



Summary of Amendments to the ARC Agent Reporting Agreement

The primary revisions to Agent Reporting Agreement (ARA) reflect changes in ARC's operations and procedures as a result of the continuing expansion of ARC's electronic offerings.

The full text of the ARA follows and is posted on ARC's web site at www.arccorp.com. The amended provisions in the ARA are highlighted with a diamond (◆) in the margin (except minor and duplicative revisions and correction of grammatical errors, etc.) The following briefly summarizes the amendments.

Section II: Definitions

The term "Submission Deadline" is modified to reflect the change in the holidays eligible for report submission extensions. Holiday extensions were created to accommodate an agent's ability to mail weekly sales report documents due to Post Office closure. With the advent of electronic reporting via IAR, the holiday schedule need not mirror the Post Office operations schedule. Holidays designated as eligible for the submission extension will be published in the Industry Agents' Handbook.

Section VIII: Reports and Settlements, Defaults and Other Financial Irregularities Under ASP

Due to enhancements in the IAR system, the Exception Report was eliminated in 2006. References to the Exception Report in Section II and Sections VIII.A.2.b and VIII.A.3 of the ARA are deleted.

Due to the introduction of IAR 2.0 and submission of sales reports via the Internet, Section VIII.D.1.c.(4)(a) which references System Providers is unnecessary and has been

deleted (and former subsection 4(b) has been designated as (4)).

Due to the prevalence of electronic ticketing, and the fact that ARC no longer processes manual reports, ARC is eliminating the bonded ticket provision for defaulted agents described in subsection VIII.D.1.d of the ARA.

Section VIII.D.1.e(1) is also modified to reference to the recovery of attorney's fees and costs expended by ARC in collection efforts.

Section XII: Delivery and Withdrawal of ARC Traffic Documents

Section XII.F is revised to substitute the title "Director, Risk Management" for "Director, System Integrity." This substitution is also made in Section XI.D.

Section XVII: Special Location Exemptions

Section E. has been added to reference the optional reclassification as a Verified Travel Consultant (VTC).

Section XXVII: Assurance of Nondiscrimination and Compliance with Applicable Laws

The Payment Card Industry (PCI) standards require parties that handle and process credit card account data to maintain the data in a secure manner to avoid unauthorized disclosure and also require that in the event of termination of the parties' agreement, such obligation continues until the data is either returned or destroyed in a secure manner. In accordance with the PCI standards, Section XXVII.B is modified to include and reference those requirements.



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Section XXIX: Termination

Section XXIX.C is also modified to include the PCI requirement to maintain credit card account data in a secure manner to avoid unauthorized disclosure in the event of termination of the ARA.

Section XXXI: Choice of Law

Section XXXI is modified to clarify the jurisdiction for collection actions.

Attachment B

Due to the increasing use of electronic tickets, Section IV.A of Attachment B is modified to indicate that a new agent or location may order an initial supply of traffic documents but such shall not be automatically supplied without charge as an initial order.

Supplement 9 (My ARC portal)

Supplement 9 covers access to ARC's portal, My ARC. The My ARC portal will soon be the

central access point to a number of ARC's tools and resources including Interactive Agent Reporting (IAR), Internet Sales Summary (ISS), etc. ARC anticipates My ARC will be available in late 2007 or early 2008. When the My ARC portal is introduced, the agent's My ARC Primary Administrator will perform all administrative functions for the Agent, including granting the Agent's users access to ARC's tools and resources. In order to reduce the steps involved in designating a Primary Administrator, subsection 8 of this Supplement 9 provides for the automatic assignment of the Agent's IAR Primary Administrator or the Agent's Document Retrieval Service Security Manager to be the My ARC Primary Administrator. The agent will be able to change its My ARC Primary Administrator at any time upon written request to ARC.

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If you have questions about any of the changes to the Agent Reporting Agreement, please contact ARC's Customer Support Center at (703) 816-8003