

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

1. John Adamson – email 30th May 2017

(a) When will DRI be announcing more EU managed resorts?

We continue to look for opportunities to give more choice to members in Europe and the UK. Each opportunity obviously needs to be evaluated with regard to demand for destination, the work and money required to bring it to standard, the number of owners/ members that own there and the number of members joining and leaving DRECL. Diamond has bought more weeks at the very popular Burnside Park Owners’ Club in the Lake District and also at Stouts Hill in the Cotswolds. Members are also reminded to take advantage of the additional availability which can be booked through THE Club Select® and Diamond Instant Getaways using their points. We have recently introduced the Diamond Luxury Hotel member benefit where members can book hotel getaways at popular locations through a select group of hotels located in Europe and Worldwide at excellent values using their points.

(b) I would like to only see DRI removing their inventory just 10 months max (ideally 8 months) ahead of check in date for 3rd party rentals leaving more choice for global members up to that point in time.

Diamond Resorts (Europe) Limited (“DREL”) owns weeks of timeshare in its own right at many of the resorts that are included in the DRECL resort portfolio. In its capacity as Founder member/ Developer of DRECL, it also owns all of the unsold points in DRECL. DREL pays management charges on ALL of the weeks and points that it owns.

It is also worthy of note that in February 2015, DREL introduced the Non- Qualified relinquishment option for DRECL members. DREL felt that this was an important and worthwhile initiative (offered of course in addition to the exceptional circumstances surrender options that it has had in place for some time), and the initiative has certainly been well received by many of our members. Having said that, the relinquishment programme comes at a significant cost to DREL, not least because (when a surrender/relinquishment request is accepted), DREL takes back ownership of the points and assumes responsibility for paying the management fees on those points. DREL’s points’ ownership has therefore increased as a direct result of this programme.

Accommodation at each resort is apportioned to DRECL members and the usage rights to the accommodations are then determined and set prior to the commencement of the booking window. As a member in its own right, DREL is entitled to receive its allocation of accommodation (fairly distributed across each season) for the points that it owns. It is also entitled (and therefore only fair) that it also has the same booking window as other members. DREL is entitled to use that accommodation and the weeks it owns as it chooses. Some of the accommodation is used for marketing purposes whilst some is used to generate rental income, this income is used by DREL to offset its annual management charge liability. DREL operates various marketing campaigns including offering accommodation to third parties who then advertise our resorts. Rental bookings may be made through reputable holiday booking companies. Marketing guests are always subject to terms and conditions requiring their attendance at a sales presentation. As regards the rental guests, our onsite sales team endeavour wherever possible to make contact with them while on resort with a view to promoting membership of DRECL. Accommodation used in these ways helps to introduce potential new members to our resorts. In the event that the guests decide to purchase a Diamond Resorts International® product, this helps to maintain and grow the membership of DRECL and THE Club® and keeps the financial position of DRECL healthy for all members. In addition to this, THE Club® allows members the opportunity to redeem their points for various associated benefits such as flights and travel discounts, etc. As members are aware, all points have a prescribed redemption value in terms of accommodation usage rights. As and when points are redeemed for a member benefit (such as a monetary credit/discount), the cost of that monetary credit/discount is born by the Developer of the Collection (which in the case of DRECL is DREL). In return for paying for the benefit, accommodation equivalent to the number of points redeemed for the member benefit is released back to DREL. That accommodation is then used by DREL with a view to covering (in full or in part) the

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

cost incurred for the member benefit. Accommodation so released in return for member benefits point redemptions is withdrawn on a fair basis across all resorts.

(c) Platinum member free upgrades should be reinstated if reservation fulfilled so initially platinum members pay £4/day and lose this if they cancel the reservation but have it credited if the reservation is fulfilled.

All benefits within Diamond Loyalty are offered by THE Club® (a separate entity from DRECL).

Historically, as you will be aware, this benefit enabled Platinum loyalty tier members to upgrade into the next available apartment size for no additional cost.

When the success of this benefit was first reviewed, it was identified that multiple upgrade accommodations were being reserved by Platinum members which were not actually required and these reservations were then being cancelled at a subsequent date. The conclusion reached was that this was having an unfair and unnecessary impact on other members. It was felt that the requirement to pay a non-refundable upgrade fee would deter this trend by encouraging Platinum members to use the upgrade facility wisely.

We note the suggestion being put forward that the fee should be refundable for those Platinum members that utilise the booking. Whilst there is some logic to that proposal, subsequent re-evaluations of this benefit have indicated that in some cases, the larger sized accommodation is under occupied and could be better utilised. For that reason, therefore, we have decided to maintain the requirement to pay a non-refundable upgrade fee. We believe this approach is fairer and better serves the interests of the member base as a whole.

THE Club®'s benefit package undergoes regular review, and it may be that the terms of participation or offering will be varied over time. Up to date information on the many benefits available are contained on DiamondResorts.com – which can be accessed by logging in to your account and clicking on the links under ‘My Benefits’ or downloading the current Annual Member Benefits Directory which can be found under My Community - Member Information.

(d) The current exchange rate as at 16 April is 3 cents above budget of €1.15. Can you confirm that during 2017 DRI are looking to reduce spend to ensure that EU members are not hit with increases in fees in 2018 should the current currency exchange rate trend continue.

The decision at which the exchange rate is set for management charges is very important, not least because the majority of the European Collection management charges are collected in pounds sterling, but the Collection's operating expenses are predominantly incurred in euros. The exchange rate for 2017 was determined at 1.15 euros to the £, which takes into consideration the fluctuations of the exchange rate which have been between 1.10 – 1.19 since the referendum. Taking into consideration the impact of the exchange rate and other underlying increases from resorts, the DRECL Board already made the decision to delay some sinking fund expenditure that may be allocated to non-essential and non-health and safety related projects across the portfolio. Caution as regards any refurbishment, project and capital expenditure continues to be exercised to try and minimise any potential increase as much as possible. Any further exchange rate variation will be taken into consideration during the budgeting process for the following year of 2018.

(e) Generally a points' member has to pay 4500 points for a one bed apartment which varies upwards from around £450/week for points' owners.

Unfortunately, we are not sure what is being asked here and will therefore contact you independently in order to provide an accurate response.

(f) It is pleasing to see that DRI is renting well above member fee/DRI own fee rates. Because of this could DRI consider increasing the rental discount given to members from 10% to 20%?

Submitted Member Questions & Responses – Annual General Meeting 2017 Diamond Resorts European Collection Limited (“DRECL”)

We note your proposal, but the current discount for members on best available public rate is to remain at 10%. It is correct that public hotel rental rates are much higher now in demanded periods and the consequential saving for members grows proportionately as the rates increase which is great news. We also remind members that the program exists today to rent extra points for cash to facilitate extra nights and/or longer stays.

(g) What is going to happen to the electronic newspaper in 2018? Do DRI plan to continue with this free magazine/newspaper subscriptions to all members?

It is currently the intention of THE Club® to continue to provide complimentary PressReader to Silver, Gold and Platinum members of THE Club® when staying at any of our European Managed resorts. PressReader replaced the daily delivery of a hard copy newspaper as this continues to support our environmentally friendly efforts at the European resorts and gives options to all our members to choose their favourite newspapers to read. PressReader gives access to over 5,600 electronic, global newspapers and magazines in 17 languages. A current list of all newspapers and magazines can be accessed through www.pressreader.com

(h) Why is all member inventory not released 13 months in advance. Sometimes we see a huge deposit of availability at some resorts 10 months out?

All members have what is referred to as a Home Collection Priority. This means that their points allow them to book into their own Home Collection starting 13 months prior to their planned arrival date. DRECL members have a 13 month booking window for all resorts within the DRECL portfolio whereas members of other Collections affiliated with THE Club® are unable to book into DRECL resorts until 10 months out. Ten months prior to arrival, all resorts within THE Club® portfolio including affiliate destinations (where availability has been confirmed) become available for booking, subject to availability. Availability however inevitably changes for a number of reasons. Unwanted over-bookings are cancelled, un-booked inventory available through the Club Connection Programme becomes available, and unconfirmed Home Week Priority weeks are released for bookings. Inventory is also temporarily reserved to ensure that there is sufficient inventory to deposit with Interval International and affiliate partners (which of course allows our members to exchange outside of DRECL). Once inventory is reconciled, any additional space not exchanged is released back to THE Club® for member reservations.

(i) Understanding that DRI wish to promote point sales why do DRI charge members a margin of 50% for renting via DRI Flexibility?

Diamond Flexibility allows members to conveniently complete points' reservations by renting one-time use points should they be required. Members receive discounts based on their loyalty tier status at the time of booking. Diamond Value offers further discounts dependent on the number of days prior to arrival that a booking is made. Please note there are no additional fees to pay and no initial outlay in terms an annual commitment when using this benefit. However this benefit is not intended to replace or be utilised instead of your annual allotment of points. The rates at which members can rent additional points through the Diamond Flexibility and Diamond Value benefits are competitively priced and are, with the exclusion of special promotions and some late availability discounts, lower than the average hotel guest cash booking.

(j) What measurements and rationale do DRI apply when they feel they should close or put up for sale resorts in Europe such as Garden Lago and Broome Park?

Before considering a possible sale of a property, DRI undertakes a full review of the resort portfolio to determine what the ongoing maintenance and operating costs (which are included in the DRECL annual budget

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

and thus each member’s annual management charges) are going to be. These costs are sometimes deemed to be higher than the average property in the portfolio and outweigh the benefit of the number of vacations the property can offer due to limited space/rooms and seasonality. We want to assure you that any sales have no impact on overall member availability in DRECL. Accommodation is made available to members of DRECL based on the total number of points owned by all the members and this cannot be altered.

With the exception of the Developer (whose points’ ownership will by definition reduce in the event of a sale of a property) the sale of a property has no impact on the number of points owned by individual members, and a reduction in the amount of Developer inventory in turn reduces the amount of inventory made available to rental guests. This being the case, the amount of accommodation available to members will remain the same as before, but will simply be spread differently across other resorts in DRECL.

(k) In light of the significant decrease in value of GBP, has DRI adopted a system where they call emergency meetings to curtail unnecessary budgeted spend so the losses would not be so great for members in terms of future fees?

See answer to question (1d) above.

(l) I would like to know why a global surrender pack has not been agreed at \$250/£300 per certificate.

The US developer currently has the requirement for additional inventory within certain US Collections and US ownerships. We anticipate that these are the fees you are referring to in your question. Whilst the developer is able to currently offer this surrender facility, it is by no means a contractual or on-going offer. Please do consider that as a DRECL member, the option to surrender under exceptional circumstances is available to you and this option will remain available unless and until a special resolution is passed with a 75% vote to change the Articles of Association of DRECL. In addition to this, as of February 2015 the non-qualified relinquishment option was introduced. Further information is available online in our FAQ’s- “Diamond Resorts European Collection – What do I do if I no longer wish to be a member?”

(m) Whilst DRI have segregated resale points into a separate account for new transfers, can they confirm that those members owning a mix of resale and Club points in the EU collection will only ever be charged one base fee?

We can confirm that irrespective of where and from whom DRECL points are purchased, (i.e. points purchased on the second hand market or directly from DREL) the member will only pay one base fee.

Further information is available online in our FAQ’s- “I have purchased European Collection points from another member; are there any restrictions on the use of these transferred points?”

(n) Can DRI confirm that fluidity for members to transfer points freely will always exist with the on-going facility to upgrade the resale to club points by purchasing 50% of the quantity of resale points as Club points.

Points can be sold/transferred in accordance with Article 8(h) (ii), of the Articles of Association of DRECL. Points purchased other than from DREL ie on the second hand resale market (Resale Points) can only be used to make reservations within DRECL itself or with Interval International (i.e. exchanges via THE Club® are not permitted). These Resale Points do not count towards the Membership Tier Levels of THE Club®, and cannot be used towards member benefits (including resort onsite benefits). Nor can they be used in conjunction with any other DRECL points owned or with any Fractional points to make a single booking. Resale Points are recorded differently on Diamond’s IT systems to reflect these usage rights.

It is currently possible to integrate Resale Points to make them full use points upon a minimum purchase of DRECL points from DREL equal to 50% of the number of Resale Points the members wishes to integrate. Please note that members will only be eligible to integrate Resale Points once in the lifetime of their

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

membership. Should a member not elect to integrate all of their Resale Points, then the remaining points will stay as Resale Points and cannot be integrated in the future. If a member purchases further Resale Points after they have integrated Resale Points then these points will remain as Resale Points and cannot be integrated. This upgrade option may be reviewed and withdrawn in the future.

(o) DRI need to review the system allocating priority [pending] requests giving members the opportunity to decide whether to take up the reservation as on several occasions this year my request has been completely ignored and just by chance I happened to see the identical dates I was looking for online and booked them. Pleased I landed my dates by my own endeavours but I should have been able to rely on the DRI priority [pending] request system to contact me.

We are sorry to hear that your request did not contact you upon a suitable match in the system. This should not have happened. We are unaware of any issues which would prevent the search from being fulfilled should the accommodation have become available. We would ask that if you experience this again, you contact us so that we can clarify and ensure that the number of points required are available and that the search request specifics have been correctly inputted into our systems. As you know, Silver, Gold and Platinum members may set up an automatic search either online or with our dedicated Member Services team should your preferred reservation request not be available 10 months or less prior to your chosen arrival date. We will do the searching for you using the preferences you provide us with, such as resort, region, date or date range, number of nights and accommodation size. It is necessary however for the account to have sufficient points readily available for a match to be fulfilled.

(p) Why do DRI not create a secondary market for the resale of points. The use of resale points year upon year is becoming more and more restrictive with them being placed into a separate use account. I know DRI permit points to be upgraded again to club points by the purchase of further club points however, much confidence in the market has decreased leaving members stuck with unwanted memberships. Can DRI look into their policy of using resale points by maybe allowing say 50% of member transfer points to be allocated as Club points? This may promote more confidence in the resale market and also in DRI's own new points' sale market as members still look to clean up their smaller number of transferred resale points to club point status?

The ability to upgrade Resale Points (see question 1n above) was recently introduced (at significant cost to DREL) in order to address this very issue. Due to cost implications, DREL is not in a position to introduce a secondary market for the resale of points.

With regards to Resale Points, there are of course no restrictions on using these points towards a single reservation within DRECL or through Interval International.

From time to time we appreciate serious changes to personal circumstances can occur, and Diamond therefore have provisions in place to offer members the option to surrender their points either due to exceptional circumstances or via the Non-Qualified Relinquishment options which was introduced in February 2015. For more information please contact us on 0345 3590007 or login to DiamondResorts.com and click on the link under My Community – FAQ – “Diamond Resorts European Collection only – What do I do if I no longer wish to be a member?”

(q) When a reservation is made in say 2017 using 2018 points why can't DRI modify their system to identify that if subsequently this reservation is cancelled then the points are automatically banked back to 2018?

We would refer you to the DRECL Rules and Regulations – rule 3.13, “Borrowed points will expire if not utilized to make a reservation in the Use Year for which the borrowing transaction occurred. Borrowed Points must be used in the year borrowed and may not be carried forward.” However exceptions may be offered to allow members to resave borrowed points dependent on the number of points saved in the current year already as well as standard saving deadlines. Even if it was feasible to alter this programme, to do so would necessitate

Submitted Member Questions & Responses – Annual General Meeting 2017 Diamond Resorts European Collection Limited (“DRECL”)

significant systems development. Due to the saving and borrowing deadlines and the varying cancellation windows and percentages, the cost of implementing these system changes would be cost prohibitive.

(r) I understand that when I make a reservation through DRI Resorts and Hotels they will match the cheapest internet price less 10%, however, this invariably amounts to much more than if a member were to make the same booking with their points’ in comparison to the amount of maintenance fees paid. Why can't DRI value that reservation as they would normally to a member in points terms and then multiply those points calculated to the members current pence per point paid on their management fees (obviously this would be a lesser price for a Platinum member than lower tier members?)

Thank you for this suggestion. However, our Sales and Marketing Operation and yield management would be severely impacted if we offered DRI Resorts and Hotel accommodation which is available to the public to members at the per point rate determined by their Loyalty Tier.

2. Peter Norbury – email 31st May 2017

(a) Are you aware that Diamond has got a bad reputation by closing so many European resorts? We have just been to Garden Lago and were told that people are slating you off, according to the Ona group rep at the resort. He also said that many Diamond members are getting rid of their points.

It is so disappointing to receive reports from members that certain representatives of the Ona Group are making disparaging comments about the DRI resort portfolio.

We are proud of the extensive number of resorts in our portfolio. Longstanding members who joined DRECL back in 1999 will recall that, at that time, there were 9 resorts in the portfolio and there was no exchange facility with THE Club®.

As the member base of DRECL and the other Collections have grown, so too did the number of resorts in the portfolio and members now have access to over 420 worldwide destinations.

Suffice to say, we believe that our offering is, and will remain, the product of choice for consumers who appreciate the value of vacation ownership. By comparison, the Ona Group (for example) has approximately 10 resorts in its portfolio.

Finally, we would like to refer you to the answer to question 1 a, and add that Garden Lago has been the only resort sold in last 3 years.

(b) In January we were told that there were new European resorts were in the pipeline. Where are they?

See answer to question (1a) above.

(c) Has Broome Park been sold?

Whilst there has been some interest shown, the sale of this resort has not completed. Until a sale is concluded, we will continue to accept reservations in the lodges and the Mansion House on a rolling six month basis.

3. Paul Dunningham – email 2nd June 2017

Through Diamond we have done two NCL cruises (in 2013 &2014) with balcony staterooms using all points. This year we are doing NCL cruises where all points only permit interior cabins. We can upgrade but only with cash. Can Diamond / NCL please bring back the balcony staterooms using all points?

As a result of offering inside cabins only, DRI successfully negotiated many different Norwegian Cruise Lines (“NCL”) cruise itineraries and additional availability for members. We increased sailings from 4 choices in 2015

Submitted Member Questions & Responses – Annual General Meeting 2017

Diamond Resorts European Collection Limited (“DRECL”)

to 18 choices in 2016 and 20 in 2017, many of which are under 10,000 points per cabin (which sleeps up to 2 persons).

We will continue to review our cruise offerings with NCL for future itineraries using THE Club® points.

In 2017 there have been three cruises available for Platinum members on a points' only basis which include Balcony cabins. Alternative cruise options are available through the Diamond Luxury cruise programme which offer great value and also through the Travel Services benefit programme.

4. Paul Murphy – email 2nd June 2017

(a) It appears from many conversations with European members and on various forums concerning DRI, that one of the main complaints is the reduced availability of resorts in the European Collection.

Accommodation made available for members of the DRECL is based on the points owned by all the members and therefore cannot be changed. The sale of a resort does not impact the availability to members'. The quantity of availability made available remains the same as before, just spread differently across the resorts within DRECL. We do continue to look for new opportunities and actively pursue affiliation agreements.

(b) With the closure of resorts in Majorca, Menorca and UK (past and pending), what is the intention of DRI as regards replacing these resorts.

See answer to question (1a) above.

(c) Please note that very few European members want further affiliated resorts or hotels adding to the inventory. They do not want special events or extra facilities such as golf tournaments, meeting celebrities etc as our American cousins seem to get offered on a continually increasing basis. They just want more UK and European DRI managed resorts. Are we ever likely to see this happen.

See answer to question (1a).

5. Gareth & Jennifer Phillips – email 3rd June 2017

(a) At last year's AGM it was said that dogs could not be allowed into UK resorts as they are not owned by Diamond, however, we have always been led to believe that Diamond actually own the majority of the British resorts. As Diamond have had over 20 years' experience of having dogs at Kenmore, surely they could utilise this experience and allow dogs into other resorts which should improve usage figures. Would it be possible to do a three year trial for one or two more resorts, possibly excluding high/peak season, prior to making a firm decision either way?

This is not a decision made by the DRECL board or its management company. Each timeshare club resort in England has a constitution and regulations which states that pets are not permitted.

(b) We have associate members, but understand that they do not get the same opportunities to enjoy Diamond extra's such as Diamond Luxury resorts etc. despite our being Gold members and there seems to be confusion over things like Wi-Fi and newspapers at the resort. The financial income to the resort does not reduce because we've sent our children there so why can't they get the same deal as ourselves?

Thank you for your suggestion. We will consider and evaluate this for next year. Associate members do get free wifi and access to Pressreader if they are registered as an associate member.

(c) Will there be the opportunity to book European River cruises using points in the near future?

There are a number of options currently available for members to book European River Cruises. Gold and Platinum members can book through the Diamond Luxury Cruise program as well as the new Diamond Luxury

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

Travel Tours. We also offer two European River Cruises via our Member Escorted Journeys which are available to all members. Members can also redeem a percentage of their points towards River Cruises using our Travel Service member benefit program by booking their travel independently and submitting their invoice to pointsfortravel@diamondresorts.com

All details of these travel opportunities can be found online at www.diamondresorts.com under My Benefits.

(d) Last year we tried to book a Diamond Luxury resort in Italy. This took a number of calls and emails from myself. The main reason appeared to have been my asking if dogs were allowed in any of the 3 resort estates in the Padua. Apparently you are only allowed to ask questions about 3 specific properties at any one time. Surely someone should have rung me back to explain that what I had requested was not possible? It has now been sorted and hopefully we will be enjoying Italian hospitality at the time of the AGM.

Thank you, your comments have been noted and will be reviewed. We hope you are enjoying your holiday!

6. Melvyn Emmett – email 3rd June 2017

(a) DRI is selling weeks to such as On The Beach for much less than I can charge family and friends ie 10000 points cost me in excess of £900. OTB prices give at least two weeks for this amount.

Hotel reservations are priced according to marketing opportunities and competitor analysis. It is our objective as a company to achieve maximum occupancy at the optimal price. In line with common industry practice, there are times when our rooms are offered at lower rates, either in low season or when a resort is experiencing lower occupancy. However it is equally the case that the hotel rates may exceed the management charges that have been paid by members for the same accommodation in high and peak season or at sought after destinations. With the passage of time, we have been able to increase our average nightly rates due to demand, popularity and awareness of the desirability of our accommodations amongst both consumers and suppliers.

(b) Do my maintenance fees also pay for non-member use of rooms?

No. Please see the answer to question 1b.

7. M B & M G Hale – email 5th June 2017

I wish to express our concern at the fact that it appears as though DR are undertaking an exercise to reduce the current holiday units within the UK and Europe in order to expand holdings within the USA and other countries. In support of this you mention in The Chairman's Report the sale of Garden Lago and potential sale of Broome Manor and we would like to repeat some comments reported to us during a recent stay at an ONA resort in Majorca. In an attempt to have us join their hotel group they offered to purchase our points for an attractive price and indicated that their group had submitted offers to purchase Kenmore Club plus one resort in Benalmadena as Diamond policy was now to reduce holdings within Europe as a whole. Our current experience is that, despite your claims of European surpluses, we find it extremely difficult to book holiday weeks in the UK or Europe (except Spain) and tend to feel that Diamond is reducing capacity in order to diversify more into USA and

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

some far eastern countries. We would welcome your comments, and hopefully assurances, on the above.

We are very concerned to hear about your experience at Garden Lago which we will certainly review with Ona. Please see the answer to question 1 (a) and (2).

8. Alastair Macdonald – email 5th June 2017

(a) The continuing focus on Club affiliations is disappointing and it seems to be that the company has no long term commitment to acquiring/operating directly managed resorts anymore. Would welcome Board comments on this as I feel (possibly many other members may feel the same) that the special feeling of close identity with the club is being eroded.

See answer to question (1a) above.

(b) What assurances can the Board give that the fiasco with membership card distribution for a second year won't be repeated. If you can't get the cards out on time to the correct people would suggest you scrap the idea and save money.

Your comments are noted, thank you. The issue was thoroughly reviewed and additional measures have been put in place to ensure that it doesn't happen again.

(c) Wanted to use points redemption for a cruise booking for the first time this year but was told that I was ineligible unless I booked and paid for the cruise within the same points year. Unless I have missed something in the T & Cs I think this needs clarifying for future use.

For all Travel related Points Redemption Benefits the terms and conditions in the Annual Member Benefits Directory states that the invoice for your chosen benefit should be dated ie booked/paid for and submitted within your loyalty redemption window regardless of departure date. Members can use up to their annual allocation of points on any combination of benefits chosen.

9. Stuart Taylor – email 7th June 2017

(a) There are a lot of members with low numbers of points with which to book accommodations. What are DRI doing to provide low cost accommodation, since they have removed Garden Lago, which was a very popular destination for members who could not afford more expensive resorts.

It is our commitment to continue to source affiliate partners, destinations and experiences in the UK and Europe and grow our current portfolio. We also continue to regularly offer discounted points stays by way of late availability, Diamond Instant Getaways and also Quick Getaways at reduced points' values.

(b) Majorca was a very popular destination for members. Has DRI any plans to obtain accommodation on this island in the future, as there appears to be a big imbalance in the popularity of resorts. For example Greece is showing a massive amount of free accommodation for Grand Leoniki, Leoniki Residence and Village Heights Golf Resort from June of this year right through to December. Why can't we have accommodation in places members actually want to go to.

See answer to question (1a) above. In fairness, we anticipated that the Greek resorts would be a very popular addition to THE Club®, and we can in fact confirm that we have over 1,750 confirmed Club member arrivals for the 2017 Use Year.

Having said that, it is worthy of mention that the management fees for the Greek accommodation are not directly funded from DRECL management fees. The management fees on all of the inventory available is (in the first instance) paid for by DREL. Only when a reservation is made by a member using their points is inventory of an equivalent points' value (from a resort location in trust for DRECL) released to DREL by way

Submitted Member Questions & Responses – Annual General Meeting 2017
Diamond Resorts European Collection Limited (“DRECL”)

of exchange. Put simply therefore, it actually doesn't matter to the individual members of DRECL if a large amount of Greek inventory appears to be available.

(c) Most members have what is referred to as a Home Collection Priority. This means that their points allow them to book into their own home Collection starting 13 months prior to their planned arrival date. At 10 months prior to arrival, all resorts within THE Club® portfolio become available to all members for booking subject to availability. Why is that all accommodation for Greece only shows availability up to Dec 17. Surely when trying day after day “on Line” there must be some free accommodation for Jan18 – July18.

There will be availability. Unfortunately, the allocation for next year has not yet been determined.

As you will be aware, the Greek resorts are not in trust for DRECL but are made available for DRECL members to use through an affiliation with THE Club®. With the exception of the traditional week owners at the Greek resorts, it is DREL that directly discharges the management fee liability at these resort locations. DREL now has to carry out a difficult assessment of likely demand as (unlike our DRECL managed properties), DREL has the option to decline unwanted inventory on an annual basis by an agreed deadline. If it declines some of the inventory, the usage rights (and the management fee costs) for that inventory for the Use Year in question will revert to the third party Greek Developer.

10. Chris Walker – email 8th June 2017

Is it true that Apollo/Diamond resorts are pulling out of Europe completely?

Absolutely not. DRECL and DREL Diamond managed properties in Europe remain successful and stable. We intend to continue to operate in exactly the same way as in previous years, providing members with wonderful experiences and holiday opportunities.