Franchisee made by us, our officers, directors, employees or agents, that are contrary to the statements made in our Franchise Disclosure Document or to the terms of this Agreement; and

(k) we have approved your request to become a Franchisee in reliance on all of your representations and acknowledgments.

If there are any exceptions to any of the foregoing, you must: (i) immediately notify us; and (ii) note such exceptions by attaching a statement of exceptions to this Agreement prior to signing it (any such statement must be signed by each of the Parties).

22.02 Representations

You represent to us, as an inducement to our execution of this Agreement, that all statements you have made and all materials you have submitted to us in connection with your application for a Franchise are accurate and complete and that you have made no misrepresentations or material omissions in becoming a Franchisee.

22.03 Representations of your Business Entity

If you are at any time a business organization ("**Business Entity**") (for example, a corporation, a limited liability company or a partnership) you represent and warrant to us that:

(a) you have the authority to execute, deliver and perform your obligations under this Agreement and you are duly organized or formed and validly existing in good standing under the laws of the country or state of your incorporation or formation;

(b) your organizational or governing documents will recite that the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

(c) your Owners will execute and deliver to us our then-current form of "Franchisee Owners Statement" attached hereto as Schedule E, that completely and accurately describes all of your Owners and their interests in you;

(d) you and your Owners will revise the Franchisee Owners Statement as may be necessary to reflect any ownership changes and to furnish such other information about your organization or formation as we may request within 30 days of any change. No ownership changes that reduce your ownership below 51% may be made without our prior approval;

(e) each of your Owners and their spouses will sign and deliver to us our then-current form of "Franchisee Owner's Guaranty" attached hereto as Schedule F, undertaking to be bound jointly and severally by all provisions of this Agreement and any other agreements between the Parties;

(f) at our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of your owners and agents (like Articles of incorporation or organization and partnership, operating or shareholder agreements).

22.04 No Guarantees

We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, expressed or implied, as to the revenues, sales, profits or success of the business venture contemplated by this Agreement or the extent to which we will continue to develop and expand the network of Franchisees.

23. DISPUTE RESOLUTION

23.01 Mediation

(a) Subject to applicable franchise statute and subject to the exceptions in the following sentence, the Parties will undertake in good faith to mediate and settle any and all disputes between us and you before pursuing legal action, either through: (x) a face-to-face meeting in accordance with the process

set forth in clauses 23.01(b) and (c) below, or (y) mediation before an independent mediator in accordance with the process set forth in clauses 23.01(b) and 23.01(d) below. Such meeting shall be held at our offices or such other site in the State of Washington as we may designate. The foregoing requirement to mediate disputes will not apply when (i) we seek injunctive relief pursuant to other provisions of this Agreement, or (ii) we are a party to litigation brought by third parties as a direct or indirect result of or in connection with the operation of the Travel Business, or (iii) this Agreement terminates immediately pursuant to the provisions of Article 18 above.

(b) If a Party alleges a dispute against the other Party for any reason (other than for matters described in clauses 23.01(a)(i) through (a)(iii) above), such Party shall submit a written statement of dispute, together with an explanation of its position and a request for either a face-to-face meeting, a video conference or a telephone conference, to the opposing Party or non-binding mediation.

(c) If a face-to-face meeting, a video conference or a telephone conference is requested, the Parties shall then meet in person, virtually (by video conference) or telephonically within the next seven (7) days of the written statement of dispute in an effort to negotiate a settlement to the dispute. Any face-to-face meeting shall be held at our offices unless the Parties mutually agree otherwise, in writing. In the case of a dispute over monies past due and owing or any other grounds for termination of this Agreement described in any default or termination notice issued by us for which a cure period is provided, you must submit your written statement of dispute and position within fourteen days of receipt of the default or termination notice. The submission of a statement of your dispute and position in response to such notice for monies past due and owing shall not toll any cure period set forth in such notice. Each Party is responsible for its own expenses incurred in connection with the foregoing procedures.

(d) If non-binding mediation is requested, such mediation shall be held at our offices or such other site in the State of Washington as we may designate for a minimum of eight hours before an independent mediator appointed (i) in accordance with the Commercial Mediation Rules and Regulations of the American Arbitration Association ("AAA"); or (ii) by the Parties if the Parties agree in writing on the appointment of a mediator within ten (10) days after either Party gives written notice of mediation. At least one principal of each Party, with authority to settle the dispute, shall attend the meeting or participate in the telephone conference or mediation. Each Party agrees that any legal proceedings subsequently commenced against the other Party shall be limited to claims raised in that Party's written statement of dispute or response. All matters, allegations and documents will be confidential and will not be disclosed to any other person or entity by either Party. Each Party is responsible for its own expenses incurred in connection with mediation except that the Parties shall share equally the mediator's and any related AAA fees and expenses.

(e) For purposes of this Agreement, a "**Dispute**" means any litigation, claim, dispute, suit, action, controversy, proceeding or otherwise between or involving: (i) you and us or our respective partners, officers, employees, agents, attorneys, accountants, guarantors; or (ii) you and any other Franchisee. In the case of a Dispute between you and any other Franchisee pursuant to Section 23.01(e)(ii), the term "Party" means each of you and the other Franchisee(s) involved in the Dispute for purposes of applying the terms of Article 23 and other relevant terms in this Agreement as necessary to give effect to the provisions herein.

23.02 Disputes Subject to Arbitration

(a) The following Disputes which are not resolved after a meeting or non-binding mediation pursuant to Section 23.01 (or within 45 days of notice from you to another one of our Franchisees if you have a dispute with another Franchisee) are subject to resolution through arbitration:

i. any Dispute between or involving you and us or our respective partners, officers, employees, agents, attorneys, accountants, guarantors or otherwise; and

ii. any Dispute between or involving you and any other Franchisee.

The following Disputes will not be subject to the foregoing arbitration requirements:

i. any claims for injunctive relief;

ii. actions in which we are a party to a suit brought by third parties as a direct or indirect result of or in connection with the operation of your Travel Business; and

iii. Disputes related to or based on the Marks (which at our sole option may be submitted to any court of competent jurisdiction).

23.03 Arbitration Rules

(a) The arbitration will be conducted by the American Arbitration Association pursuant to its commercial arbitration rules. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by any state arbitration law. The parties to any arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

(b) The arbitration proceedings will be conducted at our then-current headquarters. Any Dispute and any arbitration proceeding will be conducted and resolved on an individual basis only and not a class-wide, multiple plaintiff or similar basis. Any such arbitration proceeding will not be consolidated with any other arbitration proceeding involving any other Person, except for Disputes involving Affiliates of the parties to such arbitration. The Parties agree that, in connection with any such arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure (28 U.S.C. Appendix)) within the same proceeding as the dispute to which it relates. Any such Dispute not submitted or filed in such proceeding will be barred.

The arbitration proceedings will be heard by one arbitrator appointed in accordance with AAA commercial arbitration rules within sixty days after a written demand for arbitration has been made unless the Parties mutually agree on an arbitrator before then. Subject to the limitations described below, the arbitrator will have the right to award any relief that he deems proper in the circumstances, including, for example, money damages, and reimbursement of attorneys' fees and related costs to the prevailing party. The arbitrator will not have the authority to award exemplary or punitive damages except as otherwise permitted by this Agreement, nor the right to award injunctive relief or declare any mark generic or otherwise invalid. You and we agree to be bound by the provisions of any limitations on the time in which claims must be brought under applicable law or under this Agreement, whichever expires earlier. The award and decision of the arbitrator will be final, non-appealable, and binding and judgment on the award may be entered in any court of competent jurisdiction. The Parties acknowledge and agree that any arbitration award may be enforced against either or both of them in a court of competent jurisdiction and each waives any right to contest the validity or enforceability of such award. Without limiting the foregoing, each Party will be entitled in any such arbitration proceeding to the entry of an order by a court of competent jurisdiction pursuant to an opinion of the arbitrator for specific performance of any of the requirements of this agreement.

In the case of a Dispute between you and any other Franchisee(s), you will keep us informed on a timely basis of all developments, proceedings, determinations, and settlement or resolution agreements with respect to such Dispute.

23.04 Limitations on Arbitration

(a) Money Damages. The arbitrator may not award money damages payable by us that exceeds the total amount you have paid to us for the Initial Franchise Fee.

(b) Injunctive Relief. We reserve the right to seek temporary or permanent injunctive relief solely in courts of competent jurisdiction. If the arbitrator awards temporary or permanent injunctive relief against us without our prior written consent, such award will not be binding against us.

(c) Time Barred Claims. The arbitrator is not authorized to award relief on claims that would be otherwise barred by an applicable statute of limitations or other agreement between the Parties.

(d) Limitations on the Arbitrator. The Arbitrator will be bound by all remedies and limitations in this Agreement, including those expressed in Article 24.

24. ENFORCEMENT

24.01 Severability; Substitution of Valid Provisions

Except as otherwise stated in this Agreement, each provision of this Agreement, and any portion of any provision, is severable. The remainder of this Agreement will continue in full force and effect. To the extent that any provision restricting your competitive activities is deemed unenforceable, you and we agree that such provisions will be enforced to the fullest extent permissible under governing law. This Agreement will be deemed automatically modified to comply with such governing law if any governing law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking of some other action not described in this Agreement; or (c) if any of our System Standards are invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent necessary to be valid and enforceable. In such event, you will be bound by the modified provisions.

24.02 Waivers

Our right to demand exact compliance with any of the provisions of this Agreement will not be waived if: (a) we do not exercise a right or power available to us under this Agreement; or (b) we do not insist on your strict compliance with the terms of this Agreement; or (c) if a custom or practice exists which varies from the provisions of this Agreement; or (d) if we accept payments which are otherwise due to us under this Agreement. Similarly, our waiver of any particular breach or series of breaches under this Agreement or of any similar provision in any other agreement between the Parties or between us and any other Franchisee, will not affect our rights with respect to any later breach by you or anyone else.

24.03 Limitation of Liability; Force Majeure

Neither of the Parties will be liable for loss or damage nor be in breach of this Agreement if failure to perform results from:

(a) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state or municipal government or any department or agency thereof;

(b) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material, or energy;

(c) war, strikes, terrorist attacks, natural disaster or acts of God; or

(d) acts or omissions of a similar event or cause.

Any delay resulting from any of these causes extends performance accordingly or excuses performance as may be reasonable, except that these causes do not excuse payments of amounts owed to us for any reason.

24.04 Approval and Consents

Whenever this Agreement requires our advance approval, agreement or consent, you will make a timely written request for it. Our approval or consent will not be valid unless it is in writing. Except where expressly stated otherwise in this Agreement, we have the right to refuse any request by you or to withhold approval of any action or omission by you. We are not bound to (i) approve or consent to any action; (ii) exercise our judgment in any decision making process; or (iii) approve or disapprove or determine whether to consent to any action or request. If we (x) provide to you any waiver, approval, consent, or suggestion; or (y) neglect or delay our response; or (z) deny any request for any of those, we will not be deemed to have made any warranties or guarantees which you may rely on, and we will not assume any liability or obligation to you.

24.05 Waiver of Punitive Damages

Except for your obligations to indemnify us pursuant to Section 20.04 of this agreement and claims for unauthorized use of the Marks or Confidential Information, you and we each waive to the full extent permitted by law any right to, or claim for, any punitive or exemplary damages against the other. You and we also agree that, in the event of a dispute between the Parties, the Party making a claim will be limited to equitable relief and recovery of any actual damages it sustains.

24.06 Limitations of Claims

Any and all claims arising out of this Agreement or the relationship between the Parties must be made by written notice from one Party to the other Party within one year from the occurrence of the facts giving rise to such claim (regardless of when it becomes known); except for claims arising from: (a) under-reporting of Gross Revenue; (b) under-payment of amounts owed to us; (c) claims for indemnification; or (d) unauthorized use of the Marks. However, this provision does not limit a Party's right to terminate this Agreement in any way.

24.07 Governing Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. 1051, et seq.) or other federal law, this Agreement and the Franchise are governed by the laws of the State of Washington, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. All matters relating to arbitration are governed by the Federal Arbitration Act. References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

24.08 Jurisdiction and Venue

The Parties: (i) consent and irrevocably submit to the jurisdiction and venue of any state court of competent jurisdiction located in the county where our headquarters are then located; (ii) consent and irrevocably agree to submit to the jurisdiction and venue of any federal or state court where our headquarters are then located; and (iii) consent and irrevocably waive any objection to the jurisdiction and venue of such courts. The exclusive choice of jurisdiction does not preclude the bringing of any action by a Party or the enforcement by a Party in any judgment obtained in any such jurisdiction, in any other appropriate jurisdiction or the right of the Parties to confirm or enforce any arbitration award in any appropriate jurisdiction.

24.09 Waiver of Jury Trial

Each Party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Party.

24.010 Cumulative Remedies

The rights and remedies provided in this Agreement are cumulative and neither Party is prohibited from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

24.011 Costs and Attorneys' Fees

If a claim for amounts owed by you to us is asserted in any legal or arbitration proceeding or if either Party is required to enforce this Agreement in a judicial or arbitration proceeding, the Party prevailing in such proceeding will be entitled to reimbursement of its costs and expenses, including reasonable accounting and attorneys' fees. Attorneys' fees will include, without limitation, reasonable legal fees charged by attorneys, paralegals, and costs and disbursements, whether incurred prior to, in preparation for, or contemplation of, the filing of written demand or claim, action, hearing, or proceeding to enforce the obligations of the Parties under this Agreement.

24.012 Binding Effect

This Agreement is binding on and will inure to the benefit of our successors and assigns. Except as otherwise provided herein, this Agreement is binding on your successors, assigns, heirs, executors and administrators.

24.013 Entire Agreement; Modifications

This Agreement, including the introduction and attachments, constitutes the entire agreement between the Parties. There are no other oral or written understandings or agreements between the Parties concerning the subject matter of this Agreement. Except as expressly provided otherwise in this Agreement, this Agreement may be modified only by written agreement signed by each of the Parties. Nothing in this Agreement or any related agreement is intended to disclaim the representations we have made in our Franchise Disclosure Document.

24.014 No Liability to Others; No Other Beneficiaries

We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any Person who is not a party to this Agreement. Except as specifically described in this Agreement, no other party has any rights because of this Agreement.

24.015 No Set-Off

You may not withhold payment of any amounts due to us or our Affiliates hereunder on grounds of alleged non-performance by us of any of our obligations, hereunder.

24.016 Construction

The headings of the sections are for convenience only. If 2 or more Persons are at any time Franchisees hereunder, whether or not as partners or joint venturers, their obligations and liabilities to us are joint and several. This Agreement may be signed in multiple copies and counterparts, each of which will be an original. The use of the word "or" shall be construed as "and/or" as appropriate unless specifically otherwise indicated (*i.e.,* "A or B" means: "A" or "B" or both "A" and "B").

24.017 Certain Definitions

In the case of a Business Entity, the term "**Affiliate**" means any Person directly or indirectly Controlled or, under Control of such Business Entity. In the case of an individual, the term "Affiliate" includes parents, spouses, offspring and siblings, and the parents and siblings of spouses. The terms "**Franchisee", "Franchise Owner", "you" and "your**" are applicable to one or more persons, a Business Entity, as the case may be. The singular use of any pronoun also includes the plural and the masculine and neuter usages include the other and the feminine. The term "**Person**" includes individuals or Business Entities. The term "**section**" refers to a section or subsection of this Agreement. The word "**Control**" means the power to direct or cause the direction of management and policies. The word "**Owner**" means any person holding a direct or indirect, legal or beneficial ownership interest or voting rights in another person (or a transferee of this Agreement or an interest in you), including any person who has a direct or indirect interest in you or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself any legal or equitable interest, in the revenue, profits, rights or assets. The term "**Owner**" means any owner of an equity interest in you, the Franchisee.

24.018 Time is of the Essence

It will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement. In computing time periods from one date to a later date, the words "from" and "commencing on" (and the like) mean "from and including"; and the words "to," "until" and "ending on" (and the like) mean "to but excluding". Indications of time of day mean the time of day where our headquarters are then located.

24.019 Notices and Payments

All written notices and reports permitted or required under this Agreement or by the Manual will be deemed delivered:

(a) (i) one (1) business day after being directed by electronic mail to the address specified in this Agreement or upon acknowledgment of receipt by the recipient, whichever occurs first;

(ii) two (2) business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or

(iii) three (3) business days after placement in the United States mail by certified mail, return receipt requested, postage prepaid.

(b) All such notices must be addressed to the Parties as follows:

If to Us:	CruiseShipCenters USA Inc. 1111 Expedia Group Way West Seattle, Washington 98119 ec_franchising@expediagroup.com
If to You:	[Name of Franchisee] [Address of Franchisee] [Address of Franchisee] Attention: [Name of Owner] [Email Address]

Either Party may change the address for delivery by providing written notice to the other party. Such notice must be delivered within 10 business days of the change in address. Any required payment or report not actually received by us during regular business hours on the date due will be delinquent unless the deemed delivery date is on or before the due date.

25.ECONOMIC SANCTIONS

25.01 Your Representation

You represent and warrant on a continuing basis that (a) you are not (i) the direct or indirect subject of, (ii) owned or controlled by those that are the subject of, or (iii) acting in violation of (including, but not limited to, marketing or promotional activities) any Economic Sanctions; (b) no payments made by us shall be used in violation of Economic Sanctions and no payments received by us are related to, or otherwise generated by, activities that have taken place in violation of Economic Sanctions; and (c) you will notify us immediately in respect of any breach of this Section 25, any breach shall be deemed a material breach not capable of remedy, and we may immediately terminate this Agreement.

25.02 Our Representation

We represent and warrant on a continuing basis that (a) we are not (i) the direct or indirect subject of, (ii) owned or controlled by those that are the subject of, or (iii) acting in violation of (including, but not limited to, marketing or promotional activities) any Economic Sanctions; (b) no payments by you shall be used in violation of Economic Sanctions and no payments received by you are related to, or otherwise generated by, activities that have taken place in violation of Economic Sanctions; and (c) we will notify you immediately in respect of any breach of this Section 25, any breach shall be deemed a material breach not capable of remedy, and you may immediately terminate this Agreement.

25.03 Definition

For the purposes of this Section 25, "**Economic Sanctions**" means trade or financial sanctions measures administered, enacted or enforced from time to time by (a) the United States of America, (b) the United Nations Security Council, (c) the European Union or any of its Member States, and/ or (d) any country within the United Kingdom.

INTENDING TO BE BOUND, the Parties sign and deliver this Agreement.

[NAME OF FRANCHISEE]	**CRUISESHIPCENTERS USA INC.**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date:_____	Date:_____

SCHEDULE A

NON-RECURRING FEES

Initial Franchise Fee: $49,000

RECURRING FEES

1. **Service Fee:** 9% of Gross Revenues payable on the fifteenth (15th) day of each month.

2. **Location** (Address)**:** [If not known - To be determined in accordance with the provisions of Section 2.04 of this Agreement.]

3. **Market Area (**includes the following U.S. zip codes)**:** *[If not known - To be determined by the Franchisor upon finalization of a Location and comprising of zip codes within _____.]*

   In the event of changes to the zip codes by the United States Postal Service or another government agency out of our control, we reserve the right to adjust the Market Area accordingly, which may result in a Market Area that is defined for greater clarity by boundaries or landmarks instead of zip codes.

   We reserve the right to adjust the Market Area upon finalization of the Location for the Center. Adjustments to the Market Area are subject to mutual agreement of the Parties.

4. **Management Information Systems Fee:** 2% of Gross Revenues up to the Annual Threshold Level, payable on the fifteenth (15th) day of each month.

   The Annual Threshold Level for Gross Revenues will be:

   i. $212,500 for calendar year 2026; and
   ii. for 2027 and thereafter will be increased by an annual CPI Adjustment (See Section 7.07).

   The Annual Threshold Level will be prorated for those who have a non-calendar fiscal year end.

   No MIS Fees are payable on Gross Revenues in excess of the Annual Threshold Level.

   This fee includes CruiseDesk® license fee for the owner(s) or administrative (non-selling) employees of the Franchisee, up to a maximum of 2 individuals.

5. **Marketing Fee:** 4% of Gross Revenues up to the Annual Threshold Level, payable on the fifteenth (15th) day of each month.

   The Annual Threshold Level for Gross Revenues will be:

   i. $212,500 for calendar year 2026; and
   ii. for 2027 and thereafter will be increased by an annual CPI Adjustment (See Section 7.07).

The Annual Threshold Level will be prorated for those who have a non-calendar fiscal year end.

No Marketing Fees are payable on Gross Revenues in excess of the Annual Threshold Level.

SCHEDULE B

TRADEMARKS

Trademark	**U.S. Application or Registration No.**
Expedia Cruises®	5,913,742
Expedia Cruceros®	88/850,808
	3,394,242
CruiseShipCenters	2,420,453
CruiseShipCenters & Design	3,387,898
Ship and Compass Icon (Rose of Winds)	3,394,242
CruiseDesk	3,301,779
CruiseDesk	3,347,912
Expedia® CruiseShipCenters®*	EXPEDIA is covered by Reg. No. 2,612,384
	EXPEDIA is covered by Reg. No. 2,612,384
CruiseShipNews	3,638,392
CruiseShipFlash	3,356,152
CruiseShipWeekly	3,324,007
Cruise To Success	2,699,449
7 SEAS CLUB	4,781,623
International Cruise Academy	3,362,322
Dream Voyages	3,621,381
Stronger.Together	3,533,014

*When using the Combination Marks, the Expedia® mark must be of a prominence that is equal to or lesser than that of the the word “Cruises” (or “Cruceros”), within the Combination Mark.

SCHEDULE C

LEASE ADDENDUM

THIS ADDENDUM TO LEASE ("Addendum") made and entered into this ____ day of _____, _____, by and among _____ (hereinafter referred to as the "Landlord"), with its principal offices at_____; and _____ (hereinafter referred to as the "Tenant"), with its principal offices at _____.

W I T N E S S E T H:

WHEREAS, the Landlord and the Tenant have executed a lease agreement dated _____ (the "Lease") for the premises described in Section _____of the Lease (the "Leased Premises") for use by the Tenant as an Expedia Cruises® travel agency to be operated pursuant to certain proprietary marks and in connection with a written Franchise Agreement by and among the Tenant and CruiseShipCenters USA, Inc. (the "Franchisor") dated_____ (the "Franchise Agreement");

WHEREAS, the Franchisor has a right to approve the Lease and a condition to such approval by the Franchisor is that the Lease for the Leased Premises designated for the operation of an Expedia Cruises® travel agency (hereinafter the "Franchised Business") contain the agreements set forth herein;

WHEREAS, the Landlord acknowledges that the Franchisor requires the modifications to the Lease set forth herein as a condition to its approving the Lease for the Franchised Business, and that the Landlord agrees to modify and amend the Lease in accordance with the terms and conditions contained herein;

WHEREAS, under the Franchise Agreement, all right, title and interest in and to the Lease may be assigned to the Franchisor upon the termination of the Franchise Agreement; and

WHEREAS, it is the intent of the parties hereto to provide the Franchisor with the opportunity to preserve the Leased Premises as a Franchised Business in the event of any default or termination of said Lease or Franchise Agreement by the Tenant and to assure the Landlord that in the event the Franchisor exercises its rights herein contained, any defaults of the Tenant under the Lease will be cured by the Franchisor before it takes possession of the Leased Premises.

1. Use Clause. The Leased Premises shall be used for the operation of an Expedia Cruises® travel agency ("Franchised Business") offering travel products and services and identified by the mark Expedia Cruises® (Stylized) or any other name designated by Franchisor. The Landlord acknowledges that such use shall not violate any then-existing exclusives granted to any existing tenant of the Landlord.

2. Copy of Notice of Default of Tenant to Franchisor; Franchisor's Right to Cure Default and Assume Lease. The Landlord will provide a copy to Franchisor of any notice of default or termination it issues to the Tenant concurrently with issuing such notice to the Tenant, specifying all default(s) of Tenant under the Lease. If the Tenant fails to cure any default within the period provided in the Lease (if any), the Landlord will give the Franchisor immediate written notice of such failure to cure. The Franchisor then will be afforded an opportunity to cure such default or to assume and accept an assignment of the Lease. If the Franchisor elects to continue the use of the Leased Premises under an assignment of the Lease, it will notify

the Landlord in writing within fifteen (15) days following the failure to cure notice from the Landlord. Upon receipt of notice of the Franchisor's election to assume the Lease, the Landlord shall promptly execute and deliver to the Franchisor an assignment of the Lease and shall deliver to the Franchisor possession of the Leased Premises. The Franchisor, before taking possession of the Leased Premises, shall promptly cure the defaults specified by the Landlord in its notice to the Franchisor and shall execute and deliver to the Landlord its acceptance of the assignment of the Lease.

3. Termination of the Franchise Agreement. If the Franchise Agreement is terminated for any reason during the term of the Lease or any extension thereof, then the Tenant will assign to the Franchisor all of its right, title and interest in and to the Lease, if so requested by the Franchisor. The Landlord consents to the assignment of the Lease from the Tenant to the Franchisor hereunder, subject to the Tenant's and/or the Franchisor's curing any defaults of the Tenant under the Lease before the Franchisor takes possession of the Leased Premises. The Landlord and the Tenant must deliver possession of the Leased Premises to the Franchisor, free and clear of all rights of the Tenant or third parties, subject to the Franchisor's curing any defaults of the Tenant under the Lease, and executing an acceptance of the assignment of Lease.

4. The Tenant's Agreement to Vacate Leased Premises. The Tenant agrees to peaceably and promptly vacate the Leased Premises and (subject to the Franchisor's right to acquire any such property pursuant to its Franchise Agreement with the Tenant) to remove its personal property therefrom upon the termination of the Franchise Agreement or upon the Tenant's failure to timely cure all of its defaults under the Lease. Any property not removed or otherwise disposed of by the Tenant shall be deemed abandoned.

5. Delivery of Possession. If the Franchisor exercises its right to assume the Lease pursuant to Paragraph 2 or 3 above, then:

(a) Tenant will assign all of its right, title and interest in the Lease to Franchisor within 10 days after written demand and, if Tenant fails to do so, then Tenant appoints Franchisor as its agent to execute all documents that may be necessary for Franchisor to take assignment of the Lease and possession of the Premises; and

(b) Landlord agrees that Franchisor (i) may sublet the Premises or assign the Lease in either case to an approved franchisee of Franchisor, provided in either instance that Franchisor remains liable for the payment of rent and the performance of Tenant's duties under the Lease, (ii) will not be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, (iii) will not be subject to any provision of the Lease that requires Tenant to continuously operate a business in the Premises during any period that the Premises is closed for remodeling or while Franchisor is seeking to obtain and train a new franchisee, provided however, that such period of closure will not exceed 60 days in each instance; and (iv) may, if it subleases the Premises to a franchisee as provided above, retain all rent or other consideration payable under such sublease.

6. Amendment of Lease. The Tenant agrees not to enter into any amendment to the Lease in any respect, except with the prior written consent of the Franchisor.

7. The Franchisor Not a Guarantor. Notwithstanding any terms or conditions contained in this Addendum or any other agreement, the Franchisor shall in no way be construed as a guarantor or surety of the Tenant's obligations under the Lease. If the Franchisor assumes Lease in accordance with the terms hereof, however, then the Franchisor will become liable for all of the obligations of the Tenant on its part to be performed or observed under the Lease.

8. Third-Part Beneficiary. The parties hereto agree and acknowledge that the Franchisor is and is intended to be a third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to Lease Agreement to be executed the day and year first above written.

WITNESS:

_____

By: _____
Title: _____

Landlord:

_____

By: _____
Title: _____

Tenant:

ATTEST:

_____

By: _____
Title: _____

SCHEDULE D

BANK AUTHORIZATION AGREEMENT

AUTHORIZATION TO HONOR CHARGES DEBITED BY AND
PAYABLE TO CRUISESHIPCENTERS USA INC.

As a convenience to me, I hereby authorize and request you to pay and charge to my bank checking account charges drawn by and payable to the order of CruiseShipCenters USA Inc. (d/b/a Expedia Cruises®); provided there are sufficient funds in said account to pay the charges upon presentation. It will not be necessary for any officer or employee of CruiseShipCenters USA Inc. to sign such charges.

I agree that your rights in respect to each such charge shall be the same as if it were a check drawn by you and signed by me. I further agree that if any such charge be dishonored, whether with or without cause and whether intentionally or inadvertently, you shall be under no liability whatsoever.

CruiseShipCenters USA Inc. is instructed to forward this authorization to you. It is to remain in effect until revoked by me in writing, and until you actually receive such notice.

_____
Bank Account Number

_____
ABA Routing Number

_____
Depositor's Name as Shown on Bank Account

To: Bank _____

Branch (if any) _____

Street _____

City, State and Zip Code _____

_____
Date Signed

_____
Signature of Depositor, as Printed Above

Please submit a voided blank check, for purpose of setting up Bank and Transit Numbers

SCHEDULE E

FRANCHISEE OWNERS STATEMENT

The undersigned are all of the partners, shareholders or members of Franchisee, if Franchisee is a partnership, corporation or limited liability company, respectively, who beneficially own any interest in the Franchisee and each officer, manager and/or director (if any) of the Franchisee.

OWNERS:

Name, Address and Signature:	Percentage of Equity in [Enter Franchisee Entity Name]:
_____	_____
_____	
_____	
_____	_____
_____	
_____	
_____	_____
_____	
_____	

MANAGEMENT: (Name and Title)

_____	_____
_____	_____

I, the undersigned officer and/or owner of the Franchisee, certify that the foregoing information is true and correct as of the date hereof.

_____

Name:

Title:

SCHEDULE F

FRANCHISEE OWNER'S GUARANTY

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement, and any revisions, modifications and amendments thereto, (hereinafter collectively the "Agreement") dated _____, 2026, by and between CruiseShipCenters USA Inc., a Nevada corporation (hereinafter the "Franchisor") and _____ (hereinafter the "Franchisee"), each of the undersigned Guarantors agrees as follows:

1. The Guarantors do hereby jointly and severally unconditionally guaranty the full, prompt and complete performance of the Franchisee under the terms, covenants and conditions of the Agreement, and any other Franchise Agreement between the Franchisor and the Franchisee, and/or the Franchisee's directors, officers, agents, employees or other representatives (hereafter incorporated into and included in all references to the "Agreement"), including without limitation the complete and prompt payment of all indebtedness to the Franchisor under the Agreement. The word "indebtedness" is used herein in its most comprehensive sense and includes without limitation any and all advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and whether due or not due, absolute or contingent, liquidated or unliquidated, determined or undetermined, or whether recovery thereof may be now or hereafter barred by any statute of limitation or is otherwise unenforceable. This Guaranty is effective as of the date first above written, regardless of the date this Guaranty is signed.

2. The obligations of the Guarantors are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantors, whether or not actions are brought against the Franchisee or whether the Franchisee is joined in any such action.

3. If the Franchisee is a corporation, partnership or limited liability company, the Franchisor shall not be obligated to inquire as to the power or authority of the Franchisee or its partners, officers, directors, agents, members or managers acting or purporting to act on the Franchisee's behalf, and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority shall be guaranteed hereunder. Where the Guarantors are corporations, limited liability companies or partnerships it shall be conclusively presumed that the Guarantors and the partners, agents, officers, directors, members and/or managers acting on their behalf have the express authority to bind such entities and that such entities have the express power to act as the Guarantors pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such entities. If the Franchisee or the Guarantor is a married individual (including marriage under common law), that individual's spouse shall guaranty the Franchisee's obligations by signing below as a co-Guarantor.

4. The Franchisor, its successors and assigns, may from time to time, without notice to the undersigned: (a) resort to the undersigned for payment of any of the indebtedness, whether or not it or its successors have resorted to any property securing any of the indebtedness or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the indebtedness; (b) release or compromise any indebtedness of any of the undersigned hereunder or any indebtedness of any party or parties primarily or secondarily liable on any of the indebtedness; (c) extend, renew or credit any of the indebtedness for any period (whether or not longer than the original period); (d) alter, amend or exchange any of the indebtedness; or (e) give any other form of indulgence, whether under the Agreement or otherwise.

5. The undersigned further waive presentment, demand, notice of dishonor, protest, nonpayment and all other notices whatsoever, including without limitation: notice of acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between the Franchisee and the Franchisor resulting from the Agreement or otherwise, and the settlement, compromise or adjustment thereof.

6. This Guaranty shall be enforceable by and against the respective administrators, executors, successors and assigns of the Guarantors and the death of any Guarantor shall not terminate the liability of such Guarantor or limit the liability of the other Guarantors hereunder.

7. If more than one person has executed this Guaranty, the term "the undersigned," as used herein shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

8. Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the Agreement. This Guaranty shall be interpreted and construed under the laws of the State of Washington. In the event of any conflict of law, the laws of Washington shall prevail (without regard to, and without giving effect to, the application of Washington conflict of law rules). Any action brought by either party against the other shall be brought in the State of Washington in King County and the parties do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

9. If the Franchisor is required to enforce this Guaranty in any judicial or arbitration proceeding, or any appeal thereof, the undersigned Guarantors shall reimburse the Franchisor for its enforcement costs, including, without limitation, reasonable accountants fees, attorneys' fees, arbitrators fees, expert witness fees, court costs, and other arbitration and/or litigation costs, related travel and living expenses, whether incurred prior to, during or in contemplation of the filing of any demand, claim, action, hearing, or proceeding to enforce this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty under seal effective as of the _____ day of _____, 202_.

_____ _____

[Name of Individual Guarantor] Signature of Spouse (if married)

_____

Home Address

_____

Home Telephone

_____

Business Telephone

_____ _____

Date Date

SCHEDULE G

CONSENT TO RELEASE DATA TO EXPEDIA CRUISES

The undersigned, _____, an individual (or a corporation, limited liability company, or general partnership organized under the laws of the State of _____) ("Travel Agency"), hereby acknowledges:

1. That Travel Agency has entered into a Franchise Agreement ("Franchise Agreement") with CruiseShipCenters USA Inc. (a Nevada corporation) d/b/a Expedia Cruises® ("EC") in regard to the operation of a Travel Business located in the State or Commonwealth of _____ ("State"); and

2. Travel Agency hereby further acknowledges that in consideration for the grant of the right to license EC's brand and other intellectual property, Travel Agency it has granted EC a conditional right to review any information pertaining to Travel Agency ("Information") on file with or in the possession of any State governmental authority charged with licensing or regulating the operation of said Travel Agency.

NOW THEREFORE, Travel Agency hereby consents (the "Consent"):

1. To the State sharing any and all such Information with EC, upon EC's reasonable request and at EC's expense, for the purpose of demonstrating its status and standing to operate a travel agency business in the State during the term of the Franchise Agreement (the "Purpose");

2. To waive any objection it may otherwise have to the State disclosing Information to EC in furtherance of the Purpose; and

3. To waive and release any claim it might have had or may ever have against the State in connection with the disclosure of Information to EC for the Purpose pursuant to this Consent.

All authorizations in this Consent shall remain valid and binding until the expiration of the Franchise Agreement or the earlier of termination of the Franchise Agreement. You, your successors and assigns agree to indemnify and hold us, our Affiliates, successors, assigns, officers, directors, employees, agents, and each of us, harmless from and against any and all claims, liabilities, damages, demands, obligations, costs (including reasonable attorney's fees), actions and causes of actions, whether known or unknown, vested or contingent, direct or indirect that in any way relates to EC's request for and receipt of the Information or any other claim, suit or proceeding initiated by or for a third party, now or in the future, that arises out of or relates to this Consent.

I have carefully reviewed this Consent and by executing this Consent, effective as of this _____ day of _____, 202 , I hereby acknowledge and agree to the terms of this Consent.

_____[Franchisee]

By: _____

Name:

Title:

Date: _____

AMENDMENT TO CRUISESHIPCENTERS USA INC.
FRANCHISE AGREEMENT
FOR THE STATE OF CALIFORNIA

The Franchise Agreement between _____ ("Franchisee" or "You") and CruiseShipCenters USA Inc. ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

CALIFORNIA LAW MODIFICATIONS

1. The California Department of Corporations requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. California Business and Professions Code Sections 20000 through 20043 provide rights to You concerning nonrenewal and termination of the Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws will control.

b. If the Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.

c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.

d. If the Agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable under California law.

e. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.

g. Under California Corporations Code Section 31512.1, a franchisor may not (i) disclaim or deny any representations it or its representatives make to a franchisee, or require a franchisee to waive reliance on any such representations or on the FDD, or disclaim or deny any violations of the California Franchise Investment Law; (ii) put disclaimers or waivers in an FDD or in any exhibit to the FDD, such as the franchise agreement, questionnaire, or acknowledgment; nor (iii) require a franchisee to sign representations or acknowledgements that the franchisor did not make certain representations or statements or that the franchisee did not receive or rely on certain representations or statements made by franchisor is prohibited under the statute.

h. Upon a termination or nonrenewal of a franchise agreement, a franchisor may only offset the amount owed to the franchisee against amounts owed by the franchisee if the franchisee agrees to the amount owed or the franchisor has a judgment for that amount.

i. Section 31126 of the California Corporations Code applies to any transfer of a franchise subject to California law, including making any transfer forms reasonably available to the prospective transferee by email or hard copy within fifteen calendar days of receiving a written request; making the standards for approval of a transfer application "reasonably available" or otherwise communicating the standards within fifteen calendar days of receiving a written request; notifying a prospective transferee of the approval or rejection of a transfer application in writing by email, courier, or certified mail within sixty days of receiving a transfer application; and if rejected, providing the prospective transferee with written notice, including the reasons for the rejection, which reasons must be reasonable in consideration of all relevant circumstances. To the extent that any transfer provisions in Article 17 of the Agreement or elsewhere in the Agreement are inconsistent with applicable California law, those provisions will be applied in a manner to comply with California law.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, the Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

IN WITNESS WHEREOF, the parties have fully executed, sealed and delivered this Amendment to the Franchise Agreement on the day and year first above written in the Franchise Agreement.

FRANCHISOR:
CruiseShipCenters USA Inc.
A Nevada corporation

By:_____

Name: _____

Title: _____

FRANCHISEE:

By:_____

Name: _____

Title:_____

AMENDMENT TO CRUISESHIPCENTERS USA INC.
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

The Franchise Agreement between _____ _____ ("Franchisee" or "You") and CruiseShipCenters USA Inc. ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, 815 ILCS 705/1-44 (1994) (the "Act"). To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

a. Paragraphs 705/19 and 705/20 of the Act provide rights to you concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act will control.

b. The general release requirements under Sections 3.03 and 17.04 of the Agreement are not applicable to claims arising under the Act, and such acknowledgments shall be void with respect to claims under the Act.

c. If this Agreement requires litigation to be conducted in a forum other than the State of Illinois, the requirement is void.

d. If this Agreement requires that it be governed by a state's law, other than the State of Illinois, Illinois law will control.

e. Any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of the State of Illinois is void.

2. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.

3. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Agreement, the Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

IN WITNESS WHEREOF, the parties have fully executed, sealed and delivered this Amendment to the Franchise Agreement on the day and year first above written in the Franchise Agreement.

FRANCHISOR:

CruiseShipCenters USA Inc.
A Nevada corporation

By:_____

Name: _____

Title:_____

FRANCHISEE:

By:_____

Name: _____

Title:_____

AMENDMENT TO CRUISESHIPCENTERS USA INC.
FRANCHISE AGREEMENT
FOR THE COMMONWEALTH OF VIRGINA

The Franchise Agreement between _____ ("Franchisee" or "You") and CruiseShipCenters USA Inc. ("Franchisor") dated _____ (the "Agreement") shall be amended by the addition of the following language, which shall be considered an integral part of the Agreement (the "Amendment"):

VIRGINIA LAW MODIFICATION

Effective July 1, 2026, the Virginia Retail Franchising Act, Sec. 13.1-563 Code of Virginia makes it unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. Therefore, in compliance with Virginia law, Section 19.05 of the Franchise Agreement (Competitive Restrictions) is deleted from any Franchise Agreement entered on or after July 1, 2026.

IN WITNESS WHEREOF, the parties have fully executed, sealed and delivered this Amendment to the Franchise Agreement on the day and year first above written in the Franchise Agreement.

FRANCHISOR:
CruiseShipCenters USA Inc.

A Nevada corporation

By:_____

Name: _____

Title: _____

FRANCHISEE:

By:_____

Name: _____

Title:_____

WASHINGTON ADDENDUM TO CRUISESHIPCENTERS USA INC.
TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflicts of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede the franchise agreement or related agreements concerning your relationship with the franchisor, including the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall

have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated this _____ day of _____ 202____.

FRANCHISOR:

CruiseShipCenters USA Inc.
A Nevada corporation

By:_____

Name: _____

Title: _____

FRANCHISEE:

By:_____

Name: _____

Title:_____

ADDENDUM TO FRANCHISE AGREEMENT

THIS ADDENDUM made the __ day of _____, 2026 (the "Addendum Effective Date").

BETWEEN:

CRUISESHIPCENTERS USA INC.
1111 Expedia Group Way West
Seattle, Washington 98119

(hereinafter called the "Franchisor")

AND: **FRANCHISEE**
Address
Address

(hereinafter called the "Franchisee")

WHEREAS:

(A) The Franchisor and Franchisee entered into a Franchise Agreement dated _____ (the "Franchise Agreement"); and

(B) The parties wish to amend the Service Fee payments due under Schedule A of the Franchise Agreement.

NOW THEREFORE the parties hereby agree as follows:

(1) Section 1 (Service Fee) of Schedule A (Reoccurring Fees) shall be amended to read:

1. Service Fee: 9%* of Gross Revenues payable on the fifteenth (15th) day of each month.

*Subject to the terms and conditions of the Agreement, the Service Fee will be discounted for 12-month periods (each a "Year") for up to 3 years from the effective date of the Certification of Operational Readiness (the "opening letter") in accordance with the following schedule:

i. Year 1: 100% discount will be applied to the Service Fee;

ii. Year 2: 67% discount will be applied to the Service Fee;

iii. Year 3: 33% discount will be applied to the Service Fee; and

iv. Year 4: 0% discount and the full Service Fee will become payable.

THE PARTIES FURTHER AGREE THAT:

(1) In all other respects the Franchise Agreement shall remain in full force and effect.

(2) Capitalized terms not otherwise defined in this Agreement have the meaning assigned to them in the Franchise Agreement.

(3) This Agreement shall enure to the benefit of and be binding upon the parties and their respective heirs, successors, administrators and assigns.

IN WITNESS WHEREOF the below have executed this addendum as of the Addendum Effective Date.

FRANCHISEE	**CRUISESHIPCENTERS USA INC.**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT C

FRANCHISE OPERATIONS MANUAL

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FRANCHISE OPERATIONS MANUAL

The Franchise Operations Manual contains proprietary knowledge and procedures developed by Expedia Cruises™ to help you **Start, Manage, and Grow your business.** It establishes the standard operating procedures for all Expedia Cruises franchises, ensuring brand integrity and operational consistency across the network. This manual outlines both mandatory specifications and best practices, including standards, procedures, and organizational protocols. To remain relevant and effective, the manual is regularly reviewed and updated to reflect changes in business practices, operational processes, and industry developments. Franchisees will be informed of any significant updates to maintain alignment and consistency system-wide.

Statement of Confidentially

The Franchise Operations Manual, Resource Center content and other training and support materials contain proprietary information, comprising the Expedia Cruises' trade secrets. Please maintain the confidentiality of all information and refrain from using this proprietary information in any other manner.

The operations manual is published in the Expedia Cruises® Resource Center (https://help.cruisedesk.com/hc/en-us/) and organized by topic for easy reference.

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EXHIBIT D

CruiseDesk® Terms, Conditions, and Notices

CRUISEDESK® AGREEMENT BETWEEN YOU AND CRUISESHIPCENTERS INTERNATIONAL INC.

Expedia Cruises Franchisees and Independent Contractors

Welcome to CruiseDesk®. The CruiseDesk® platform includes various tools and services to enter, upload or request changes to customers bookings of travel or other information that is associated with your commercial interactions with CII regarding an Expedia Cruises franchise ("Franchise") or your Franchise's products and/or services.

CruiseDesk® is offered to you by CII conditioned upon your acceptance without modification of all the terms, conditions, and notices set forth below (collectively, the "CruiseDesk® Agreement"). By accessing or using any of the tools or services accessible through CruiseDesk® in any manner, you agree to be bound by the CruiseDesk® Agreement. Please read the CruiseDesk® Agreement carefully.

If you do not accept all of these terms and conditions, you are not authorized to use CruiseDesk®. Be sure to return to this page periodically to review the most current version of the CruiseDesk® Agreement. We reserve the right at any time, at our sole discretion, to change or otherwise modify the CruiseDesk® Agreement without prior notice, and your continued access or use of CruiseDesk® signifies your acceptance of the updated or modified CruiseDesk® Agreement.

The term "you" refers to the Franchise, the Franchise's owners, employees, and independent contractors, and, if applicable, any entity managing the Franchise on behalf of or acting as agent for the Franchise's owner. The terms "us", "we", and "our" refer to CruiseShipCenters International Inc. ("CII") and Expedia Group. Your relationship with CII is subject to your agreement (the "Franchise Agreement") entered into between you and CruiseShipCenters International Inc. and/or CruiseShipCenters USA, Inc. (collectively, "CII").

USE OF CRUISEDESK®

As a condition of your use of CruiseDesk®, you warrant that (i) you are at least 18 years of age; (ii) you possess the legal authority to bind the Franchise to the terms of this CruiseDesk® Agreement and you hereby create a binding legal obligation; (iii) you will use CruiseDesk® in accordance with this CruiseDesk® Agreement only to the extent necessary for Franchise to fulfill its obligations under its Franchise Agreement (as defined below); (iv) you have the legal authority to act on behalf of the Franchise with respect to any actions taken on CruiseDesk®; and (v) all information supplied by you on CruiseDesk® is true, accurate, current and complete. Access to CruiseDesk® is determined by your login and password credentials and your login will determine what areas and features of CruiseDesk® are available for your use. You are solely responsible for maintaining the confidentiality of all passwords, for preventing unauthorized access to CruiseDesk® through misuse of your passwords, for not using anyone else's account at any time to access CruiseDesk®, for notifying CII immediately if you detect any unauthorized use of your account, and for the acts and omissions of anyone using your account. You will not allow any person other than your employees or authorized agents to use or access CruiseDesk®. We retain the right at our sole discretion to deny access to anyone to CruiseDesk® and the services we offer, at any time and for any reason, including, but not limited to, for violation of this CruiseDesk® Agreement.

CRUISEDESK® ACCOUNT, PASSWORD AND SECURITY

Upon receipt by CII of an Expedia Cruises Registration Form and confirmation that your billing account has been setup, CII will create your CruiseDesk® account. The Registration Form you submit must include true, accurate, current and complete information about yourself. Your continued payment of the fees though your billing account is required to maintain your access to CruiseDesk®. Your failure to pay the required fees may result in termination of your access to CruiseDesk®. You agree that CII, in its sole discretion, may suspend and/or terminate your access to CruiseDesk® for any reason. In the event that the Franchise agreement or independent contractor agreement you entered into with CII, an affiliate of CII or a Franchise is not renewed or is terminated, CII will immediately terminate your access to CruiseDesk®. You agree that any termination of your access to CruiseDesk® may be effected without prior notice, and acknowledge and agree that CII may immediately deactivate or delete your account and all related information and files in your account and/or bar any further access to such files or CruiseDesk®. Further, you agree that CII shall not be liable to you or any third-party for any termination of your access to CruiseDesk®. CII reserves the right to adjust the cost of the fees in its sole discretion. CII will provide notice to you prior to making any fee adjustments.

You will receive a user name and password upon creation of your CruiseDesk® account by CII. You are responsible for maintaining the confidentiality of the passwords and are fully responsible for all activities that occur under the username and password. You agree to (a) immediately notify CII of any unauthorized use of the user name or password or any other breach of security, and (b) ensure that you logout of CruiseDesk® at the end of each session. You will keep the password to access your CruiseDesk® account in a secure place under reasonable access and use restrictions designed to prevent access to CruiseDesk® by unauthorized persons, such restrictions to be no less than those applicable to CII's own trade secrets or confidential information.

STORAGE SPACE AND OTHER LIMITATIONS

You agree that CII may establish limits concerning use of CruiseDesk®, including without limitation the maximum number of days that email messages will be retained, the maximum number of email messages that may be sent from or received by an account, the maximum size of an email message that may be sent from or received by an account or the maximum disk space that will be allotted on CII servers on your behalf. You acknowledge that CII reserves the right to log off accounts that are inactive for an extended period of time. CII makes no warranty that your access to CruiseDesk® will be uninterrupted, timely, secure or error-free. CII shall have no obligation to maintain any content or forward any unread or unsent messages to you or any third party.

EMAIL ACCOUNT, PASSWORD AND SECURITY

Your email account under this agreement (@expediacruises.com) will be assigned to you by CII. You understand and agree that the account is provided "AS-IS" and that CII assumes no responsibility for the timeliness, deletion, non-delivery or failure to store any user communications or personalization settings. You are responsible for maintaining the confidentiality of the password and are fully responsible for all activities that occur under the email address and password. You agree to (a) immediately notify CII of any unauthorized access to your email account or any other breach of security, and (b) ensure that you sign out of the account at the end of each session. You will keep the password to access your email account in a secure place under reasonable access and use restrictions designed to prevent access to your email account by unauthorized persons, such restrictions to be no less than those applicable to CII's own trade secrets or confidential information. You acknowledge that you are not permitted to setup automatic forwarding from your CII email account to an external email domain account at any time and that the ability to do so has been restricted by CII. You authorize us, or a Franchise Owner, if applicable, to access this email account upon

your termination, or in the event of your inactivity or inability to service the account, to ensure uninterrupted service to both customers and prospective customers with regards to bookings and prospective bookings.

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If, despite the limitation above, CII is found liable for any loss or damage which arises out of or in any way connected with any of the occurrences described above, then the liability of CII will in no event exceed, in the aggregate, the greater of (a) the fees (if any) you paid to CII for access to CruiseDesk®, or
(b) One-Hundred Dollars (US$100.00).

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INDEMNIFICATION

You agree to defend and indemnify CII and the CII Affiliates and any of their officers, directors, employees and agents from and against any claims, causes of action, demands, recoveries, losses, damages, fines, penalties or other costs or expenses of any kind or nature including but not limited to reasonable legal and accounting fees, brought by third parties as a result of:

(i) your breach of this CruiseDesk® Agreement or the documents referenced herein;
(ii) your violation of any law or the rights of a third party; or
(iii) your use of CruiseDesk®.

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You agree that no joint venture, partnership, or employment relationship exists between you and CII as a result of this CruiseDesk® Agreement or use of CruiseDesk®.

Our performance of this CruiseDesk® Agreement is subject to existing laws and legal process, and nothing contained in this CruiseDesk® Agreement limits our right to comply with law enforcement or other governmental or legal requests or requirements relating to your use of CruiseDesk® or information provided to or gathered by us with respect to such use.

If any part of this CruiseDesk® Agreement is found to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired. Our failure or delay in enforcing any provision of this CruiseDesk® Agreement at any time does not waive our right to enforce the same or any other provision(s) hereof in the future.

This CruiseDesk® Agreement (and any other terms and conditions referenced herein) constitutes the entire CruiseDesk® Agreement between you and CII with respect to CruiseDesk® and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between you/Franchise and CII with respect to CruiseDesk®. With respect to any other written contracts that you or Franchise may have with CII, the terms of those contracts remain unchanged. A printed version of this CruiseDesk® Agreement and of any notice given in electronic form shall be admissible in judicial or administrative proceedings based upon or relating to this CruiseDesk® Agreement to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form.

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Revised November 8, 2023

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Arrif and Shelina Meghji
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Legion Six, LLC
Mark and Mary Mitchell
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FRANCHISEES WHO HAVE SIGNED AGREEMENTS IN 2026

None.

FRANCHISEES WHO HAVE LEFT THE SYSTEM DURING THE PRIOR FISCAL YEAR

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Home Based Travel Experts, LLC (one franchise)
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Bucket List Dreams LLC
Pamela Griffin
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Reyder LLC
Victoria and Dmitry Reyder
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Vivian Deborah Moreland
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G S B Travel LLC*
Heydee Mena
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*left the system in 2026

EXHIBIT F

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Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

MICHIGAN
Franchise Administrator
Consumer Protection Division
Michigan Department of the
Attorney General
670 Law Building
Lansing, MI 48913
(517) 373-7117

MINNESOTA
Franchise Examiner
Minnesota Dept. of Commerce
85 7th Place East, Suite 500
St. Paul, MN 55101
(612) 296-6328

NEW YORK
Bureau of Investor Protection
and Securities
New York State Dept. of Law
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8285

NORTH DAKOTA
Franchise Examiner
North Dakota Securities Dept.
600 East Boulevard Avenue
State Capitol
Fifth Floor Dept. 414
Bismarck, ND 58505
(701) 328-4712

RHODE ISLAND
Securities Examiner
Securities Division
1511 Pontiac Avenue
John O. Pastore Complex-
Building 69-1
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-4013

VIRGINIA
State Corporation Commission
1300 East Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

WASHINGTON
Dept. of Financial Securities
150 Israel Road, SW
Tumwater, WA 98501
(360) 902-8760

WISCONSIN
Franchise Administrator
Division of Securities
4822 Madison Yards Way, North
Tower
Madison, WI 53705
(608) 266-0488

AGENTS FOR SERVICE OF PROCESS

Agents for service of process in the states described below are:

STATE	AGENT
California	Commissioner of Financial Protection & Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013
Hawaii	Commissioner of Securities Hawaii Department of Commerce and Consumer Affairs 355 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Office of the Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Secretary of State 201 State House 200 West Washington Street Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
Michigan	Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, MI 48913
Minnesota	Commissioner Minnesota Department of Commerce 85 7th Place East Suite 500 St. Paul, MN 55101
New York	Secretary of State of the State of New York 99 Washington Avenue, 6th Floor Albany, NY 12231
North Dakota	North Dakota Securities Department Fifth Floor 600 East Boulevard Bismarck, ND 58505 Attn: Commissioner

Rhode Island	Director of the Department of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	South Dakota Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 Attn: Director
Virginia	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
Washington	Director of Department of Financial Institutions Securities Division 150 Israel Road, SW Tumwater, Washington 98501
Wisconsin	Commissioner of Securities 345 W. Washington Avenue, 4th Floor Madison, Wisconsin 53703

EXHIBIT G

FINANCIAL STATEMENTS

The financial statements of Expedia Group, Inc. (formerly Expedia, Inc.) are included with the Franchise Disclosure Document as Exhibit G. Expedia Group, Inc.'s (formerly Expedia, Inc.) fiscal year-end is December 31.

GUARANTEE OF PERFORMANCE

For value received, Expedia Group, Inc., a Delaware corporation ("***Guarantor***"), located at 1111 Expedia Group Way West, Seattle, Washington, 98119, absolutely and unconditionally guarantees to assume the duties and obligations of CRUISESHIPCENTERS USA, INC, d/b/a Expedia Cruises (the "***Franchisor***"), located at 1111 Expedia Group Way West, Seattle 98119, under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and on its successors and assignees.

The Guarantor signs this guarantee at 1111 Expedia Group Way West, Seattle, Washington 98119, on the 25th day of March 2026.

EXPEDIA GROUP, INC.

By: Michael S. Marron
Senior Vice President, Legal

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS, SCHEDULES AND EXHIBITS

Consolidated Financial Statements

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Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Expedia Group, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Expedia Group, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, changes in stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 12, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	One Key Loyalty Program
Description of the Matter	As discussed in Note 2 of the financial statements, travelers enrolled in loyalty programs earn rewards with each eligible booking made which can be redeemed for free or discounted future bookings. Member consideration is allocated between travel services and rewards earned in the loyalty programs. The Company defers the relative standalone selling price of earned rewards, net of rewards not expected to be redeemed (known as "breakage"), as deferred loyalty rewards within deferred merchant bookings on the consolidated balance sheet. To estimate the relative standalone selling price for rewards, the Company considers the stated redemption value per reward dictated by the terms of the loyalty programs and then estimates the future breakage of rewards based on statistical modeling techniques using historical member activity. The deferred loyalty rewards balance, net of amounts paid to the travel supplier, is recognized as revenue when the travel service purchased with the loyalty reward is satisfied.

	Auditing the Company's One Key deferred loyalty rewards program ("One Key") balance is especially complex and judgmental due to significant measurement uncertainty in determining the expected future breakage of rewards. Management uses statistical modeling techniques to estimate future breakage based on historical member activity. The amount of member consideration allocated to the rewards earned is sensitive to the expected future breakage assumption.
How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over Management's review of the statistical modeling techniques and resulting breakage estimates for One Key deferred loyalty rewards. We also tested controls over the completeness and accuracy of member activity data used in the breakage estimate analyses. This included controls over the Company's systems and the application controls involved in the process to track One Key loyalty reward member activity. To test the One Key deferred loyalty rewards balance, we performed audit procedures that included, among others, involving our actuarial specialists to assist us in assessing the methods used by Management and to develop an independent actuarial estimate of a reasonable range of breakage rates. We then compared this reasonable range of breakage rates to the Company's estimates. Additionally, we tested the completeness and accuracy of the member activity data used by our actuarial specialists in their breakage analyses.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2004.

Seattle, Washington
February 12, 2026

Consolidated Financial Statements

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Year ended December 31,		
	2025	2024	2023
	(In millions, except for per share data)		
Revenue	$ 14,733	$ 13,691	$ 12,839
Costs and expenses:			
Cost of revenue (exclusive of depreciation and amortization shown separately below) [1]	1,456	1,443	1,573
Selling and marketing - direct	7,349	6,846	6,107
Selling and marketing - indirect [1]	836	781	756
Technology and content [1]	1,277	1,314	1,358
General and administrative [1]	765	805	771
Depreciation and amortization	887	838	807
Impairment of goodwill	—	—	297
Impairment of intangible assets	—	147	129
Legal reserves, occupancy tax and other	185	118	8
Restructuring and related reorganization charges [1]	107	80	—
Operating income	1,871	1,319	1,033
Other income (expense):			
Interest income	255	235	207
Interest expense	(299)	(246)	(245)
Other, net	(236)	234	23
Total other income (expense), net	(280)	223	(15)
Income before income taxes	1,591	1,542	1,018
Provision for income taxes	(290)	(318)	(330)
Net income	1,301	1,224	688
Net (income) loss attributable to non-controlling interests	(7)	10	109
Net income attributable to Expedia Group, Inc.	$ 1,294	$ 1,234	$ 797
Earnings per share attributable to Expedia Group, Inc. available to common stockholders:			
Basic	$ 10.32	$ 9.39	$ 5.50
Diluted	9.81	8.95	5.31
Shares used in computing earnings per share (000's):			
Basic	125,363	131,432	144,967
Diluted	131,943	137,919	150,228

———

(1) Includes stock-based compensation as follows:			
Cost of revenue	$ 14	$ 12	$ 14
Selling and marketing	83	81	79
Technology and content	147	154	138
General and administrative	147	203	182
Restructuring and related reorganization charges	7	8	—

See notes to consolidated financial statements.

EXPEDIA GROUP, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year ended December 31,		
	2025	2024	2023
		(In millions)	
Net income	$ 1,301	$ 1,224	$ 688
Other comprehensive income (loss), net of tax			
Currency translation adjustments, net of taxes	51	(28)	27
Other comprehensive income (loss), net of tax	51	(28)	27
Comprehensive income	1,352	1,196	715
Less: Comprehensive income (loss) attributable to non-controlling interests	17	(15)	(107)
Comprehensive income attributable to Expedia Group, Inc. common stockholders	$ 1,335	$ 1,211	$ 822

See notes to consolidated financial statements.

EXPEDIA GROUP, INC.

CONSOLIDATED BALANCE SHEETS

	December 31, 2025	December 31, 2024
	(In millions, except per share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,413	$ 4,183
Restricted cash and cash equivalents	1,563	1,391
Short-term investments	320	300
Accounts receivable, net of allowance of $74 and $55	4,166	3,213
Income taxes receivable	38	39
Prepaid expenses and other current assets	699	689
Total current assets	12,199	9,815
Property and equipment, net	2,447	2,413
Operating lease right-of-use assets	296	305
Long-term investments and other assets	1,387	1,698
Deferred income taxes	432	496
Intangible assets, net	819	817
Goodwill	6,872	6,844
TOTAL ASSETS	$ 24,452	$ 22,388
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable, merchant	$ 2,188	$ 2,031
Accounts payable, other	1,103	1,039
Deferred merchant bookings	10,428	8,517
Deferred revenue	163	164
Income taxes payable	56	51
Accrued expenses and other current liabilities	1,027	766
Current maturities of long-term debt	1,692	1,043
Total current liabilities	16,657	13,611
Long-term debt, excluding current maturities	4,469	5,223
Deferred income taxes	20	19
Operating lease liabilities	254	265
Other long-term liabilities	505	471
Commitments and contingencies		
Stockholders' equity:		
Common stock $.0001 par value, Authorized shares: 1,600,000	—	—
Shares issued: 291,448 and 287,509; Shares outstanding: 116,975 and 123,271		
Class B common stock $.0001 par value, Authorized shares: 400,000	—	—
Shares issued: 12,800 and 12,800; Shares outstanding: 5,523 and 5,523		
Additional paid-in capital	16,565	16,043
Treasury stock — Common stock and Class B, at cost, Shares: 181,749 and 171,515	(16,786)	(14,856)
Retained earnings (deficit)	1,696	602
Accumulated other comprehensive income (loss)	(191)	(232)
Total Expedia Group, Inc. stockholders' equity	1,284	1,557
Non-redeemable non-controlling interest	1,263	1,242
Total stockholders' equity	2,547	2,799
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 24,452	$ 22,388

See notes to consolidated financial statements.

EXPEDIA GROUP, INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions, except share and per share data)

	Common stock		Class B common stock		Additional paid-in capital	Treasury stock - Common and Class B		Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Non-redeemable non-controlling interest	Total
	Shares	Amount	Shares	Amount		Shares	Amount				
Balance as of December 31, 2022	278,264,235	$ —	12,799,999	$ —	$ 14,795	137,783,429	$ (10,869)	$ (1,409)	$ (234)	$ 1,445	$ 3,728
Net income (loss)								797		(109)	688
Other comprehensive income, net of taxes									25	2	27
Proceeds from exercise of equity instruments and employee stock purchase plans	3,884,341	—			101						101
Withholding taxes for stock options					(7)						(7)
Treasury stock activity related to vesting of equity instruments						973,946	(106)				(106)
Common stock repurchases						19,145,610	(2,031)				(2,031)
Other changes in ownership of non-controlling interests					16					(86)	(70)
Stock-based compensation expense					474						474
Other					19	—	(17)	(20)			(18)
Balance as of December 31, 2023	282,148,576	—	12,799,999	—	15,398	157,902,985	(13,023)	(632)	(209)	1,252	2,786
Net income (loss)								1,234		(10)	1,224
Other comprehensive loss, net of taxes									(23)	(5)	(28)
Proceeds from exercise of equity instruments and employee stock purchase plans	5,360,219	—			116						116
Withholding taxes for stock options					(2)						(2)
Treasury stock activity related to vesting of equity instruments						1,539,783	(206)				(206)
Common stock repurchases						12,071,915	(1,616)				(1,616)
Other changes in ownership of non-controlling interests					—			—		5	5
Stock-based compensation expense					531						531
Other					—	—	(11)	—			(11)
Balance as of December 31, 2024	287,508,795	—	12,799,999	—	16,043	171,514,683	(14,856)	602	(232)	1,242	2,799
Net income								1,294		7	1,301
Other comprehensive income, net of taxes									41	10	51
Payment of dividends to common stockholders (declared at $1.60 per share)					—			(200)			(200)
Proceeds from exercise of equity instruments and employee stock purchase plans	3,938,782	—			50						50
Withholding taxes for stock options					(19)						(19)
Treasury stock activity related to vesting of equity instruments						1,236,537	(257)				(257)
Common stock repurchases						8,998,160	(1,662)				(1,662)
Other changes in ownership of non-controlling interests					3			—		4	7
Stock-based compensation expense					488						488
Other					—	—	(11)	—			(11)
Balance as of December 31, 2025	291,447,577	$ —	12,799,999	$ —	$ 16,565	181,749,380	$ (16,786)	$ 1,696	$ (191)	$ 1,263	$ 2,547

See notes to consolidated financial statements.

EXPEDIA GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,		
	2025	2024	2023
		(In millions)	
Operating activities:			
Net income	$ 1,301	$ 1,224	$ 688
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation of property and equipment, including internal-use software and website development	847	781	748
Amortization of stock-based compensation	398	458	413
Amortization of intangible assets	40	57	59
Impairment of goodwill and intangible assets	—	147	426
Deferred income taxes	78	74	62
Foreign exchange (gain) loss on cash, restricted cash and short-term investments, net	(120)	95	(16)
Realized (gain) loss on foreign currency forwards, net	(128)	40	—
(Gain) loss on minority equity investments, net	167	(289)	(16)
Other	124	79	55
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:			
Accounts receivable	(983)	(467)	(741)
Prepaid expenses and other assets	(3)	67	98
Accounts payable, merchant	155	(10)	332
Accounts payable, other, accrued expenses and other liabilities	163	(11)	101
Tax payable/receivable, net	(17)	46	(91)
Deferred merchant bookings	1,858	794	572
Net cash provided by operating activities	3,880	3,085	2,690
Investing activities:			
Capital expenditures, including internal-use software and website development	(770)	(756)	(846)
Purchases of investments	(628)	(549)	(28)
Sales and maturities of investments	747	78	49
Other, net	120	(35)	25
Net cash used in investing activities	(531)	(1,262)	(800)
Financing activities:			
Proceeds from issuance of long-term debt, net of issuance costs	985	—	—
Payment of long-term debt	(1,044)	—	—
Purchases of treasury stock	(1,930)	(1,839)	(2,137)
Payment of dividends to stockholders	(200)	—	—
Proceeds from exercise of equity awards and employee stock purchase plan	50	116	101
Other, net	3	(22)	(60)
Net cash used in financing activities	(2,136)	(1,745)	(2,096)
Effect of exchange rate changes on cash, cash equivalents and restricted cash and cash equivalents	189	(165)	16
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	1,402	(87)	(190)
Cash, cash equivalents and restricted cash and cash equivalents at beginning of year	5,574	5,661	5,851
Cash, cash equivalents and restricted cash and cash equivalents at end of year	$ 6,976	$ 5,574	$ 5,661
Supplemental cash flow information			
Cash paid for interest	$ 213	$ 231	$ 231
Income tax payments, net	218	184	281

See notes to consolidated financial statements.

Expedia Group, Inc.

Notes to Consolidated Financial Statements

NOTE 1 — Basis of Presentation

These accompanying consolidated financial statements include Expedia Group, Inc., our wholly-owned subsidiaries, and entities we control, or in which we have a variable interest and are the primary beneficiary of expected cash profits or losses. We refer to Expedia Group, Inc. and its subsidiaries collectively as "Expedia Group," the "Company," "us," "we" and "our" in these consolidated financial statements.

We believe that the assumptions underlying our consolidated financial statements are reasonable. However, these consolidated financial statements do not present our future financial position, the results of our future operations and cash flows.

Seasonality

We generally experience seasonal fluctuations in the demand for our travel services. For example, traditional leisure travel bookings are generally the highest in the first three quarters as travelers plan and book their spring, summer and winter holiday travel. The number of bookings typically decreases in the fourth quarter. Since revenue for most of our travel services, including merchant and agency hotel, is recognized as the travel takes place rather than when it is booked, revenue typically lags bookings by several weeks for our hotel business and can be several months or more for our alternative accommodations business. Historically, Vrbo has seen seasonally stronger bookings in the first quarter of the year, with the relevant stays occurring during the peak summer travel months. The seasonal revenue impact is exacerbated with respect to income by the nature of our variable cost of revenue and direct sales and marketing costs, which we typically realize in closer alignment to booking volumes, and the more stable nature of our fixed costs. As a result on a consolidated basis, revenue and income are typically the lowest in the first quarter and highest in the third quarter.

NOTE 2 — Significant Accounting Policies

Consolidation

Our consolidated financial statements include the accounts of Expedia Group, Inc., our wholly-owned subsidiaries, and entities for which we control a majority of the entity's outstanding common stock. We record non-controlling interest in our consolidated financial statements to recognize the minority ownership interest in our consolidated subsidiaries. Non-controlling interest in the earnings and losses of consolidated subsidiaries represent the share of net income or loss allocated to members or partners in our consolidated entities. trivago is a separately listed company on the Nasdaq Global Select Market and, therefore, is subject to its own reporting and filing requirements, which could result in possible differences that are not expected to be material to Expedia Group, Inc.

We record our investments in entities that we do not control, but over which we have the ability to exercise significant influence, using the equity method or at fair value. We have eliminated significant intercompany transactions and accounts in our consolidated financial statements.

Accounting Estimates

We use estimates and assumptions in the preparation of our consolidated financial statements in accordance with accounting principles generally accepted in the United States ("GAAP"). Our estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of our consolidated financial statements. These estimates and assumptions also affect the reported amount of net income or loss during any period. Our actual financial results could differ significantly from these estimates. The significant estimates underlying our consolidated financial statements include revenue recognition; recoverability of current and long-lived assets, intangible assets and goodwill; income and transactional taxes, such as potential settlements related to occupancy and excise taxes; loss contingencies; deferred loyalty rewards; stock-based compensation; and accounting for derivative instruments.

Reclassifications

We have reclassified prior period financial statements to conform to the current period presentation.

Revenue Recognition

We recognize revenue upon transfer of control of our promised services in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

For our primary transaction-based revenue sources, discussed below, we have determined net presentation (that is, the amount billed to a traveler less the amount paid to a supplier) is appropriate for the majority of our revenue transactions as the supplier is primarily responsible for providing the underlying travel services and we do not control the service provided by the supplier to the traveler. We exclude all taxes assessed by a government authority, if any, from the measurement of transaction prices that are imposed on our travel related services or collected by the Company from customers (which are therefore excluded from revenue).

We offer traditional travel services on a stand-alone and package basis generally either through the merchant or the agency business model.

Under the merchant model, we facilitate the booking of hotel rooms, alternative accommodations, airline seats, car rentals and destination services from our travel suppliers and we are the merchant of record for such bookings.

Under the agency model, we pass reservations booked by the traveler to the relevant travel supplier and the travel supplier serves as the merchant of record for such bookings. We receive commissions or ticketing fees from the travel supplier and/or traveler. For certain agency airline, hotel and car transactions, we also receive fees through global distribution systems ("GDS") that provide the computer systems through which the travel supplier inventory is made available and through which reservations are booked.

Under the advertising model, we offer travel and non-travel advertisers access to a potential source of incremental traffic and transactions through our various media and advertising offerings on trivago and our transaction-based websites.

In addition, Vrbo also provides subscription-based listing and other ancillary services to property owners and managers.

The nature of our travel booking service performance obligations vary based on the travel service with differences primarily related to the degree to which we provide post booking services to the traveler and the timing when rights and obligations are triggered in our underlying supplier agreements. We consider both the traveler and travel supplier as our customers.

Refer to NOTE 17 — Segment Information for revenue by business model and service type.

Lodging. Our lodging revenue is comprised of revenue recognized under the merchant, agency and Vrbo subscription-based listing services model.

Merchant Hotel. We provide travelers access to book hotel room reservations through our contracts with lodging suppliers, which provide us with rates and availability information for rooms but for which we have no control over the rooms and do not bear inventory risk. Our travelers pay us for merchant hotel transactions prior to departing on their trip, generally when they book the reservation. We record the payment in deferred merchant bookings until the stayed night occurs, at which point we recognize the revenue, net of amounts paid to suppliers, as this is when our performance obligation is satisfied. Payments to suppliers are generally due within 30 days of check-in or stay. In certain instances when a supplier invoices us for less than the cost we accrued, we generally reduce our merchant accounts payable and the supplier costs within net revenue six months in arrears, net of an allowance, when we determine it is not probable that we will be required to pay the supplier, based on historical experience. Cancellation fees are collected and remitted to the supplier, if applicable.

Agency Hotel. We generally record agency revenue from the hotel when the stayed night occurs as we provide post booking services to the traveler and, thus consider the stay as when our performance obligation is satisfied. We record an allowance for cancellations on this revenue based on historical experience.

Merchant and Agency Vrbo Alternative Accommodations. Vrbo's lodging revenue is generally earned on a pay-per-booking basis, which can be either merchant or agency bookings depending on the nature of the payment processor. Pay-per-booking arrangements are commission-based where rental property owners and managers bear the inventory risk, have latitude in setting the price and compensate Vrbo for facilitating bookings with travelers. Under pay-per-booking arrangements, each booking is a separate contract as listings are typically cancelable at any time and the related revenue, net of amounts paid to property owners, is recognized at check in, which is the point in time when our service to the traveler is complete. Vrbo also charges a traveler service fee at the time of booking. The service fee charged to travelers provides compensation for Vrbo's services, including but not limited to the use of Vrbo's website and VrboCare™ providing travelers with protection and support to travelers who book on Vrbo. The performance obligation is to facilitate the booking of a property and assist travelers up to their check in process and, as such, the traveler service fee revenue is recognized at check-in.

Subscription-based Listing Services. To a lesser extent, Vrbo's lodging revenue is also earned on a pay-per-subscription basis. In pay-per-subscription contracts, property owners or managers purchase in advance online advertising services related to the listing of their properties for rent over a fixed term (typically one year). As the performance obligation is the listing service and is provided to the property owner or manager over the life of the listing period, the pay-per-subscription revenue is recognized on a straight-line basis over the listing period.

Merchant and Agency Air. We record revenue on air transactions when the traveler books the transaction, as we do not

typically provide significant post booking services to the traveler and payments due to and from air carriers are typically due at the time of ticketing. We record a reserve for chargebacks and cancellations at the time of the transaction based on historical experience. In certain transactions, the GDS collects commissions from our suppliers and passes these commissions to us, net of their fees. Therefore, we view payments through the GDS as commissions from suppliers and record these commissions in net revenue. Fees paid to the GDS as compensation for their role in processing transactions are recorded as cost of revenue.

Advertising and Media. We record revenue from click-through fees charged to our travel partners for leads sent to the travel partners' websites. We record revenue from click-through fees after the traveler makes the click-through to the related travel partners' websites. We record revenue for advertising placements primarily upon delivery of advertising impressions. Payments from advertisers are generally due within 30 days of invoicing.

Other. Other primarily includes transaction revenue for booking services related to products such as car, cruise and destination services under the agency business model. We generally record the related revenue when the travel occurs, as in most cases we provide post booking services and this is when our performance obligation is complete. Additionally, no rights or obligations are triggered in our supplier agreements until the travel occurs. We record an allowance for cancellations on this revenue based on historical experience. Revenue from other ancillary alternative accommodation services or products are recorded either upon delivery or when we provide the service. In addition, other also includes travel insurance products primarily under the merchant model, for which revenue is recorded at the time the transaction is booked.

Packages. Packages assembled by travelers through the packaging functionality on our websites generally include a merchant hotel component and some combination of an air, car or destination services component. The individual package components are accounted for as separate performance obligations and recognized in accordance with our revenue recognition policies stated above.

Prepaid Merchant Bookings. We classify payments made to suppliers in advance of performance obligations as prepaid merchant bookings included within prepaid and other current assets. Prepaid merchant bookings was $313 million as of December 31, 2025 and $319 million as of December 31, 2024.

Deferred Merchant Bookings. We classify cash payments received in advance of our performance obligations as deferred merchant bookings. At December 31, 2024, $7.6 billion of advance cash payments was reported within deferred merchant bookings, $6.5 billion of which was recognized resulting in $964 million of revenue during the year ended December 31, 2025 with the remainder primarily consisting of cancellations during the year. At December 31, 2025, the related balance was $9.3 billion.

Travelers enrolled in our internally administered traveler loyalty rewards programs earn rewards for each eligible booking made which can be redeemed for free or discounted future bookings. One Key allows members to earn OneKeyCash, the currency of the One Key program, on eligible hotels, alternative accommodations, activities, packages, car rentals, flights and cruises made in several markets on Brand Expedia, Hotels.com and Vrbo. Hotels.com Rewards continues to be offered outside the U.S. and U.K. and offers travelers one free night at any Hotels.com partner property after that traveler stays 10 nights, subject to certain restrictions. The majority of Expedia Rewards members were migrated to One Key during 2025, but Expedia Rewards continues to be offered on select international points of sale. As travelers accumulate rewards towards free travel products, we defer the relative standalone selling price of earned rewards, net of expected breakage, as deferred loyalty rewards within deferred merchant bookings on the consolidated balance sheet. In order to estimate the standalone selling price of the underlying services on which rewards can be redeemed for all loyalty programs, we use an adjusted market assessment approach and consider the redemption values expected from the traveler. We then estimate the number of rewards that will not be redeemed based on historical activity in our members' accounts as well as statistical modeling techniques. Revenue is recognized when we have satisfied our performance obligation relating to the rewards, that is when the travel service purchased with the loyalty award is satisfied. The majority of rewards expected to be redeemed are recognized within one to two years of being earned. At December 31, 2024, $937 million of deferred loyalty rewards was reported within deferred merchant bookings, all of which was recognized as revenue during the year ended December 31, 2025. At December 31, 2025, the related balance was $1.1 billion.

Deferred Revenue. Deferred revenue primarily consists of unearned subscription revenue as well as deferred advertising revenue. At December 31, 2024, $164 million was recorded as deferred revenue, $131 million of which was recognized as revenue during the year ended December 31, 2025. At December 31, 2025, the related balance was $163 million.

Practical Expedients and Exemptions. We have used the portfolio approach to account for our loyalty points as the rewards programs share similar characteristics within each program in relation to the value provided to the traveler and their breakage patterns. Using this portfolio approach is not expected to differ materially from applying the guidance to individual contracts. However, we will continue to assess and refine, if necessary, how a portfolio within each rewards program is defined.

We do not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which we recognize revenue at the amount to which we have the right to invoice for services performed.

Cash, Restricted Cash, and Cash Equivalents

Our cash and cash equivalents include cash and liquid financial instruments, including term deposit investments, certificates of deposits, and money market funds with maturities of three months or less when purchased. Restricted cash includes cash and cash equivalents that is restricted through legal contracts, regulations or our intention to use the cash for a specific purpose. Our restricted cash primarily relates to certain traveler deposits and, to a lesser extent, collateral for office leases. The following table reconciles cash, cash equivalents and restricted cash reported in our consolidated balance sheets to the total amount presented in our consolidated statements of cash flows:

	December 31,	
	2025	2024
	(in millions)	
Cash and cash equivalents	$ 5,413	$ 4,183
Restricted cash and cash equivalents	1,563	1,391
Total cash, cash equivalents and restricted cash and cash equivalents in the consolidated statements of cash flows	$ 6,976	$ 5,574

Short-term and Long-term Investments

We determine the appropriate classification of our investments in marketable securities at the time of purchase and reevaluate such designation at each balance sheet date. Investments, other than minority equity investments, classified as available-for-sale are recorded at fair value with unrealized holding gains and losses recorded, net of tax, as a component of accumulated other comprehensive income ("OCI"). Realized gains and losses from the sale of available-for-sale investments, if any, are determined on a specific identification basis. We review our available-for-sale securities on a regular basis for impairment. For available-for-sale securities in unrealized loss positions, we determine whether any portion of the decline in fair value below the amortized cost basis is due to credit-related factors if we neither intend to sell nor anticipate that it is more likely than not that we will be required to sell prior to recovery of the amortized cost basis. We consider factors such as the extent to which the market value has been less than the cost, any noted failure of the issuer to make scheduled payments, changes to the rating of the security and other relevant credit-related factors in determining whether or not a credit loss exists. Investments with remaining maturities of less than one year are classified within short-term investments. All other investments are classified within long-term investments and other assets.

Minority equity investments with either readily determinable fair values, or for which we have elected to apply the fair value option, are measured at fair value on a recurring basis with changes in fair value recorded through net income or loss. Minority investments without readily determinable fair values, for which we have not elected to measure at fair value, are measured using the equity method, or measured at cost with observable price changes reflected through net income or loss. We perform a qualitative assessment on a quarterly basis and recognize an impairment if there are sufficient indicators that the fair value of the investment is less than carrying value. Changes in value of minority equity investments are recorded in other income (expense), net.

Accounts Receivable

Accounts receivable are generally due within thirty days and are recorded net of an allowance for expected uncollectible amounts. We consider accounts outstanding longer than the contractual payment terms as past due. The risk characteristics we generally review when analyzing our accounts receivable pools primarily include the type of receivable (for example, credit card vs hotel collect), collection terms and historical or expected credit loss patterns. For each pool, we make estimates of expected credit losses for our allowance by considering a number of factors, including the length of time trade accounts receivable are past due, previous loss history continually updated for new collections data, the credit quality of our customers, current economic conditions, reasonable and supportable forecasts of future economic conditions and other factors that may affect our ability to collect from customers. The provision for estimated credit losses is recorded as cost of revenue in our consolidated statements of operations.

Property and Equipment

We record property and equipment at cost, net of accumulated depreciation and amortization. We also capitalize certain costs incurred related to the development of internal use software. We capitalize costs incurred during the application development stage related to the development of internal use software. We expense costs incurred related to the planning and post-implementation phases of development as incurred.

We compute depreciation using the straight-line method over the estimated useful lives of the assets, which is three to five years for computer equipment, capitalized software development and furniture and other equipment, 15 years for land improvements, and 40 years for buildings, which includes our corporate headquarters. Land is not depreciated. We amortize

leasehold improvement using the straight-line method, over the shorter of the estimated useful life of the improvement or the remaining term of the lease.

We establish assets and liabilities for the present value of estimated future costs to return certain of our leased facilities to their original condition under the authoritative accounting guidance for asset retirement obligations. Such assets are depreciated over the lease period into operating expense, and the recorded liabilities are accreted to the future value of the estimated restoration costs.

Leases

We determine if an arrangement is a lease at inception. Operating leases are primarily for office space and data centers and are included in operating lease right-of-use ("ROU") assets, accrued expenses and other current liabilities, and operating lease liabilities on our consolidated balance sheets. ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

For operating leases with a term of one year or less, we have elected to not recognize a lease liability or ROU asset on our consolidated balance sheet. Instead, we recognize the lease payments as expense on a straight-line basis over the lease term. Short-term lease costs are immaterial to our consolidated statements of operations and cash flows.

We have office space and data center lease agreements with insignificant non-lease components and have elected the practical expedient to combine and account for lease and non-lease components as a single lease component.

Business Combinations

We assign the value of the consideration transferred to acquire a business to the tangible assets and identifiable intangible assets acquired and liabilities assumed on the basis of their fair values at the date of acquisition. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill. When determining the fair values of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Critical estimates in valuing certain intangible assets include but are not limited to future expected cash flows from customer relationships and trade names, and discount rates. Management’s estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Any changes to provisional amounts identified during the measurement period are recognized in the reporting period in which the adjustment amounts are determined.

Recoverability of Goodwill and Indefinite-Lived Intangible Assets

Goodwill is assigned to reporting units that are expected to benefit from the synergies of the business combination as of the acquisition date. We assess goodwill and indefinite-lived intangible assets, neither of which is amortized, for impairment annually as of October 1, or more frequently, if events and circumstances indicate impairment may have occurred. In the evaluation of goodwill for impairment, we typically perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value. An impairment charge is recorded based on the excess of the reporting unit's carrying amount over its fair value. Periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the goodwill is more likely than not impaired.

We generally base our measurement of fair value of reporting units on a blended analysis of the present value of future discounted cash flows and market valuation approach. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital; long-term rate of growth and profitability of our business; and working capital effects. The market valuation approach indicates the fair value of the business based on a comparison of the Company to comparable publicly traded firms in similar lines of business. Our significant estimates in the market approach model include identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and operating income multiples in estimating the fair value of the reporting units.

We believe the weighted use of discounted cash flows and market approach is the best method for determining the fair value of our reporting units because these are the most common valuation methodologies used within the travel and internet

industries; and the blended use of both models compensates for the inherent risks associated with either model if used on a stand-alone basis.

In addition to measuring the fair value of our reporting units as described above, we consider the combined carrying and fair values of our reporting units in relation to the Company's total fair value of equity plus debt as of the assessment date. Our equity value assumes our fully diluted market capitalization, using either the stock price on the valuation date or the average stock price over a range of dates around the valuation date, plus an estimated acquisition premium which is based on observable transactions of comparable companies. The debt value is based on the highest value expected to be paid to repurchase the debt, which can be fair value, principal or principal plus a premium depending on the terms of each debt instrument.

In our evaluation of our indefinite-lived intangible assets, we typically first perform a quantitative assessment and an impairment charge is recorded for the excess of the carrying value of indefinite-lived intangible assets over their fair value, if necessary. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of trade name and trademarks, using the relief-from-royalty method. This method assumes that the trade name and trademarks have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. As with goodwill, periodically, we may choose to perform a qualitative assessment, prior to performing the quantitative analysis, to determine whether the fair value of the indefinite-lived intangible asset is more likely than not impaired.

Recoverability of Intangible Assets with Definite Lives and Other Long-Lived Assets

Intangible assets with definite lives and other long-lived assets are carried at cost and are amortized on a straight-line basis over their estimated useful lives of one to ten years. We review the carrying value of long-lived assets or asset groups, including property and equipment, to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset groups carrying amount and its estimated fair value.

Assets held for sale, to the extent we have any, are reported at the lower of cost or fair value less costs to sell.

Income Taxes

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the financial statement carrying amounts and the tax bases of assets and liabilities. Deferred tax assets and liabilities for each temporary difference are recorded based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense.

We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including recent earnings by jurisdiction, expectations of future taxable income, the tax attribute carryforward periods, as well as other relevant factors. We may record a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we must make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates. All deferred income taxes are classified as long-term on our consolidated balance sheets.

We account for uncertain tax positions based on a two-step process of evaluating recognition and measurement criteria. The first step assesses whether the tax position is more likely than not to be sustained upon examination by the tax authority, including resolution of any appeals or litigation, based on the technical merits of the position. If the tax position meets the more likely than not criteria, the tax benefit greater than 50% likely to be realized upon settlement with the tax authority is recognized in the financial statements.

We recognize interest and penalties related to unrecognized tax benefits in the income tax expense line in our consolidated statement of operations. Accrued interest and penalties are included in other long-term liabilities on the consolidated balance sheet.

In relation to tax effects for accumulated OCI, our policy is to release the tax effects of amounts reclassified from accumulated OCI to pre-tax income (loss) from continuing operations. Any remaining tax effect in accumulated OCI is released following a portfolio approach.

We account for the global intangible low-tax income earned by our foreign subsidiaries included in gross U.S. taxable income in the period incurred.

Derivative Instruments

Derivative instruments are carried at fair value on our consolidated balance sheets. The fair values of the derivative financial instruments generally represent the estimated amounts we would expect to receive or pay upon termination of the contracts as of the reporting date. We do not hold or issue financial instruments for speculative or trading purposes.

Foreign Currency Forward Contracts. At December 31, 2025 and 2024, our derivative instruments included foreign currency forward contracts. We use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. Our goal in managing our foreign exchange risk is to reduce, to the extent practicable, our potential exposure to the changes that exchange rates might have on our earnings, cash flows and financial position. Our foreign currency forward contracts are typically short-term and, as they do not qualify for hedge accounting treatment, we classify the changes in their fair value in other, net and present associated cash flows within investing activities on the statement of cash flows.

Net Investment Hedges. We also have entered into a fixed-to-fixed cross-currency interest rate swap with an aggregate notional amount of €220 million. During the term of the contract, we receive interest payments in U.S. dollars at a fixed rate of 5.4% and make interest payments in Euros at an average fixed rate of 4.061% based on a notional amount and fixed interest rates determined at contract inception. The swap was designated as a hedge of our net investment in certain Euro functional currency subsidiaries. Hedge effectiveness is assessed each quarter based on the net investment in the foreign subsidiaries designated as the hedged item and the changes in the fair value of the designated interest rate swap based on spot rates. For hedges that meet the effectiveness requirements, changes in fair value are recorded as accumulated OCI within the foreign currency translation adjustment. Amounts excluded from hedge effectiveness at inception are recognized as interest accrues within interest expense.

The Company has in the past designated foreign currency-denominated debt as a hedge of our net investment in certain Euro functional currency subsidiaries. The gains or losses on these non-derivative instruments were reported as a component of accumulated OCI as part of the cumulative translation adjustments on our consolidated balance sheets. While these hedging relationships have terminated, the associated currency translation adjustments remain in accumulated OCI until realized upon a full or partial sale or liquidation of the applicable Euro functional currency subsidiaries.

Contractual terms of debt arrangements, including embedded features such as conversion options, are evaluated and reassessed at each balance sheet date to determine whether they must be accounted for separately from the debt contract as derivative instruments. Embedded derivatives are measured at fair value, with changes in fair value recognized in other, net in the consolidated statement of operations.

Foreign Currency Translation and Transaction Gains and Losses

Certain of our operations outside of the United States use the related local currency as their functional currency. We translate revenue and expense at average rates of exchange during the period. We translate assets and liabilities at the rates of exchange as of the consolidated balance sheet dates and include foreign currency translation gains and losses as a component of accumulated OCI. Due to the nature of our operations and our corporate structure, we also have subsidiaries that have significant transactions in foreign currencies other than their functional currency. We record transaction gains and losses in our consolidated statements of operations related to the recurring remeasurement and settlement of such transactions.

To the extent practicable, we attempt to minimize this exposure by maintaining natural hedges between our current assets and current liabilities of similarly denominated foreign currencies. Additionally, as discussed above, we use foreign currency forward contracts to economically hedge certain merchant revenue exposures and in lieu of holding certain foreign currency cash for the purpose of economically hedging our foreign currency-denominated operating liabilities.

Debt Issuance Costs

We defer costs we incur to issue debt, which are presented in the balance sheet as a direct deduction from the carrying amount of the related debt liability, and amortize these costs to interest expense over the term of the debt or in circumstances where the debt can be redeemed at the option of the holders, over the term of the redemption option.

Marketing Promotions

We periodically provide incentive offers to our customers to encourage booking of travel products and services.

Generally, our incentive offers are as follows:

Current Discount Offers. These promotions include dollar or percent off discounts to be applied against current purchases. We record the discounts as reduction in revenue at the date we record the corresponding revenue transaction.

Inducement Offers. These promotions include discounts granted at the time of a current purchase to be applied against a future qualifying purchase. We treat inducement offers as a reduction to revenue based on estimated future redemption rates. We allocate the discount amount at the time of the offer between the current performance obligation and the potential future performance obligations based on our expected relative value of the transactions. We estimate our redemption rates using our historical experience for similar inducement offers.

Concession Offers. These promotions include discounts to be applied against a future purchase to maintain customer satisfaction. Upon issuance, we record these concession offers as a reduction to revenue based on estimated future redemption rates. We estimate our redemption rates using our historical experience for concession offers.

Advertising Expense

We incur advertising expense consisting of offline costs, including television and print advertising, and online advertising expense to promote our brands. We expense the production costs associated with advertisements in the period in which the advertisement first takes place. We expense the costs of communicating the advertisement (e.g., television airtime) as incurred each time the advertisement is shown. For the years ended December 31, 2025, 2024 and 2023, our advertising expense was $3.9 billion, $4.0 billion and $3.8 billion.

Stock-Based Compensation

We measure and amortize the fair value of restricted stock units (“RSUs”) and stock options as follows:

Restricted Stock Units. RSUs are stock awards that are granted to employees entitling the holder to shares of common stock as the award vests, typically over a three or four-year period, but may accelerate in certain circumstances. We measure the value of RSUs at fair value based on the number of shares granted and the quoted price of our common stock at the date of grant. We amortize the fair value, net of actual forfeitures, as stock-based compensation expense over the vesting term generally on a straight-line basis, but at least equal to the portion of the grant-date fair value of the award that is vested at that date. In addition, we have a limited number of market-based stock units and performance-based stock units (collectively referred to as "PSUs"). For market-based awards, we calculated the fair value using a Monte Carlo valuation model. For performance-based awards, we determine the grant-date fair value to be the quoted price of our common stock at the date of grant. The fair value, net of actual forfeitures, is amortized as stock-based compensation over the vesting term, generally a three year period, on an accelerated basis. The number of shares that ultimately vest depends on achieving certain performance metrics or performance goals, as applicable, by the end of the performance period, assuming there is no accelerated vesting for, among other things, a termination of employment under certain circumstances. We record RSUs that may be settled by the holder in cash, rather than shares, as a liability and we remeasure these instruments at fair value at the end of each reporting period. Upon settlement of these awards, our total compensation expense recorded over the vesting period of the awards will equal the settlement amount, which is based on our stock price on the settlement date.

Stock Options. Our employee stock options consist of service based awards. We measure the value of stock options issued or modified, including unvested options assumed in acquisitions, on the grant date (or modification or acquisition dates, if applicable) at fair value, using appropriate valuation techniques, including the Black-Scholes. We amortize the fair value, net of actual forfeitures, over the remaining explicit vesting term in the case of service-based awards and the longer of the derived service period or the explicit service period for awards with market conditions on a straight-line basis. Stock options have not been broadly used as part of our compensation strategy in recent years and all outstanding options were fully vested as of December 31, 2024.

Estimates of fair value are not intended to predict actual future events or the value ultimately realized by employees who receive these awards, and subsequent events are not indicative of the reasonableness of our original estimates of fair value.

Earnings Per Share

We compute basic earnings per share by taking net income or loss attributable to Expedia Group, Inc. available to common stockholders divided by the weighted average number of common and Class B common shares outstanding during the period excluding restricted stock and stock held in escrow. Diluted earnings per share include the potential dilution that could occur from stock-based awards and other stock-based commitments (which includes convertible notes) using the treasury stock

or the if converted method, as applicable. For additional information on how we compute earnings per share, see NOTE 12 — Earnings Per Share.

Fair Value Recognition, Measurement and Disclosure

The carrying amounts of cash and cash equivalents and restricted cash and cash equivalents reported on our consolidated balance sheets approximate fair value as we maintain them with various high-quality financial institutions. The accounts receivable are short-term in nature and are generally settled shortly after the sale.

We disclose the fair value of our financial instruments based on the fair value hierarchy using the following three categories:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting the Company's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Certain Risks and Concentrations

Our business is subject to certain risks and concentrations including dependence on relationships with travel suppliers, primarily airlines and hotels, dependence on third-party technology providers, exposure to risks associated with online commerce security and payment related fraud. We also rely on global distribution system partners and third-party service providers for certain fulfillment services**.**

Financial instruments, which potentially subject us to concentration of credit risk, consist primarily of cash and cash equivalents. We maintain some cash and cash equivalents balances with financial institutions that are in excess of Federal Deposit Insurance Corporation insurance limits. Our cash and cash equivalents are primarily composed of term deposits as well as bank (both interest and non-interest bearing) account balances denominated in U.S. dollars, Canadian dollar, Euros, British pound, Indian Rupee, Brazilian real, South Korean Won, Australian dollar and Japanese Yen.

Contingent Liabilities

We have a number of regulatory and legal matters outstanding, as discussed further in NOTE 15 — Commitments and Contingencies. Periodically, we review the status of all significant outstanding matters to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, we record the estimated loss in our consolidated statements of operations. We provide disclosure in the notes to the consolidated financial statements for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would be material to the financial statements. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable. We base accruals made on the best information available at the time which can be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Occupancy and Other Taxes

Some states and localities impose taxes (e.g. transient occupancy, accommodation tax, sales tax, and/or business privilege tax) on the use or occupancy of hotel accommodations or other traveler services. Generally, hotels collect taxes based on the room rate paid to the hotel and remit these taxes to the various tax authorities. When a customer books a room through one of our travel services, we collect a tax recovery charge from the customer which we pay to the hotel. We calculate the tax recovery charge by applying the applicable tax rate supplied to us by the hotels to the amount that the hotel has agreed to receive for the rental of the room by the consumer. In most jurisdictions, we do not collect or remit taxes, nor do we pay taxes to the hotel operator, on the portion of the customer payment we retain. Some jurisdictions have questioned our practice in this regard. While the applicable tax provisions vary among the jurisdictions, we generally believe that we are not required to collect and remit such taxes. A limited number of taxing jurisdictions have made similar claims against certain of our companies for tax amounts due on the rental amounts charged by owners of alternative accommodations properties or for taxes on our services. We are an intermediary between a traveler and a party renting a vacation property and we believe are similarly not liable for such taxes. We are engaged in discussions with tax authorities in various jurisdictions to resolve these issues. Some tax authorities have brought lawsuits or have levied assessments asserting that we are required to collect and remit tax. The ultimate resolution in all jurisdictions cannot be determined at this time. We have established a reserve for the potential settlement of

issues related to hotel occupancy and other taxes when determined to be probable and estimable. See NOTE 15 — Commitments and Contingencies for further discussion.

Recently Adopted Accounting Policies

We adopted the new guidance related to improved income tax disclosure requirements on a retrospective basis in our consolidated financial statements for the current fiscal year ended December 31, 2025. These disclosures include (1) specific categories in the rate reconciliation and (2) additional information for reconciling items that meet a quantitative threshold (if the effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income (loss) by the applicable statutory income tax rate). See NOTE 10 — Income Taxes for the updated disclosures.

Recent Accounting Policies Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued new guidance expanding disclosure requirements related to certain income statement expenses. The guidance requires tabular footnote disclosure of certain operating expenses disaggregated into categories, such as employee compensation, depreciation, and intangible asset amortization, included within each interim and annual income statement's expense caption, as applicable. The effective date is for fiscal years beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statement disclosures.

In September 2025, the FASB issued new guidance related to accounting for internal-use software, which updates the cost capitalization threshold for internal-use software development costs by removing all references to software project development stages and providing new guidance on how to evaluate whether the probable-to-complete recognition threshold has been met. The effective date is for annual periods beginning after December 15, 2027, and interim periods within those annual reporting periods. Early application is permitted as of the beginning of an annual reporting period and the transition method may be prospective, modified, or retrospective. We are in the process of evaluating the impact of adopting this new guidance on our consolidated financial statements and disclosures.

NOTE 3 — Fair Value Measurements

Financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2025 are classified using the fair value hierarchy in the table below:

	Total	Level 1	Level 2
		(In millions)	
Assets			
Cash equivalents:			
Money market funds	$ 181	$ 181	$ —
Term deposits and certificates of deposit	160	—	160
Corporate debt securities	2	—	2
Commercial paper	44	—	44
Investments:			
Equity investment	577	577	—
Corporate debt securities	404	—	404
U.S. treasury securities	20	—	20
Asset-backed securities	121	—	121
Term deposits and certificates of deposit	17	—	17
U.S. agency securities	36	—	36
Commercial paper	2	—	2
Total assets measured at fair value on a recurring basis	$ 1,564	$ 758	$ 806
Liabilities			
Derivatives:			
Foreign currency forward contracts	$ 13	$ —	$ 13
Cross-currency interest rate swaps	11	—	11
Embedded derivative liability	126	—	126
Total liabilities measured at fair value on a recurring basis	$ 150	$ —	$ 150

Financial assets measured at fair value on a recurring basis as of December 31, 2024 are classified using the fair value hierarchy in the table below:

	Total	Level 1	Level 2
		(In millions)	
Assets			
Cash equivalents:			
Money market funds	$ 113	$ 113	$ —
Term deposits and certificates of deposit	163	—	163
Commercial paper	2	—	2
Derivatives:			
Cross-currency interest rate swaps	25	—	25
Investments:			
Equity investments	895	895	—
Corporate debt securities	354	—	354
U.S. treasury securities	70	—	70
Asset-backed securities	62	—	62
Term deposits and certificates of deposit	3	—	3
U.S. agency securities	8	—	8
Non-U.S. government securities	3	—	3
Commercial paper	2	—	2
Total assets measured at fair value on a recurring basis	$ 1,700	$ 1,008	$ 692
Liabilities			
Derivatives:			
Foreign currency forward contracts	$ 2	$ —	$ 2

We classify our cash equivalents and investments within Level 1 and Level 2 as we value our cash equivalents and investments using quoted market prices or alternative pricing sources and models utilizing market observable inputs. Valuation of the foreign currency forward contracts is based on foreign currency exchange rates in active markets, a Level 2 input. Valuation of the cross-currency interest rate swaps is based on foreign currency exchange rates and the current interest rate curve, Level 2 inputs.

We hold term deposit investments with financial institutions. Term deposits with original maturities of less than three months are classified as cash equivalents. Those with remaining maturities of less than one year are classified within short-term investments and those with remaining maturities of greater than one year are classified within long-term investments and other assets.

As of December 31, 2025 and 2024, our cash and cash equivalents consisted primarily of term deposits, certificates of deposits, money market funds and commercial paper with maturities of three months or less and bank account balances.

We primarily invest in investment grade corporate debt securities, U.S. treasury securities, and asset-backed securities, most of which are classified as available-for-sale. As of December 31, 2025, we had $320 million of short-term and $280 million of long-term investments primarily classified as available-for-sale, which generally mature within five years. As of December 31, 2024, we had $300 million of short-term and $202 million of long-term available-for-sale investments. The amortized cost basis of the investments approximated their fair value with gross unrealized gains and gross unrealized losses of approximately $1 million for both 2025 and 2024. We review our available-for-sale securities on a regular basis for impairment. During 2025 and 2024, we did not recognize an allowance for credit-related losses on any of our investments.

As of December 31, 2025, our equity investment represents our investment in Global Business Travel Group, Inc., a publicly traded company for which we have an approximately 14% ownership interest. During the years ended December 31, 2025, 2024, and 2023, we recognized gains (losses) of approximately $(133) million, $217 million and $(26) million within other, net in our consolidated statements of operations related to the fair value changes of this equity investment.

During 2025, we completed the sale of our equity investment in Despegar.com, Corp. for $187 million in cash. During the years ended December 31, 2025, 2024, and 2023, we recognized gains of approximately $2 million, $94 million and $42 million within other, net in our consolidated statements of operations for fair value changes up to the date of the sale in the current year.

We use foreign currency forward contracts to economically hedge certain merchant revenue exposures, foreign denominated liabilities related to certain of our loyalty programs and our other foreign currency-denominated operating liabilities. As of December 31, 2025, we were party to outstanding forward contracts hedging our liability exposures with a total net notional value of $5.4 billion. As of December 31, 2025 and 2024, we had net forward liability of $13 million ($31 million gross forward liability) and $2 million ($42 million gross forward liability) recorded in accrued expenses and other current liabilities. We recorded $117 million, $33 million and $24 million in net losses from foreign currency forward contracts in 2025, 2024 and 2023.

From March 2022 to August 2025, we maintained two fixed-to-fixed cross-currency interest rate swaps with an aggregate notional amount of €300 million, and maturity dates of February 2026 (the "2022 swaps"), which were designated as net investment hedges of Euro assets. In August 2025, the 2022 swaps were effectively closed out by entering into a swap with offsetting terms, and we de-designated the 2022 swaps and discontinued hedge accounting. Simultaneously we entered into a new fixed-to-fixed cross-currency interest rate swap with a notional amount of €220 million and maturity date of February 2028 (the “2025 swap”). The 2025 swap was designated as a net investment hedge of Euro assets with the objective to protect the U.S. dollar value of our net investments in the Euro foreign operations due to movements in foreign currency. The fair value of the 2025 swap was an $11 million liability as of December 31, 2025, recorded in accrued expenses and other current liabilities. The fair value of the 2022 swaps was an asset of $25 million as of December 31, 2024, recorded in long-term investments and other assets. The gain related to these swaps recognized in interest expense was $1 million during the year ended December 31, 2025 and $5 million during both of the years ended December 31, 2024 and 2023.

See NOTE 7 — Debt for information on the embedded derivative liability related to the convertible notes due in February 2026 measured at fair value using a lattice model based on factors such as our stock price, the principal outstanding, coupon rate, volatility, credit spread, risk-free rate and other market data considered Level 2 inputs.

Assets Measured at Fair Value on a Non-recurring Basis

Our non-financial assets, such as goodwill, intangible assets and property and equipment, are adjusted to fair value when an impairment charge is recognized or the underlying investment is sold. Such fair value measurements are based predominately on Level 3 inputs. We measure our minority investments that do not have readily determinable fair values at cost less impairment, adjusted by observable price changes with changes recorded within other, net on our consolidated statements of operations.

Goodwill. During 2023, we recognized a goodwill impairment charge of $297 million related to our trivago segment. This impairment charge resulted from trivago’s strategic shift which included intensifying its brand marketing investments with an anticipated decrease in profitability. The fair value estimate for the reporting unit was based on a blended analysis of the present value of future discounted cash flows and market value approach, Level 3 inputs. The significant estimates used in the discounted cash flows model included our weighted average cost of capital, projected cash flows and the long-term rate of growth. Our assumptions were based on the actual historical performance of the reporting unit and considered the weakening of operating results, and implied risk premiums based on market prices of our equity and debt as of the assessment date. Our significant estimates in the market approach model included identifying similar companies with comparable business factors such as size, growth, profitability, risk and return on investment and assessing comparable revenue and earnings multiples in estimating the fair value of the reporting unit. The excess of the reporting unit's carrying value over our estimate of the fair value was recorded as the goodwill impairment charge. As of December 31, 2023, our trivago segment had no goodwill remaining.

Intangible Assets. During 2024, we recognized intangible asset impairment charges of $147 million related to indefinite-lived trade names, of which $114 million related to our B2C segment and $33 million related to our trivago segment. The B2C indefinite-lived trade name impairment charges were recorded during the fourth quarter of 2024 as part of our annual impairment test and resulted from changes in estimated future revenues of one of our B2C brands. The trivago indefinite-lived trade name impairment charge was recognized during the third quarter of 2024 and resulted from a decline in trivago revenue in the current year as well as trivago’s share price decline, which reduced its total market capitalization relative to its net assets. These indefinite-lived trade name assets were classified as Level 3 measurements and valued using the relief-from-royalty method, which included unobservable inputs, including projected revenues, weighted average cost of capital and royalty rates. The royalty rates for our impairments in 2024 ranged from 2.5% to 4%.

During 2023, we recognized intangible asset impairment charges of $129 million related to indefinite-lived trade names that resulted from changes in estimated future revenues of the related brands, of which $114 million related to our B2C segment and $15 million related to our trivago segment. The royalty rates for our impairments ranged from 3% to 4%.

Minority Investments without Readily Determinable Fair Values. As of December 31, 2025 and 2024, the carrying values of our minority investments without readily determinable fair values totaled $256 million and $293 million. During 2025 and 2024, we recorded $37 million and $22 million of losses related to a minority investment, resulting from valuations using an

option pricing model that utilized judgmental inputs such as discounts for lack of marketability and estimated exit event timing. In addition, during 2024, we sold a minority investment for $15 million and recognized an immaterial gain on the transaction. During 2023, we had no material gains or losses recognized related to these minority investments. As of December 31, 2025, total cumulative adjustments made to the initial cost basis of these investments included $164 million in unrealized downward adjustments (including impairments).

NOTE 4 — Property and Equipment, Net

Our property and equipment consists of the following:

	December 31,	
	2025	2024
	(In millions)	
Capitalized software development	$ 3,748	$ 3,373
Computer equipment	182	170
Furniture and other equipment	113	115
Buildings and leasehold improvements	1,244	1,227
Land	146	146
	5,433	5,031
Less: accumulated depreciation	(3,069)	(2,814)
Projects in progress	83	196
Property and equipment, net	$ 2,447	$ 2,413

As of December 31, 2025 and 2024, our recorded capitalized software development costs, net of accumulated amortization, which have been placed in service were $1.3 billion and $1.1 billion. For the years ended December 31, 2025, 2024 and 2023, we recorded amortization of capitalized software development costs of $749 million, $671 million and $642 million included in depreciation and amortization expense.

As of December 31, 2025, 2024 and 2023, we had $8 million, $2 million and $5 million, respectively, included in accounts payable for the acquisition of property and equipment, which is considered a non-cash investing activity in the consolidated statements of cash flows.

NOTE 5 – Leases

We have operating leases for office space and data centers. Our leases have remaining lease terms of one year to 12 years, some of which include options to extend the leases for up to ten years, and some of which include options to terminate the leases within one year.

Operating lease costs were $84 million, $85 million and $97 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Supplemental cash flow information related to leases were as follows:

	Year ended December 31,		
	2025	2024	2023
		(In millions)	
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows for operating lease payments	$ 81	$ 80	$ 92
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	41	22	86

Supplemental consolidated balance sheet information related to leases were as follows:

	December 31, 2025	December 31, 2024
	(in millions)	
Operating lease right-of-use assets	$ 296	$ 305
Current lease liabilities, included within Accrued expenses and other current liabilities	$ 61	$ 63
Long-term lease liabilities, included within Operating lease liabilities	254	265
Total operating lease liabilities	$ 315	$ 328
Weighted average remaining lease term	5.8 years	6.2 years
Weighted average discount rate	4.2 %	4.2 %

Maturities of lease liabilities are as follows:

	Operating Leases
	(in millions)
Year ending December 31,	
2026	$ 72
2027	73
2028	66
2029	56
2030	32
2031 and thereafter	57
Total lease payments	356
Less: imputed interest	(41)
Total	$ 315

NOTE 6 — Goodwill and Intangible Assets, Net

The following table presents our goodwill and intangible assets as of December 31, 2025 and 2024:

	December 31,	
	2025	2024
	(In millions)	
Goodwill	$ 6,872	$ 6,844
Intangible assets with indefinite lives	769	763
Intangible assets with definite lives, net	50	54
	$ 7,691	$ 7,661

Impairment Assessments. We perform our annual assessment of possible impairment of goodwill and indefinite-lived intangible assets as of October 1, or more frequently if events and circumstances indicate that an impairment may have occurred.

During the third quarter of 2024, we recognized intangible impairment charges of $33 million related to an indefinite-lived trade name within our trivago segment that resulted from a decline in revenue in the current year as well as trivago's share price decline, which reduced its total market capitalization relative to its net assets. In addition, during our annual assessment of goodwill and intangible assets during the fourth quarter of 2024, we recognized intangible impairment charges of $114 million related to an indefinite-lived trade name within our B2C segment.

During 2023, we recognized a goodwill impairment charge of $297 million related to our trivago segment as well as intangible impairment charges of $15 million related to indefinite-lived trade name within our trivago segment, due to a strategic shift at trivago, which included intensifying its brand marketing investments with an anticipated decrease in profitability. In addition, during the fourth quarter of 2023, we recognized intangible impairment charges of $114 million related to indefinite-lived trade names within our B2C segment.

Goodwill. The following table presents the changes in goodwill by reportable segment:

	B2C	B2B	trivago	Total
		(In millions)		
Balance as of December 31, 2023	$ 6,436	$ 413	$ —	$ 6,849
Foreign exchange translation and other	(3)	(2)	—	(5)
Balance as of December 31, 2024	6,433	411	—	6,844
Additions	—	—	16	16
Foreign exchange translation and other	11	1	—	12
Balance as of December 31, 2025	$ 6,444	$ 412	$ 16	$ 6,872

As of December 31, 2025, accumulated goodwill impairment losses in total were $3.6 billion, of which $3.0 billion was associated with our B2C segment and $537 million was associated with our trivago segment.

Indefinite-lived Intangible Assets. Our indefinite-lived intangible assets relate principally to trade names and trademarks acquired in various acquisitions.

Intangible Assets with Definite Lives. The following table presents the components of our intangible assets with definite lives as of December 31, 2025 and 2024:

	December 31, 2025			December 31, 2024		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
			(In millions)			
Customer relationships	$ 381	$ (381)	$ —	$ 380	$ (369)	$ 11
Supplier relationships	485	(485)	—	475	(474)	1
Domain names	168	(155)	13	166	(145)	21
Technology	391	(362)	29	353	(353)	—
Other	302	(294)	8	295	(274)	21
Total	$ 1,727	$ (1,677)	$ 50	$ 1,669	$ (1,615)	$ 54

Amortization expense was $40 million, $57 million and $59 million for the years ended December 31, 2025, 2024 and 2023. The estimated future amortization expense related to intangible assets with definite lives as of December 31, 2025, assuming no subsequent impairment of the underlying assets, is as follows, in millions:

2026	$ 18
2027	10
2028	6
2029	6
2030	6
2031 and thereafter	4
Total	$ 50

NOTE 7 — Debt

The following table sets forth our outstanding debt:

	December 31,	
	2025	2024
	(In millions)	
6.25% senior notes due 2025	$ —	$ 1,043
5.0% senior notes due 2026	750	749
0% convertible senior notes due 2026	942	996
4.625% senior notes due 2027	748	747
3.8% senior notes due 2028	998	997
3.25% senior notes due 2030	1,242	1,240
2.95% senior notes due 2031	495	494
5.4% senior notes due 2035	986	—
Total debt[(1)]	$ 6,161	$ 6,266
Current maturities of long-term debt	(1,692)	(1,043)
Long-term debt, excluding current maturities	$ 4,469	$ 5,223

(1) Net of applicable discounts and debt issuance costs.

Outstanding Debt

Senior Notes Outstanding.

February 2025 Senior Notes Issuance. In February 2025, we issued $1 billion of registered senior unsecured notes that bear interest at 5.4% and are due in February 2035 (the "5.4% Notes"). The 5.4% Notes were issued at a price of 99.316% of the aggregate principal amount. Interest is payable semi-annually in arrears in February and August of each year, beginning August 15, 2025. At any time prior to November 15, 2034, we may redeem some or all of the 5.4% Notes by paying a "make-whole" premium plus accrued and unpaid interest, if any. On or after November 15, 2034, we may redeem some or all of the 5.4% Notes at par plus accrued and unpaid interest, if any. The net proceeds from the issuance of the 5.4% Notes were approximately $985 million after deducting the discount and debt issuance costs.

In prior years, we issued the following senior notes, which are still outstanding as of December 31, 2025:

- $750 million of registered senior unsecured notes that are due in February 2026 that bear interest at 5.0% (the "5.0% Notes"). The 5.0% Notes were issued at 99.535% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in arrears in February and August of each year. We may redeem the 5.0% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 5.0% Notes on or after November 12, 2025, we may redeem them at a redemption price of 100% of the principal plus accrued interest.
- $750 million of registered senior unsecured notes that are due in August 2027 that bear interest at 4.625% (the "4.625% Notes"). The 4.625% Notes were issued at a price of 99.997% of the aggregate principal amount. Interest is payable semi-annually in arrears in February and August of each year. We may redeem some or all of the 4.625% Notes at any time prior to May 1, 2027 by paying a "make-whole" premium plus accrued and unpaid interest, if any. We may redeem some or all of the 4.625% Notes on or after May 1, 2027 at par plus accrued and unpaid interest, if any.
- $1 billion of registered senior unsecured notes that are due in February 2028 that bear interest at 3.8% (the "3.8% Notes"). The 3.8% Notes were issued at 99.747% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in arrears in February and August of each year. We may redeem the 3.8% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 3.8% Notes prior to November 15, 2027, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a "make-whole" premium. If we elect to redeem the 3.8% Notes on or after November 15, 2027, we may redeem them at a redemption price of 100% of the principal plus accrued interest.
- $1.25 billion of registered senior unsecured notes that are due in February 2030 and bear interest at 3.25% (the "3.25% Notes"). The 3.25% Notes were issued at 99.225% of par resulting in a discount, which is being amortized over their life. Interest is payable semi-annually in arrears in February and August of each year. We may redeem the 3.25% Notes at our option at any time in whole or from time to time in part. If we elect to redeem the 3.25% Notes prior to November 15, 2029, we may redeem them at a redemption price of 100% of the principal plus accrued interest, plus a

"make-whole" premium. If we elect to redeem the 3.25% Notes on or after November 15, 2029, we may redeem them at a redemption price of 100% of the principal plus accrued interest.

- $500 million of senior unsecured notes that are due in March 2031 and bear interest at 2.95% (the "2.95% Notes"). The 2.95% Notes were issued at a price of 99.081% of the aggregate principal amount. Interest is payable semi-annually in arrears in March and September of each year and the interest rate is subject to adjustment based on certain ratings events. We may redeem some or all of the 2.95% Notes at any time prior to December 15, 2030 by paying a "make-whole" premium plus accrued and unpaid interest, if any. We may redeem some or all of the 2.95% Notes on or after December 15, 2030 at par plus accrued and unpaid interest, if any.

All of our outstanding senior notes (collectively the "Senior Notes") are senior unsecured obligations issued by Expedia Group and guaranteed by certain domestic Expedia Group subsidiaries. The Senior Notes rank equally in right of payment with all of our existing and future unsecured and unsubordinated obligations of Expedia Group and the guarantor subsidiaries. In addition, the Senior Notes include covenants that limit our ability to (i) create certain liens, (ii) enter into sale/leaseback transactions and (iii) merge or consolidate with or into another entity or transfer substantially all of our assets. The Senior Notes are redeemable in whole or in part, at the option of the holders thereof, upon the occurrence of certain change of control triggering events at a purchase price in cash equal to 101% of the principal plus accrued and unpaid interest. Accrued interest related to the Senior Notes was $82 million and $73 million as of December 31, 2025 and 2024.

Convertible Notes Outstanding. In February 2021, we completed our private placement of $1 billion aggregate principal amount of unsecured 0% convertible senior notes that mature on February 15, 2026 unless earlier converted, redeemed or repurchased (the "Convertible Notes").

The Convertible Notes are unsecured, unsubordinated obligations and rank equally in right of payment with each other and with all of our existing and future unsecured and unsubordinated obligations, including our existing senior notes. The Convertible Notes are fully and unconditionally guaranteed by the subsidiary guarantors, which include each domestic subsidiary that is a borrower under or guarantees the obligations under our existing senior secured credit agreement. So long as the guarantees are in effect, each subsidiary guarantor's guarantee will be the unsecured, unsubordinated obligation of such subsidiary guarantor and will rank equally in right of payment with each other and with all of such subsidiary guarantor's existing and future unsecured and unsubordinated obligations, including such subsidiary guarantor's guarantees of our existing senior notes.

The Convertible Notes have a current conversion rate of 3.9526 shares of common stock of Expedia Group with a par value $0.0001 per share (referred to as "our common stock" herein), per $1,000 principal amount of Convertible Notes, which is equal to a current conversion price of approximately $253.00 per share of our common stock. The conversion rate is subject to adjustment from time to time upon the occurrence of certain events, including, but not limited to, the issuance of stock dividends and payment of cash dividends. At any time prior to the close of business on the business day immediately preceding November 15, 2025, holders could convert their Convertible Notes at their option only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on March 31, 2021 (and only during such calendar quarter), if the last reported sale price of our common stock for at least 20 trading days (whether or not consecutive) during the period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is equal to or greater than 130% of the conversion price then in effect on each applicable trading day;
- during the five business day period immediately after any five consecutive trading day period (the "measurement period") in which the trading price per $1,000 principal amount of Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day;
- if the Company calls any or all of the Convertible Notes for redemption, at any time prior to the close of business on the business day immediately prior to the redemption date, but only with respect to the Convertible Notes called for redemption (or deemed called for redemption); or
- upon the occurrence of specified corporate events.

Irrespective of the foregoing conditions, holders may convert their Convertible Notes on or after November 15, 2025 and prior to the close of business on the second scheduled trading day immediately preceding the maturity date. Additionally, upon the occurrence of a corporate event that constitutes a "make-whole fundamental change" per the indenture, or if we call the Convertible Notes for redemption, and a holder elects to convert its Convertible Notes in connection with such make-whole fundamental change or during the related redemption period, as the case may be, such holder may be entitled to an increase in the conversion rate in certain circumstances as described in the indenture. Prior to November 2025, upon conversion, holders could receive cash, shares of our common stock or a combination of cash and shares of our common stock, at our election (the "conversion option").

Upon issuance and subsequent balance sheet-date reassessments through September 30, 2025, the conversion option on the Convertible Notes qualified for the equity scope exception under derivative accounting guidance because the Company had the option to deliver either cash, shares of our common stock or a combination of cash and shares of our common stock at our election. Under such exception, the conversion option is not required to be accounted for as a separate instrument. On November 12, 2025, the Company elected to irrevocably fix the settlement method to cash settlement. Upon that election, the conversion option no longer qualified for the exception and was deemed to be an embedded derivative which required bifurcation from the debt contract. Upon bifurcation of the conversion option, we recorded an embedded derivative liability at fair value of $119 million and a corresponding debt discount of $119 million reducing the carrying value of the Convertible Notes. The debt discount is amortized over the remaining term of the Convertible Notes using the straight-line method. The fair value of the embedded derivative liability (considered a "Level 2" fair value measurement; see NOTE 3 — Fair Value Measurements), was $126 million as of December 31, 2025 and is included in accrued expenses and other current liabilities on the consolidated balance sheet. The unamortized debt discount and debt issuance costs were $58 million as of December 31, 2025 and the unamortized debt issuance costs were $4 million as of December 31, 2024.

We recognized the following charges related to the conversion option on the Convertible Notes in our consolidated statement of operations:

(In millions)	Classification in consolidated statements of operations	Year ended December 31, 2025
Change in fair value of the embedded derivative	Other, net	$ 7
Amortization of debt discount	Interest expense	62
Total charges		$ 69

Interest expense related to the amortization of the original debt issuance costs for the Convertible Notes was $3 million during each of the years ended December 31, 2025, 2024 and 2023.

Estimated Fair Value. The total estimated fair value of our Senior Notes was approximately $5.2 billion and $5.1 billion as of December 31, 2025 and 2024. Additionally, the estimated fair value of the Convertible Notes was $1.1 billion and $997 million as of December 31, 2025 and 2024. The fair value was determined based on quoted market prices in less active markets and is categorized accordingly as Level 2 in the fair value hierarchy.

Redemption of Senior Notes

During 2025, we early redeemed all of our approximately $1 billion registered senior unsecured notes that were due May 2025 and bore interest at 6.25% (the “6.25% Notes”), which resulted in the recognition of an immaterial loss on debt extinguishment from the write-off of debt issuance costs during the first quarter of 2025. The redemption price for the 6.25% Notes was 100% of the aggregate principal amount thereof plus accrued and unpaid interest thereon through the redemption date of $18 million.

Credit Facility

As of December 31, 2025 and 2024, Expedia Group maintained a $2.5 billion revolving credit facility that matures in April 2027. As of December 31, 2025 and 2024, we had no revolving credit facility borrowings outstanding. Loans under the revolving credit facility bear interest at a rate equal to an index rate plus a margin (a) in the case of term benchmark loans, ranging from 1.00% to 1.75% per annum, depending on Expedia Group's credit ratings, and (b) in the case of base rate loans, ranging from 0.00% to 0.75% per annum, depending on Expedia Group's credit ratings. A fee is payable quarterly in respect of undrawn commitments under the revolving credit facility at a rate ranging from 0.10% to 0.25% per annum, depending on Expedia Group's credit ratings. The terms of the revolving credit facility require Expedia Group to not exceed a specified maximum consolidated leverage ratio as of the end of each fiscal quarter.

The revolving credit facility has a $120 million letter of credit (“LOC”) sublimit, and the amount of LOCs issued under the facility reduced the credit amount available. As of December 31, 2025 and 2024, there was $43 million and $45 million of outstanding stand-by LOCs issued under the facility.

NOTE 8 — Employee Benefit Plans

Our U.S. employees are generally eligible to participate in a retirement and savings plan that qualifies under Section 401(k) of the Internal Revenue Code. Participating employees may contribute up to 50% of their eligible compensation on a pre-tax and/or Roth basis. Employees may also contribute up to 10% after-tax, not to exceed 60% of pay and not more than statutory limits. Expedia Group makes matching contributions in an amount equal to 50% of participant 401(k) contributions up to the first 6% of their compensation each payroll period. Our contribution vests with the employee after the employee completes two years of service. Participating employees have the option to invest in our common stock, but there is no

requirement for participating employees to invest their contribution or our matching contribution in our common stock. We also have various defined contribution plans for our international employees. Our contributions to these benefit plans were $71 million, $69 million and $72 million for the years ended December 31, 2025, 2024 and 2023.

NOTE 9 — Stock-Based Awards and Other Equity Instruments

Pursuant to the Amended and Restated Expedia Group, Inc. 2005 Stock and Annual Incentive Plan, we may grant restricted stock, restricted stock awards, RSUs, stock options and other stock-based awards, such as PSUs, to directors, officers, employees and consultants. As of December 31, 2025, we had approximately nine million shares of common stock reserved for new stock-based awards under the 2005 Stock and Annual Incentive Plan. We issue new shares to satisfy the exercise or release of stock-based awards.

The following table presents a summary of RSU activity:

	RSUs	Weighted Average Grant-Date Fair Value
	(In thousands)	
Balance as of December 31, 2024	6,712	$ 124.31
Granted	2,837	173.18
Vested	(3,481)	133.08
Cancelled	(1,030)	129.57
Balance as of December 31, 2025	5,038	144.65

The following table presents a summary of PSU activity:

	PSUs	Weighted Average Grant-Date Fair Value
	(In thousands)	
Shares probable to be issued as of December 31, 2024	346	$ 99.88
Granted[(1)]	229	175.00
Performance Shares Adjustment[(2)]	208	163.62
Cancelled	(119)	195.93
Shares probable to be issued as of December 31, 2025[(2)]	664	124.68

(1) Represents number of shares granted at 100% of target.
(2) Outcome for vested market-based awards is updated based upon achievement of certain stock price growth rate targets of the Company's common stock. Probable outcome for unvested market-based awards is based upon achievement of certain stock price growth rate targets of the Company's common stock as of December 31, 2025. Probable outcome for unvested performance-based awards is updated based upon changes in actual and forecasted operating results or expected achievement of performance goals, as applicable, and the impact of modifications.

The total market value of RSU and PSU shares vested during the years ended December 31, 2025, 2024 and 2023 was $722 million, $578 million and $316 million.

The following table presents a summary of our stock option activity:

	Options	Weighted Average Exercise Price	Remaining Contractual Life	Aggregate Intrinsic Value
	(In thousands)		(In years)	(In millions)
Balance as of December 31, 2024	2,392	$ 154.61		
Exercised	(692)	148.29		
Balance as of December 31, 2025	1,700	157.18	0.7	$ 214
Exercisable as of December 31, 2025	1,700	157.18	0.7	214

The aggregate intrinsic value of outstanding options shown in the stock option activity table above represents the total pretax intrinsic value at December 31, 2025, based on our closing stock price of $283.31 as of the last trading date in 2025. The total intrinsic value of stock options exercised was $57 million, $33 million and $9 million for the years ended December 31, 2025, 2024 and 2023.

There were no options granted during 2025, 2024 or 2023.

In 2025, 2024 and 2023, we recognized total stock-based compensation expense of $398 million, $458 million and $413 million. The total income tax benefit related to stock-based compensation expense was $206 million, $152 million and $88 million for 2025, 2024 and 2023. We capitalized $99 million, $81 million and $71 million of stock-based compensation expense associated with the cost of developing internal-use software in 2025, 2024 and 2023.

Cash received from stock-based award exercises for the years ended December 31, 2025, 2024 and 2023 was $12 million, $67 million and $60 million, respectively. Total current income tax benefits during the years ended December 31, 2025, 2024 and 2023 associated with the exercise of stock-based awards held by our employees were $39 million, $24 million and $17 million, respectively.

As of December 31, 2025, there was approximately $703 million of unrecognized stock-based compensation expense related to unvested stock-based awards, which is expected to be recognized in expense over a weighted-average period of 1.13 years.

Employee Stock Purchase Plan

We have an Employee Stock Purchase Plan ("ESPP"), which allows shares of our common stock to be purchased by eligible employees at six-month intervals at 85% of the fair market value of the stock on either the first or the last day of each six-month period, whichever is lower. Eligible employees were allowed to contribute up to 15% of their base compensation. During 2025, 2024 and 2023, approximately 227,000, 415,000, and 442,000 shares were purchased under this plan for an average price of $165.72, $116.91 and $92.56 per share. As of December 31, 2025, we have reserved approximately 0.8 million shares of our common stock for issuance under the ESPP.

NOTE 10 — Income Taxes

The following table summarizes our U.S. and foreign income (loss) before income taxes:

	Year Ended December 31,		
	2025	2024	2023
		(In millions)	
U.S.	$ 1,307	$ 1,280	$ 935
Foreign	284	262	83
Total	$ 1,591	$ 1,542	$ 1,018

Provision for Income Taxes

The following table summarizes our provision for income taxes:

	Year Ended December 31,		
	2025	2024	2023
		(In millions)	
Current income tax expense:			
U.S. federal	$ 7	$ 68	$ 106
State	28	30	36
Foreign	177	146	126
Current income tax expense	212	244	268
Deferred income tax (benefit) expense:			
U.S. federal	78	77	75
State	10	18	(4)
Foreign	(10)	(21)	(9)
Deferred income tax expense	78	74	62
Income tax expense:			
U.S. federal	85	145	181
State	38	48	32
Foreign	167	125	117
Income tax expense	$ 290	$ 318	$ 330

We reduced our current income tax payable by $39 million, $24 million, and $17 million for the years ended December 31, 2025, 2024 and 2023 for tax deductions attributable to stock-based compensation.

Deferred Income Taxes

As of December 31, 2025 and 2024, the significant components of our deferred tax assets and deferred tax liabilities were as follows:

	December 31,	
	2025	2024
	(In millions)	
Deferred tax assets:		
Provision for accrued expenses	$ 54	$ 47
Deferred loyalty rewards	253	217
Net operating loss and tax credit carryforwards	196	130
Capitalized research and development	207	391
Operating lease liabilities	113	118
Long-term investments	119	108
Other	133	84
Total deferred tax assets	1,075	1,095
Less valuation allowance	(206)	(176)
Net deferred tax assets	$ 869	$ 919
Deferred tax liabilities:		
Goodwill and intangible assets	$ (315)	$ (308)
Anticipatory foreign tax credits	(32)	(17)
Operating lease ROU assets	(109)	(115)
Other	(1)	(2)
Total deferred tax liabilities	$ (457)	$ (442)
Net deferred tax assets	$ 412	$ 477

As of December 31, 2025, we had state net operating loss carryforwards (“NOLs”) of approximately $121 million and foreign NOLs of approximately $298 million. State NOLs of $33 million may be carried forward indefinitely, and state NOLs of $88 million expire at various times starting from 2035. Foreign NOLs of $198 million may be carried forward indefinitely, and foreign NOLs of $100 million expire at various times starting from 2027. As of December 31, 2025, we had tax credit carryforwards of approximately $135 million, which expire at various times starting from 2039.

As of December 31, 2025, we had a valuation allowance of approximately $206 million related to certain tax attribute carryforwards for which it is more likely than not the tax benefits will not be realized. The valuation allowance increased by $30 million from the amount recorded as of December 31, 2024, primarily due to the realized and unrealized capital losses on investments.

Most of our foreign undistributed earnings have already been subject to U.S. federal income tax. We do not assert indefinite reinvestment on the undistributed earnings of our foreign subsidiaries.

Reconciliation of U.S. Federal Statutory Income Tax Rate to Effective Income Tax Rate

A reconciliation of amounts computed by applying the U.S. federal statutory income tax rate to income before income taxes to total income tax expense is as follows:

	Year Ended December 31,					
	2025		2024		2023	
	($ in millions)					
U.S. federal statutory tax rate	$ 334	21.0 %	$ 324	21.0 %	$ 214	21.0 %
State and local income tax, net of federal income tax effect [1]	32	2.0	43	2.8	28	2.8
Foreign tax effects:						
United Kingdom:						
Nontaxable or nondeductible items	18	1.1	10	0.6	6	0.6
Other	1	0.1	1	0.1	3	0.3
Germany:						
Tax rate differential	(1)	(0.1)	2	0.1	16	1.6
Nondeductible goodwill impairment	—	—	—	—	44	4.3
Other	(6)	(0.4)	(1)	(0.1)	6	0.6
Brazil:						
Withholding tax	76	4.8	50	3.2	17	1.7
Other	(1)	(0.1)	(3)	(0.2)	(1)	(0.1)
Other foreign jurisdictions	20	1.3	12	0.8	10	1.0
Effect of cross-border tax laws:						
Foreign-derived intangible income	(6)	(0.4)	(27)	(1.8)	(33)	(3.2)
Other	(4)	(0.3)	4	0.3	(3)	(0.3)
Tax credits:						
Research and development tax credits	(69)	(4.3)	(48)	(3.1)	(63)	(6.2)
Foreign tax credits	(94)	(5.9)	(56)	(3.6)	(58)	(5.7)
Changes in valuation allowances	35	2.2	(60)	(3.9)	—	—
Nontaxable or nondeductible items:						
Nondeductible compensation	13	0.8	28	1.8	25	2.5
Excess tax benefits related to stock-based compensation	(45)	(2.8)	(7)	(0.5)	9	0.9
Other	25	1.6	2	0.1	3	0.3
Changes in unrecognized tax benefits	(40)	(2.5)	34	2.2	41	4.0
Other adjustments:						
Divestitures and entity restructuring	—	—	—	—	55	5.4
Other	2	0.1	10	0.8	11	0.9
Effective tax rate	$ 290	18.2 %	$ 318	20.6 %	$ 330	32.4 %

(1) The majority of state and local income tax expense for the period ended December 31, 2025 related to California, Michigan, New Jersey, and the State and City of New York, for the period ended December 31, 2024 related to California, Massachusetts, the State and City of New York, and North Carolina and for the period ended December 31, 2023 related to California, Illinois, New Jersey, and the State and City of New York.

Income Taxes Paid (Net of Refunds Received)

A reconciliation of the supplemental information related to income taxes paid (net of refunds received) as presented on the consolidated statement of cash flows is as follows:

	2025	2024	2023
		(In millions)	
U.S. federal	$ 23	$ 32	$ 126
State	25	35	40
Foreign:			
Brazil	73	49	13
Germany	(2)	(3)	35
India	17	13	8
Switzerland	26	6	11
United Kingdom	27	17	30
Other foreign	29	35	18
Total foreign	170	117	115
Income tax payments, net	$ 218	$ 184	$ 281

Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	2025	2024	2023
		(In millions)	
Balance, beginning of year	$ 351	$ 335	$ 313
Additions for tax positions related to the current year	12	18	19
Additions for tax positions of prior years	13	4	4
Reductions for tax positions of prior years	(64)	(3)	—
Settlements	(22)	(3)	(1)
Balance, end of year	$ 290	$ 351	$ 335

As of December 31, 2025, we had $290 million of gross unrecognized tax benefits, $107 million of which, if recognized, would affect the effective tax rate. As of December 31, 2024, we had $351 million of gross unrecognized tax benefits, $161 million of which, if recognized, would affect the effective tax rate. As of December 31, 2023, we had $335 million of gross unrecognized tax benefits, $165 million of which, if recognized, would affect the effective tax rate.

We recognize interest and penalties related to unrecognized tax benefits in the provision for income taxes in our consolidated statement of operations. Accrued interest and penalties of $133 million and $117 million were reflected in our consolidated balance sheets as of December 31, 2025 and 2024.

The Company is routinely audited by U.S. federal, state, local and foreign income tax authorities. These audits include questioning the timing and amount of income and deductions, and the allocation of income and deductions among various tax jurisdictions. The IRS is currently examining Expedia Group's U.S. consolidated federal income tax returns for the periods ended December 31, 2011 through December 31, 2020. The Company has consented to an extension of the statute of limitations, until June 30, 2027 for the 2011 through 2022 tax years. As of December 31, 2025, for the Expedia Group, Inc. and Subsidiaries group, statutes of limitations for tax years 2011 through 2024 remain open to examination in the U.S. federal jurisdiction and most state jurisdictions. For the HomeAway and Orbitz groups, statutes of limitations for tax years 2007 through 2015 remain open to examination in the U.S. federal and most state jurisdictions due to NOL carryforwards.

For tax years 2011 to 2013 and 2014 to 2016, the IRS issued final adjustments related to transfer pricing with our foreign subsidiaries. The 2011 to 2013 adjustments would result in federal income tax of approximately $244 million, subject to interest. The 2014 to 2016 adjustments would result in federal income tax of approximately $431 million, subject to interest. We do not agree with these adjustments and will continue to vigorously defend our position through administrative procedures.

On December 20, 2011, we completed a spin-off of TripAdvisor into a separate publicly-traded corporation. Pursuant to the tax sharing agreement between Expedia Group and TripAdvisor, TripAdvisor is responsible for its potential income tax liabilities in connection with any consolidated income tax returns filed as a part of Expedia Group's consolidated income tax

return prior to or in connection with the spin-off. TripAdvisor is required to indemnify Expedia Group for any such taxes, including interest, penalties, legal, and professional fees.

In 2023, TripAdvisor agreed in principle with the IRS to an assessed amount of $120 million, inclusive of interest and state tax effects, for transfer pricing adjustments with its foreign subsidiaries for the 2009 to 2011 tax years. The assessment is a tax liability for tax years when TripAdvisor was part of Expedia Group's consolidated income tax return and is covered by the indemnification pursuant to the tax sharing agreement. In May 2023, Expedia Group received from the IRS the final assessment for the 2009 through 2011 tax years related to the TripAdvisor matter. Expedia Group remitted $113 million in settlement payments to the IRS, as the primary obligor for this assessment, and received the reimbursement required from TripAdvisor in settlement of the indemnification receivable for this matter. During 2023, we recorded $67 million of additional income tax expense and a corresponding tax indemnification adjustment in other, net in our consolidated statements of operations representing the estimate of the incremental assessed payment to the IRS, including state tax effects. During 2024, we recorded an additional $6 million of income tax expense related to interest adjustments for the 2010-2011 tax years.

NOTE 11 — Stockholders' Equity

Common Stock and Class B Common Stock

Our authorized common stock consists of 1.6 billion shares of common stock with par value of $0.0001 per share, and 400 million shares of Class B common stock with par value of $0.0001 per share. Both classes of common stock qualify for and share equally in dividends, if declared by our Board of Directors, and generally vote together on all matters. Common stock is entitled to 1 vote per share and Class B common stock is entitled to 10 votes per share. Holders of common stock, voting as a single, separate class are entitled to elect 25% of the total number of directors. Class B common stockholders may, at any time, convert their shares into common stock, on a one for one share basis. Upon conversion, the Class B common stock is retired and is not available for reissue. In the event of liquidation, dissolution, distribution of assets or winding-up of Expedia Group, Inc., the holders of both classes of common stock have equal rights to receive all the assets of Expedia Group, Inc. after the rights of the holders of the preferred stock, if any, have been satisfied.

Treasury Stock

As of December 31, 2025, the Company's treasury stock was comprised of approximately 174.5 million shares of common stock and 7.3 million Class B shares. As of December 31, 2024, the Company's treasury stock was comprised of approximately 164.2 million shares of common stock and 7.3 million Class B shares.

Share Repurchases. In 2019, the Board of Directors and the Executive Committee of the Board, pursuant to a delegation of authority from the Board, authorized a program to repurchase up to 20 million shares of our common stock (the “2019 Share Repurchase Program”). In 2023, the Executive Committee of the Board of Directors, pursuant to a delegation of authority from the Board, authorized an additional program to repurchase up to $5 billion of our common stock (“2023 Share Repurchase Program”). The 2019 Share Repurchase Program has been completed. Our 2023 Share Repurchase Program does not have fixed expiration dates and does not obligate the Company to acquire any specific number of shares. Under the program, shares may be repurchased in the open market or in privately negotiated transactions. The timing, manner, price and amount of any repurchases will be subject to the discretion of the Company and depend on a variety of factors, including the market price of Expedia Group’s common stock, general market and economic conditions, regulatory requirements and other business considerations.

Shares repurchased under the authorized programs were as follows:

	Year Ended December 31,		
	2025	2024	2023
Number of shares repurchased	9.0 million	12.1 million	19.1 million
Average price per share	$ 184.76	$ 133.85	$ 106.07
Total cost of repurchases (in millions)[1]	$ 1,662	$ 1,616	$ 2,031

(1) Amount excludes transaction costs and the excise tax due under the Inflation Reduction Act of 2022.

As of December 31, 2025, $1.6 billion remains authorized for repurchase with no fixed termination date for the repurchases.

Dividends on our Common Stock

In 2025, the Executive Committee, acting on behalf of the Board of Directors, declared and paid the following dividends:

Declaration Date	Dividend Per Share	Record Date	Total Amount (in millions)	Payment Date
Year Ended December 31, 2025:				
February 4, 2025	$ 0.40	March 6, 2025	$ 51	March 27, 2025
May 7, 2025	0.40	May 29, 2025	51	June 18, 2025
August 7, 2025	0.40	August 28, 2025	49	September 18, 2025
November 6, 2025	0.40	November 19, 2025	49	December 11, 2025

In addition, in February 2026, the Executive Committee, acting on behalf of the Board of Directors, declared a quarterly cash dividend of $0.48 per share of outstanding common stock payable on March 26, 2026 to the stockholders of record as of the close of business on March 5, 2026. Future declarations of dividends are subject to final determination by our Board of Directors.

Accumulated Other Comprehensive Income (Loss)

The balance of accumulated OCI as of December 31, 2025 and 2024 was primarily comprised of foreign currency translation adjustments. These translation adjustments include foreign currency transaction losses at December 31, 2025 of $8 million ($10 million before tax) and foreign currency transaction gains at December 31, 2024 of $19 million ($25 million before tax) associated with our cross-currency interest rate swaps. Additionally, translation adjustments include foreign currency transaction losses of $7 million ($10 million before tax) as of both December 31, 2025 and 2024 associated with previously settled Euro-denominated notes that were designated as net investment hedges. See NOTE 2 — Significant Accounting Policies for more information.

Non-redeemable Non-controlling Interests

As of December 31, 2025 and 2024, our ownership interest in trivago was approximately 59.2% and 59.5%.

During 2023, trivago paid a one-time extraordinary dividend totaling approximately EUR 184 million (or approximately EUR 0.53 per share), which included intercompany payments to Expedia Group as well as $78 million to third-parties included in other, net in financing activities on the consolidated statement of cash flows.

NOTE 12 — Earnings Per Share

Basic Earnings Per Share

Basic earnings per share was calculated for the years ended December 31, 2025, 2024 and 2023 using the weighted average number of common and Class B common shares outstanding during the period excluding restricted stock and stock held in escrow.

Diluted Earnings Per Share

For the years ended December 31, 2025, 2024 and 2023, we computed diluted earnings per share using (i) the number of shares of common stock and Class B common stock used in the basic earnings per share calculation as indicated above, (ii) if dilutive, the incremental common stock that we would issue upon the assumed exercise or vesting of stock-based awards and common stock warrants using the treasury stock method, (iii) if dilutive, our Convertible Notes using the if-converted method prior to the date of our irrevocable election to settle in cash as discussed in NOTE 7 — Debt, and (iv) other stock-based commitments.

The following table presents our basic and diluted earnings per share:

	Year Ended December 31,		
	2025	2024	2023
	(In millions, except share and per share data)		
Net income attributable to Expedia Group, Inc.	$ 1,294	$ 1,234	$ 797
Earnings per share attributable to Expedia Group, Inc. available to common stockholders:			
Basic	$ 10.32	$ 9.39	$ 5.50
Diluted	9.81	8.95	5.31
Weighted average number of shares outstanding (000's):			
Basic	125,363	131,432	144,967
Dilutive effect of:			
Convertible Notes	3,410	3,921	3,921
Stock-based awards	3,170	2,566	1,340
Diluted	131,943	137,919	150,228

For the year ended December 31, 2025, a minimal number of shares of outstanding stock-based awards were excluded from the calculations of diluted earnings per share attributable to common stockholders because their effect would have been antidilutive. For the years ended December 31, 2024 and 2023, approximately 1 million and approximately 4 million were excluded.

The earnings per share amounts are the same for common stock and Class B common stock because the holders of each class are legally entitled to equal per share distributions whether through dividends or in liquidation.

NOTE 13 — Restructuring and Related Reorganization Charges

In February 2024, we committed to restructuring actions to recalibrate resources as most of the Company's organizational and technological transformation is now completed, which has resulted in headcount reductions. During 2025, we made the decision to expand these actions. As a result, we recognized $107 million and $80 million in restructuring and related reorganization charges during 2025 and 2024. The charges were predominately related to employee severance, stock-based compensation and benefit costs and approximately $26 million was included in accrued expenses and other current liabilities on our consolidated balance sheet as of December 31, 2025. Based on current plans which are subject to change, we expect approximately $60 million in additional reorganization charges with the majority occurring in the first quarter of 2026. We continue to evaluate additional cost reduction efforts, and should we make additional decisions in future periods to take further actions we may incur additional reorganization charges.

NOTE 14 — Other Income (Expense)

Other, net

The following table presents the components of other, net:

	For the Year Ended December 31,		
	2025	2024	2023
		(In millions)	
Foreign exchange rate losses, net	$ (46)	$ (66)	$ (85)
Gains (losses) on minority equity investments, net	(167)	289	16
Loss related to the conversion option on Convertible Notes	(7)	—	—
TripAdvisor tax indemnification adjustment	—	6	67
Gain on sale of businesses and investments, net	3	5	25
Other	(19)	—	—
Total	$ (236)	$ 234	$ 23

During 2025, 2024 and 2023, we had no business dispositions, but we recognized miscellaneous gains related to sales of businesses in a prior year as well as an immaterial gain on the sale of a cost method investment during 2024.

NOTE 15 — Commitments and Contingencies

Letters of Credit, Purchase Obligations and Guarantees

We have commitments and obligations that include purchase obligations, guarantees and LOCs, which could potentially require our payment in the event of demands by third parties or contingent events. The following table presents these commitments and obligations as of December 31, 2025:

		By Period			
	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
		(In millions)			
Purchase obligations	$ 176	$ 81	$ 93	$ 2	$ —
Guarantees	63	63	—	—	—
Letters of credit	49	48	1	—	—
	$ 288	$ 192	$ 94	$ 2	$ —

Our purchase obligations represent the minimum obligations we have under agreements with certain of our vendors. These minimum obligations are less than our projected use for those periods. Payments may be more than the minimum obligations based on actual use.

We have guarantees which consist primarily of bonds relating to tax assessments that we are contesting as well as bonds required by certain foreign countries' aviation authorities for the potential non-delivery, by us, of packaged travel sold in those countries. The authorities also require that a portion of the total amount of packaged travel sold be bonded. Our guarantees also include certain surety bonds related to various company performance obligations.

Our LOCs consist of stand-by LOCs, underwritten by a group of lenders, which we primarily issue for certain regulatory purposes as well as to certain hotel properties to secure our payment for hotel room transactions. The contractual expiration dates of these LOCs are shown in the table above. There were no material claims made against any stand-by LOCs during the years ended December 31, 2025, 2024 and 2023.

Legal Proceedings

In the ordinary course of business, we are a party to various lawsuits. Management does not expect these lawsuits to have a material impact on the liquidity, results of operations, or financial condition of Expedia Group. We also evaluate other potential contingent matters, including value-added tax, excise tax, sales tax, transient occupancy or accommodation tax and similar matters. We do not believe that the aggregate amount of liability that could be reasonably possible with respect to these matters would have a material adverse effect on our financial results; however, litigation is inherently uncertain and the actual losses incurred in the event that our legal proceedings were to result in unfavorable outcomes could have a material adverse effect on our business and financial performance.

Litigation Relating to Occupancy Taxes. We currently have two lawsuits involving hotel occupancy taxes and we continue to defend against the claims made in them vigorously. With respect to the principal claims in these and previous similar matters, we believe that the statutes or ordinances at issue do not apply to us or the services we provide and, therefore, that we do not owe the taxes that are claimed to be owed. We believe that the statutes or ordinances at issue generally impose occupancy and other taxes on entities that own, operate or control hotels (or similar businesses) or furnish or provide hotel rooms or similar accommodations. We have established a reserve for the potential settlement of issues related to hotel occupancy and other taxes, consistent with applicable accounting principles and in light of all current facts and circumstances, which were not material as of both December 31, 2025 and 2024. Our settlement reserve is based on our best estimate of probable losses and the ultimate resolution of these contingencies may be greater or less than the liabilities recorded. An estimate for a reasonably possible loss or range of loss in excess of the amount reserved cannot be made. Changes to the settlement reserve are included within legal reserves, occupancy tax and other in the consolidated statements of operations.

Pay-to-Play. Certain jurisdictions may assert that we are required to pay any assessed taxes prior to being allowed to contest or litigate the applicability of the ordinances. This prepayment of contested taxes is referred to as "pay-to-play." Payment of these amounts is not an admission that we believe we are subject to such taxes and, even when such payments are made, we continue to defend our position vigorously. If we prevail in the litigation, for which a pay-to-play payment was made, the jurisdiction collecting the payment will be required to repay such amounts and also may be required to pay interest.

We are in various stages of inquiry or audit with various tax authorities, some of which may impose a pay-to-play requirement to challenge an adverse inquiry or audit result in court.

Matters Relating to International VAT. We are in various stages of inquiry or audit in multiple European Union jurisdictions regarding the application of VAT to our European Union related transactions. While we believe we comply with applicable VAT laws, rules and regulations in the relevant jurisdictions, the tax authorities may determine that we owe additional taxes.

During the third quarter of 2024, we entered into discussions with Italian tax authorities to resolve matters raised in an audit of the 2016 to 2022 tax years regarding the Company's purported Italian VAT obligations. In 2024, we recorded a reserve for the potential settlement of these matters, consistent with applicable accounting principles and in light of facts and circumstances at that time, in the amount of $107 million within legal reserves, occupancy tax and other in the consolidated statements of operations. While we continued to believe Expedia Group was compliant with Italian tax laws, on November 21, 2024, we reached an agreement with the Italian tax authorities and paid $71 million for tax years 2016 to 2022. During 2025, we also reached an agreement with the Italian tax authorities related to tax years 2023 and 2024 and paid $33 million.

In certain jurisdictions, including the United Kingdom and Italy, we may be required to "pay-to-play" any VAT assessment prior to contesting its validity. While we believe that we will be successful based on the merits of our positions with regard to audits in pay-to-play jurisdictions, it is nevertheless reasonably possible that we could be required to pay any assessed amounts in order to contest or litigate the applicability of any assessments and an estimate for a reasonably possible amount of any such payments cannot be made.

International Withholding Tax. In July 2025, the Guardia di Finanza ("GdF") of Milan issued a tax audit report to Expedia Group, proposing an amount of unpaid withholding tax to the Italian Tax Authorities ("ITA") of 150 million Euros ($175 million), excluding penalties and interest, for the years 2017 through 2023. The GdF's tax audit report purports the Company had an obligation under a 2017 law to withhold and remit 21% income tax from certain short-term rental partners in Italy. In the third quarter of 2025, we entered into discussions with the ITA to resolve this matter and we recorded a reserve for the potential settlement of this matter, consistent with applicable accounting principles and in light of all current facts and circumstances, in the amount of $90 million within legal reserves, occupancy tax and other in the consolidated statements of operations. In the fourth quarter of 2025, we recorded additional expense of $88 million related to this matter. While we continued to believe Expedia Group was compliant with Italian tax laws, on December 10, 2025, we reached an agreement with the Italian tax authorities and paid $156 million for tax years 2017 to 2023. We are in ongoing discussions with the Italian tax authorities to resolve withholding tax claims related to subsequent years. As of December 31, 2025, our remaining settlement reserve was approximately $22 million included within accrued expenses and other current liabilities. Our settlement reserve is based on our reasonable estimate, and the ultimate resolution of the contingency may be greater than the liability recorded.

NOTE 16 — Related Party Transactions

IAC Inc.

The Company and IAC are related parties because Mr. Diller serves as Chairman and Senior Executive of both Expedia Group and IAC. At December 31, 2025, each of Expedia Group and IAC has a 50% ownership interest in two aircraft that may be used by both companies. Members of the aircraft flight crews are employed by an entity in which the Company and IAC each have a 50% ownership interest. Historically, Expedia Group and IAC allocated fixed costs, including flight crew compensation and benefits, 50% to each company and shared variable costs pro-rata according to each company's respective usage of the aircraft, for which they were separately billed by the entity described above. In December 2025, this cost sharing arrangement was amended to reflect the allocation of all costs on a pro-rata basis according to each company's respective usage of the aircraft.

In addition, we have had the use of an aircraft owned 100% by a subsidiary of IAC on a cost basis until the sale of such aircraft during the fourth quarter of 2025. Total payments made to this entity by the Company were not material.

As of December 31, 2025 and 2024, the net basis in our ownership interest in the aircrafts then jointly-owned was $37 million and $40 million, respectively, recorded in long-term investments and other assets. In 2025, 2024 and 2023, operating and maintenance costs paid directly to the jointly-owned subsidiary for the aircraft were not material.

NOTE 17 — Segment Information

We have the following reportable segments: B2C, B2B, and trivago. Our B2C segment provides a full range of travel and advertising services to our worldwide customers primarily through our three flagship brands, Expedia, Hotels.com and Vrbo. Our B2B segment fuels a wide range of travel and non-travel companies including airlines, offline travel agents, online retailers, corporate travel management and financial institutions, who leverage our leading travel technology and tap into our diverse supply to augment their offerings and market Expedia Group rates and availabilities to their travelers. Our trivago segment generates advertising revenue primarily from sending referrals to online travel companies and travel service providers from its hotel metasearch websites.

Our chief operating decision makers ("CODMs") are our Chief Executive Officer and our Chairman. We determined our operating segments based on how our chief operating decision makers manage our business, make operating decisions and evaluate operating performance. Our primary operating metric is Adjusted EBITDA. Adjusted EBITDA for our B2C and B2B segments includes allocations of certain expenses, primarily related to our global travel supply organization and the majority of costs from our product and technology platform, as well as facility costs and the realized foreign currency gains or losses related to the forward contracts hedging a component of our net merchant lodging revenue. We base the allocations primarily on transaction volumes and other usage metrics. We do not allocate certain shared expenses such as accounting, human resources, certain information technology and legal to our reportable segments. We include these expenses in Corporate and Eliminations. Our allocation methodology is periodically evaluated and may change.

Our CODMs use Adjusted EBITDA to allocate resources for each segment predominantly in the annual budget and forecasting process. The CODMs consider budget-to-actual variances on a monthly basis using Adjusted EBITDA when making decisions about allocating capital and personnel to the segments. The CODMs also use Adjusted EBITDA to assess the performance for each segment and in the compensation of certain employees.

Our segment disclosure includes intersegment revenues, which primarily consist of advertising and media services provided by our trivago segment to our B2C segment. These intersegment transactions are recorded by each segment at amounts that approximate fair value as if the transactions were between third parties, and therefore, impact segment performance. However, the revenue and corresponding expense are eliminated in consolidation. The elimination of such intersegment transactions is included within Corporate and Eliminations in the table below.

Corporate and Eliminations also includes unallocated corporate functions and expenses. In addition, we record amortization of intangible assets and any related impairment, as well as stock-based compensation expense, restructuring and related reorganization charges, legal reserves, occupancy tax and other, and other items excluded from segment operating performance in Corporate and Eliminations. Such amounts are detailed in our segment reconciliation below.

The following tables present our segment information for 2025, 2024 and 2023. As a significant portion of our property and equipment is not allocated to our operating segments and depreciation is not included in our segment measure, we do not report the assets by segment as it would not be meaningful. We do not regularly provide such information to our chief operating decision makers.

	Year ended December 31, 2025				
	B2C	B2B	trivago	Corporate & Eliminations	Total
			(In millions)		
Third-party revenue	$ 9,474	$ 4,842	$ 417	$ —	$ 14,733
Intersegment revenue	—	—	205	(205)	—
Revenue	$ 9,474	$ 4,842	$ 622	$ (205)	$ 14,733
Less: [1]					
Cost of revenue	1,306	111	22		
Selling and marketing - direct	4,086	2,982	486	(205)	
Other segment items [2]	1,284	492	94	574	
Adjusted EBITDA	$ 2,798	$ 1,257	$ 20	$ (574)	$ 3,501
Depreciation	(536)	(191)	(5)	(115)	(847)
Amortization of intangible assets	—	—	—	(40)	(40)
Stock-based compensation	—	—	—	(398)	(398)
Legal reserves, occupancy tax and other	—	—	—	(185)	(185)
Restructuring and related reorganization charges, excluding stock-based compensation	—	—	—	(100)	(100)
Realized (gain) loss on revenue hedges	(22)	(38)	—	—	(60)
Operating income (loss)	$ 2,240	$ 1,028	$ 15	$ (1,412)	1,871
Other expense, net					(280)
Income before income taxes					1,591
Provision for income taxes					(290)
Net income					1,301
Net income attributable to non-controlling interests					(7)
Net income attributable to Expedia Group, Inc.					$ 1,294

	Year ended December 31, 2024				
	B2C	B2B	trivago	Corporate & Eliminations	Total
			(In millions)		
Third-party revenue	$ 9,274	$ 4,102	$ 315	$ —	$ 13,691
Intersegment revenue	—	—	184	(184)	—
Revenue	$ 9,274	$ 4,102	$ 499	$ (184)	$ 13,691
Less: [1]					
Cost of revenue	1,296	117	16		
Selling and marketing - direct	4,157	2,489	384	(184)	
Other segment items [2]	1,387	468	88	539	
Adjusted EBITDA	$ 2,434	$ 1,028	$ 11	$ (539)	$ 2,934
Depreciation	(526)	(145)	(5)	(105)	(781)
Amortization of intangible assets	—	—	—	(57)	(57)
Impairment of intangible assets	—	—	—	(147)	(147)
Stock-based compensation	—	—	—	(458)	(458)
Legal reserves, occupancy tax and other	—	—	—	(118)	(118)
Restructuring and related reorganization charges, excluding stock-based compensation	—	—	—	(72)	(72)
Realized (gain) loss on revenue hedges	22	(4)	—	—	18
Operating income (loss)	$ 1,930	$ 879	$ 6	$ (1,496)	1,319
Other income, net					223
Income before income taxes					1,542
Provision for income taxes					(318)
Net income					1,224
Net loss attributable to non-controlling interests					10
Net income attributable to Expedia Group, Inc.					$ 1,234

	Year ended December 31, 2023				
	B2C	B2B	trivago	Corporate & Eliminations	Total
			(In millions)		
Third-party revenue	$ 9,113	$ 3,388	$ 338	$ —	$ 12,839
Intersegment revenue	—	—	187	(187)	—
Revenue	$ 9,113	$ 3,388	$ 525	$ (187)	$ 12,839
Less: [1]					
Cost of revenue	1,375	163	17		
Selling and marketing - direct	3,944	1,990	360	(187)	
Other segment items [2]	1,469	437	92	499	
Adjusted EBITDA	$ 2,325	$ 798	$ 56	$ (499)	$ 2,680
Depreciation	(526)	(113)	(5)	(104)	(748)
Amortization of intangible assets	—	—	—	(59)	(59)
Impairment of goodwill	—	—	—	(297)	(297)
Impairment of intangible assets	—	—	—	(129)	(129)
Stock-based compensation	—	—	—	(413)	(413)
Legal reserves, occupancy tax and other	—	—	—	(8)	(8)
Realized (gain) loss on revenue hedges	11	(4)	—	—	7
Operating income (loss)	$ 1,810	$ 681	$ 51	$ (1,509)	1,033
Other expense, net					(15)
Income before income taxes					1,018
Provision for income taxes					(330)
Net income					688
Net loss attributable to non-controlling interests					109
Net income attributable to Expedia Group, Inc.					$ 797

(1) The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODMs, exclusive of stock-based compensation. Intersegment expenses are included within the amounts shown.

(2) Other segment items for each reportable segment primarily includes selling and marketing - indirect, technology and content and general and administrative expenses as well as the realized foreign currency gains or losses related to the forward contracts hedging a component of our net merchant lodging revenue for our B2C and B2B segments.

Revenue by Business Model and Service Type

The following table presents revenue by business model and service type for the years ended December 31, 2025, 2024 and 2023:

	Year Ended December 31,		
	2025	2024	2023
	(In millions)		
Business Model			
Merchant	$ 10,256	$ 9,439	$ 8,818
Agency	3,183	3,169	3,075
Advertising, media and other	1,294	1,083	946
Total revenue	$ 14,733	$ 13,691	$ 12,839
Service Type			
Lodging	$ 11,752	$ 10,950	$ 10,264
Air	407	428	410
Expedia Group ("EG") Advertising	758	639	483
trivago Advertising	417	315	338
Other[(1)]	1,399	1,359	1,344
Total revenue	$ 14,733	$ 13,691	$ 12,839

(1) Other includes car rental, insurance, activities, and cruise, among other revenue streams, none of which are individually material.

Our B2C and B2B segments generate revenue from the merchant, agency and advertising, media and other business models as well as all service types. trivago segment revenue is generated through advertising and media.

Geographic Information

The following table presents revenue by geographic area, the United States and all other countries, based on the geographic location of our websites or points of sale with the exception of trivago, which has all been allocated to Germany, the location of its corporate headquarters, for the years ended December 31, 2025, 2024 and 2023. No sales to an individual country other than the United States accounted for more than 10% of revenue for the presented years.

	Year Ended December 31,		
	2025	2024	2023
	(In millions)		
Revenue			
United States	$ 8,710	$ 8,372	$ 8,147
All other countries	6,023	5,319	4,692
	$ 14,733	$ 13,691	$ 12,839

The following table presents property and equipment, net for the United States and all other countries, as of December 31, 2025 and 2024:

	As of December 31,	
	2025	2024
	(In millions)	
Property and equipment, net		
United States	$ 2,390	$ 2,355
All other countries	57	58
	$ 2,447	$ 2,413

NOTE 18 — Valuation and Qualifying Accounts

The following table presents the changes in our valuation and qualifying accounts. Other reserves primarily include our accrual of the cost associated with purchases made on our website related to the use of fraudulent credit cards "charged-back" due to payment disputes and cancellation fees.

Description	Balance at Beginning of Period	Charges to Earnings	Charges to Other Accounts[1]	Deductions	Balance at End of Period
			(In millions)		
2025					
Allowance for expected credit losses	$ 55	$ 48	$ 9	$ (38)	$ 74
Other reserves	21	6	(6)	—	21
2024					
Allowance for expected credit losses	$ 46	$ 36	$ (4)	$ (23)	$ 55
Other reserves	22	5	(6)	—	21
2023					
Allowance for expected credit losses	$ 40	$ 33	$ —	$ (27)	$ 46
Other reserves	29	1	(8)	—	22

(1) Charges to other accounts primarily relates to amounts acquired through acquisitions or disposed of through sales of businesses, net translation adjustments and reclassifications.

EXHIBIT H

FRANCHISE COMPLIANCE CERTIFICATE

As you know, CruiseShipCenters USA Inc. ("Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of an Expedia Cruises® Franchise. The purpose of this Certification is to determine whether any statements or promises were made to you, either orally or in writing that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed the Franchise Agreement and each exhibit attached to it? Yes_____ No_____.

2. Do you understand all of the information contained in the Franchise Agreement and each exhibit attached to it? Yes_____ No_____.

   If no, what parts of the Franchise Agreement do you not understand? (Attach additional pages, if necessary)

   _____
   _____
   _____

3. Have you received the Franchise Agreement you are to execute with all the blanks completed (other than individual or company names, addresses and dates)? Yes_____ No_____.

   If so, on what date did you receive the completed Franchise Agreement?

   _____

4. Have you received and personally reviewed the Expedia Cruises® disclosure document that was provided to you? Yes_____ No_____.

   On what date did you receive the disclosure document? _____

5. Did you sign a receipt for the disclosure document indicating the date you received it? Yes_____ No_____

6. Do you understand all of the information contained in the disclosure document? Yes_____ No_____

   If no, which parts of the disclosure document do you not understand? (Attach additional pages, if necessary)

   _____
   _____
   _____

7. Have you discussed the benefits and risks of operating an Expedia Cruises® Franchise with an attorney, accountant or other professional advisor and do you understand those risks? Yes_____ No_____

   If not, did you have the opportunity to do so? Yes_____ No_____

8. Do you understand that the success or failure of your franchise will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease and other economic and business factors? Yes_____ No_____

NOTE: QUESTIONS 9 THROUGH 16 DO NOT RELATE TO INFORMATION YOU MAY HAVE BEEN GIVEN DIRECTLY BY ANY EXISTING EXPEDIA CRUISES® FRANCHISEES.

9. Has any employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning **the actual revenues, profits or operating costs** of an Expedia Cruises® franchise? Yes_____ No_____

10. Has any employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning **the amount of money you may earn** in operating the Expedia Cruises® franchise? Yes_____ No_____

11. Has any employee, broker or other person speaking on behalf of Franchisor made written or oral statement or promise regarding **the costs you may incur in starting** the Expedia Cruises® franchise that is contrary to, or different from, the information contained in the disclosure document? Yes_____ No_____

12. Has any employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning **the likelihood of success** that you should or might expect to achieve from operating an Expedia Cruises® franchise? Yes_____ No_____

13. Has any employee, broker or other person speaking on behalf of Franchisor made any written or oral statement, promise or agreement concerning **the advertising, marketing, training, support services or assistance that Franchisor will furnish** to you that is contrary to, or different from, the information contained in the disclosure document? Yes_____ No_____

14. Has any employee, broker or other person speaking on behalf of Franchisor made any other written or oral statement, promise or agreement relating to the Expedia Cruises® franchise that is contrary to, or different from, the information contained in the disclosure document? Yes_____ No_____

15. Except as noted in the disclosure document, has any employee, broker or other person speaking on behalf of Franchisor made any written or oral statement or promise concerning any legal risks or legal compliance strategies with regard to the operating model of the franchise, including but not limited to those compliance matters identified in Section 12.05 of the Franchise Agreement? Yes_____ No_____

16. If you have answered "Yes" to any of question (9) through fifteen (15), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "no" to each of the foregoing questions, please leave the following lines blank.

_____
_____
_____

The acknowledgment of any facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Maryland Franchise Registration and Disclosure Law (the "Maryland Law"), or a rule or order under the Maryland Law is void with respect to claims under the Maryland Law.

The acknowledgment of any facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., or the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. (the "California Law"), or a rule or order under the California Law is void with respect to claims under the California Law.

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM.

BY SIGNING THIS CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Date: _____ _____

Franchisee

EXHIBIT I

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	March 25, 2026
Illinois	March 25, 2026
Indiana	March 25, 2026
Michigan	March 25, 2026
New York	March 25, 2026
Virginia	
Washington	March 25, 2026
Wisconsin	March 25, 2026
States not requiring Registration or Filing	March 25, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

ITEM 23
RECEIPTS

ITEM 23
RECEIPT

This disclosure document summarizes provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully. If CruiseShipCenters USA Inc. offers you a franchise, CruiseShipCenters USA Inc. must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the signing of the franchise or other agreement or before making a payment to CruiseShipCenters USA Inc.

Michigan requires that we give you this disclosure document at least 10 business days before the signing of the franchise or other agreement or before making a payment to CruiseShipCenters USA Inc., whichever occurs first.

If CruiseShipCenters USA Inc. does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and your State Administrator as set forth in Exhibit F. See Exhibit F for CruiseShipCenters USA Inc.'s agent for service of process.

Issuance Date: March 25, 2026

The franchise seller for this offering is Jeff Warkentin, CruiseShipCenters USA Inc., 1111 Expedia Group Way West, Seattle, Washington 98119 (425) 679-7200.

I have received the CruiseShipCenters USA Inc. disclosure document dated, March 25, 2026 (see Exhibit A for state specific effective dates), which includes the following Exhibits:

State Specific Addendum (Exhibit A)
Franchise Agreement (Exhibit B)
Franchise Operations Manual Table of Contents (Exhibit C)
CruiseDesk® Terms, Conditions, and Notices (Exhibit D)
Franchisee Roster (Exhibit E)
State Agencies and Agents For Service Of Process (Exhibit F)
Financial Statements (Exhibit G)
Franchise Compliance Certificate (Exhibit H)
State Effective Dates (Exhibit I)
Receipt (Exhibit J)

_____ _____

Date Prospective Franchisee Signature

_____

Franchisee's Copy Printed Name of Prospective Franchisee

ITEM 23
RECEIPT

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Financial Statements (Exhibit G)
Franchise Compliance Certificate (Exhibit H)
State Effective Dates (Exhibit I)
Receipt (Exhibit J)

_____ _____

Date Prospective Franchisee Signature

_____

This copy should be completed and forwarded to: Printed Name of Prospective Franchisee
Expedia Cruises®, Attn: _____