

Service Provision Contract

by and between

Česká centrála cestovního ruchu – CzechTourism

and

Travelscape LLC d/b/a Expedia Group Media Solutions

Principal's Contract Number: 20/S/420/404
Provider's Contract Number:

Contract

signed in accordance with Section 1746 (2) et seq. of Act No. 89/2012 Coll., the Civil Code, as amended

Contracting Parties

Česká centrála cestovního ruchu – CzechTourism

Registered office:	Vinohradská 46, CZ-120 41, Prague 2
Comp. Reg. No.:	49277600
VAT Reg. No.:	CZ49277600
Represented by:	XXX – Managing Director of CzechTourism

(“Principal”)

and

Company:	Travelscape LLC d/b/a Expedia Group Media Solutions
Registered office:	10190 Covington Cross Dr., Suite 300, Las Vegas, NV 89144
Represented by:	XXX

Representative in technical matters:

Comp. Reg. No.:	TIN-88-0392667
VAT Reg. No.:	N/A
The Contractor is registered for VAT.	NO
Bank details: account number	XXX

(“Provider”)

Preamble

The basis of this Contract comprises the Provider’s tender (“Tender”) submitted within a small-scale public contract titled “**Digitální online marketingová kampaň na podporu obnovení cestovního ruchu ze zemí APAC (Japonsko, Jižní Korea a Tchaj-wan)**” **Digital on-line marketing campaign to support restarting tourism from APAC countries (Japan, South Korea, and Taiwan).**

I.

Definitions and Interpretation of Terms

I.1 The segmentation hereof into articles and paragraphs and the inclusion of headlines is made solely for the purposes of easier orientation and shall not have any impact on the meaning or interpretation hereof. The terms “this Contract”, “hereof”, “in compliance herewith”, and similar terms concern this Contract and

not any particular article or paragraph or any other part hereof and include also any agreement or document complementing or extending this Contract. Unless contrary to the subject matter or the context hereof, the references herein to articles and paragraphs represent references to articles and paragraphs hereof.

- I.2 Words expressing only the singular include also the plural and vice versa, words expressing the masculine gender include also the feminine and neutral genders and vice versa, and terms expressing persons include both natural persons and legal entities and vice versa.
- I.3 All references herein to laws shall be interpreted as references to laws valid and in effective amendment, and all references herein to parts, articles, paragraphs, and annexes shall be interpreted as references to parts, articles, paragraphs, and annexes hereof.

II. Basic Provisions

- II.1** In this Contract the Provider agrees to provide the Principal with services associated with the preparation, implementation and reporting of a digital marketing campaign for on-line reservation travel portal/OTA (on-line travel agency), which is to serve, support and develop incoming tourism from source markets of APAC countries - Japan, South Korea, and Taiwan to the Czech Republic after the Covid-19 pandemic ceases in accordance with the Bid.
- II.2** In this Contract the Principal agrees that the Principal shall pay the fee to the Provider in the amount as determined and under the conditions defined herein.

III. Subject of the Contract

- III.1** In accordance with this Contract the Provider agrees to ensure services specified in the Provider's Bid submitted within small-scale public contract titled **"Digitální online marketingová kampaň na podporu obnovení cestovního ruchu ze zemí APAC (Japonsko, Jižní Korea a Tchaj-wan)"** **Digital on-line marketing campaign to support restarting tourism from APAC countries (Japan, South Korea, and Taiwan)**, which forms an integral part of this Contract.
- III.2** The Principal's goal is to promote the Czech Republic as an attractive, accessible, and safe destination in Japan, South Korea, and Taiwan with the goal to restart and develop incoming tourism in post-Covid-19 time.

IV.

Terms and Conditions for the Provision of Services

- IV.1** The Provider agrees to perform the subject of this Contract in compliance with the agreed proposal for the campaign implementation, which is based on the Provider's Tender.
- IV.2** The proposal of the marketing campaign is also an integral part of this Contract and is attached as Annex 1 hereto.
- IV.3** All Provider's activities related to the campaign implementation are subject to written approval by the Principal.
- IV.4** The Provider shall notify the Principal in writing (via e-mail) without undue delay of any circumstances identified while performing the subject of this Contract that might lead to changes to the Principal's instructions or interests that relate to the subject of the performance.
- IV.5** The Provider undertakes to:
- a) Exert the maximum efforts and proceed with professional care in performing this Contract so that proper performance of this Contract is achieved.
 - b) Actively collaborate with the Principal and render the Principal necessary assistance when performing this Contract;
 - c) Continuously incorporate the Principal's comments in the course of implementation of the subject of the performance.
 - d) Perform continuous monitoring and evaluation of the course of the Work performance, and allow the Principal to have access to such monitoring and evaluation in the course of the Work performance.
 - e) Submit the monthly ongoing report on the monitoring and ongoing assessment of the campaign within 4 business days after the end of every calendar month, and submit the final report on the campaign course, including the results and assessment, within 10 business days of the date that the campaign ends.
 - f) Inform the Principal in writing (via e-mail) without undue delay about any identified impediments to performance, even when the Principal is not responsible for them, or about any claims filed by third parties that might affect performance of this Contract.
- IV.6** The Provider is obliged to maintain confidentiality of all facts the Provider learned in relation to performance of the subject of this Contract. The Provider shall use all the materials received from the Principal in relation to performance of this Contract solely for the performance of the subject and purpose of this Contract. After the performance or partial performance of this Contract is completed, the Provider shall hand over to the Principal all materials taken over from the Principal in relation to the performance of the Contract.
- IV.7** The Provider shall fulfil its obligation to perform the Work to the entire required extent.
- IV.8** The Provider undertakes not to use the graphics of the provided services for other reasons than for fulfilment of its obligations hereunder, and shall not render the graphics of the provided services to be used by any third party without the prior written approval by the Principal.

V. Contract Term

- V.1** The Provider shall commence with the implementation of the subject of the Contract immediately following this Contract coming into effect and implement it according to the development of the pandemic situation in given countries at the latest by 30 May 2021, whereas the campaign shall be prepared to launch at the latest by 31 December 2020.
- V.2** The subject of the Contract shall be gradually performed by the Provider, keeping the deadlines set out in this Contract, starting from the validity date of this Contract, for the entire period of the Contract term.
- V.3.** The Principal is entitled to withdraw from this Contract in the following cases: if the Provider's obligations hereunder are not performed, provided the Provider fails to remedy the situation even within 10 days after delivery of the Principal's written request pointing out the failure to perform a particular obligation; or in the case that due to violation of any Provider's obligation any damage is imminent or incurs to the Principal, and the Provider fails to remedy the situation (i.e. fails to eliminate the threat of damage or compensate the already incurred damage) without undue delay; or for other legal reasons allowing the Principal to withdraw from the Contract.
- V.4** The Provider is only entitled to withdraw from this Contract in the following cases: the Principal is in delay with payment of any Price instalment, and fails to make the payment within the grace period provided by the Provider, which shall not be shorter than sixty (60) days.

VI. Payment Term

- VI.1** The price of the contract performance is set as the highest acceptable price that cannot be exceeded, and is: USD 80,000.
- VI.2** The Principal shall pay the Price according to article 6.1 hereof, or any part thereof, in US dollars (USD) by a wire transfer based on invoices issued by the Provider.
- a) 40% of the price shall be paid to the Provider after the Principal approves in the form of a handover record the first monthly report, reflecting the campaign progress.
- b) 60% of the price shall be paid to the Provider after the campaign is completed, and after submission of the final report on the campaign implementation, including the results and assessment of the campaign success.
- VI.3** Invoices will always be due thirty (30) days after the issuance thereof, based on certified handover of service outputs. The invoice under this Contract shall be issued at the dates and in compliance with valid legal regulations, in particular Act No. 235/2004 Coll., on Value Added Tax. If any data are missing or are incorrect in any invoice delivered to the Principal, the Principal is entitled to

return the invoice to the Provider. In this case the due period shall be suspended and shall commence again after delivery of a properly corrected or completed invoice.

VI.4 The Provider shall not set off any amounts claimed from the Principal against any unpaid debts. The Provider's receivables and claims arising under this Contract cannot be assigned to third parties, nor used as a security, nor handled in any other manner.

VI.5 Invoices shall only be sent via e-mail to the following address:
pavlik@czechtourism.com and prochazka.m@czechtourism.com

VII. Contractual Penalties

VII.1 Should the Provider materially breach the Provider's obligations arising under the Contract, the Provider shall pay a contractual penalty to the Principal, amounting to 10% of the price set out in paragraph 6.1 of the Contract for each breach of such an obligation.

VII.2 In the case of a minor breach of the Provider's obligations arising under the Contract, the Provider shall pay a contractual penalty to the Principal, amounting to 1% of the price set out in paragraph 6.1 of the Contract for each breach of such an obligation.

VII.3 For the purposes of the Contract, a material breach of the obligations is committed if the Provider knew at the time of signing the Contract, or at that time it should have been reasonably expected, as regards the purpose of the Contract, taking into consideration its contents or the circumstances under which the Contract was signed, that as a result of a breach of obligations, the benefit that the Principal rightly expected shall be taken away from the Principal, and if the economic value of the benefit is equal to the value of the contractual penalty or higher. The Principal regards a breach as material if the deadlines or objectives of the marketing campaign are not met during the Contract term.

VII.4 The obligation to pay the contractual penalty, the claim for payment of the contractual penalty or payment thereof do not cancel the Provider's obligation to perform their obligation as defined in the Contract. The Provider remains to be obliged to perform the obligation.

VII.5 The fact that the obligation to pay the contractual penalty arose or the contractual penalty was paid do not have any impact on the Principal's entitlement to full damages or the right to terminate this Contract. By termination of the Contract, the right to payment of the contractual penalty, which was claimed before the termination, shall not expire.

VII.6 The contractual penalty becomes due after delivery of a written notice of this claim to the Provider. The Principal is entitled to set off its claim for a contractual penalty against any claim of the Provider for payment of the price. The Parties state that as regards the nature of the obligations to which contractual penalties apply, and as regards the public interest in them, they believe that the contractual penalties specified in this article are adequate.

VIII.

Other Rights and Obligations of the Contracting Parties

- VIII.1** The Provider shall perform this Contract with professional care and in accordance with the regulations of the Czech Republic, this Contract and the Principal's instructions.
- VIII.2** The Provider shall perform this Contract at its own expense, in its own name and at its own risk and responsibility.
- VIII.3** The Principal is entitled to check Provider's individual activities performed under this Contract, and to give the Provider explanatory instructions during the performance, regarding the activities that are required for proper performance of this Contract or instructions for remedial measures. If the Principal does not report a defect or incomplete work, this shall not relieve the Provider of the obligation to remove these faults without delay and free of charge.
- VIII.4** With the exception of Article VIII below, the Provider is not liable for any damage incurred by the Principal or third parties, resulting from the fact that the obligations under this Contract were performed, were breached, or were not fulfilled.
- VIII.5** The Provider shall notify the Principal without delay of any circumstances that could affect (even in part) the Provider's ability to perform its obligations under this Contract. Such a notice to the Principal shall not relieve the Provider of its obligations under this Contract.
- VIII.6** The Provider may use the materials that are provided by the Principal only for performance of this Contract. Any other use of the materials is subject to written approval by the Principal. All materials provided by the Principal to the Contractor remain to be the Principal's property, and shall be returned to the Principal upon request.

IX.

Copyright

- IX.1** If, in connection with performance of this Contract, the Principal provides the Provider with any materials intended for promotion of the Czech Republic (for example graphics, visual aids, spots, etc.) that are protected by copyright ("copyrighted work") under Act No. 121/2000 Coll., on Copyright and Rights related to Copyright and on Amendment to some Acts ("Copyright Act"), as amended, the relationship between the Parties in relation to this work shall be determined as follows:
- 9.1.1 The Principal represents and guarantees that the Principal is the owner of the copyright to any copyrighted work provided to the Provider, and is entitled to use the works to the extent agreed in the Contract, and the copyrighted work does not infringe any rights of third parties. As regards the possibility to transfer the copyrighted work, which was created by third parties, the Principal agrees to

ensure the author's consent to using the copyrighted work by the Provider to the extent determined in this Contract (in particular in the form of an authorization according to Section 2371 of the Civil Code).

9.1.2 The Principal shall defend the Provider and its associated entities and their officers, directors, employees and representatives ("indemnified parties") against, indemnify for and relieve of any liability for all losses, expenses, actions or claims of any type (including – but not limited to – reasonable attorney fees) resulting from any infringement or alleged infringement of any copyrighted work of a third party, as described above, incurred by any indemnified party, caused to any indemnified party, or imposed on any indemnified party for payment, because the indemnified party received or used the said materials.

9.1.3 The Principal gives consent to the Provider to using the copyrighted work from the date of signing the Contract to the end of the campaign for the purpose of performance of the Contract, without any limitations in terms of the location or scope of use.

9.1.4 The Provider is not entitled to change any copyrighted work without the Principal's prior consent.

9.1.5 The Provider is entitled to transfer, in whole or in part, the rights to use the copyrighted works according to paragraphs 9.1.2., 9.1.3. and 9.1.4. above to third parties only with the Principal's prior written consent.

IX.2 The Principal grants the right to use the copyright to the extent and under the conditions as stated above in this Article to the Provider free of charge.

X.

Beginning and termination of this Contract

X.1 This Contract comes into force on the day of its signing by both of the Parties and becomes effective on the day of its publication in the contract register.

X.2 If the Provider is a legal entity or natural person with a registered office outside the territory of the Czech Republic and at the same time the performance under this Contract happens outside the territory of the Czech Republic, then this Contract comes into effect on the day of signature hereof. It will not be published in the contract register maintained in the Czech Republic.

X.3 This Contract may be terminated by a written agreement between the Contracting Parties, which shall take effect from the date specified in such an agreement. Unless otherwise expressly stated therein, the agreement shall take effect on the date of signing thereof.

X.4 The Principal is entitled to terminate this Contract or a part hereof if the Provider materially breaches the Contract.

X.5 A material breach of the contractual obligations means:

- (a) Breach of binding legal regulations;
- (b) Delays in the implementation of the time schedule resulting from this Contract and;
- (c) Implementation of the marketing campaign that does not comply with the Principal's binding requirements specified in the Contract, or with Principal's requirements.

10.5 The Principal is also entitled to terminate this Contract, in whole or in part, if any of the following circumstances takes place:

- (a) Reason for termination of the Contract arises in accordance with Section 2001 et seq. of Act No. 89/2012 Coll., the Civil Code, as amended;
- (b) As a consequence of a decision of the founder, public authority or local authority, the Principal does not have sufficient funds to pay the campaign;
- (c) the Provider has lost the authorization required under the law for performance of the activities to which the Provider is bound to perform under this Contract;
- (d) the Provider does not fulfil any other qualification requirements that had to be fulfilled for awarding the contract;
- (e) Bankruptcy proceedings have been initiated against the Provider, or a bankruptcy petition has been rejected due to insufficiency of Provider's property;
- (f) the Provider has filed a settlement petition, or
- (g) the Provider enters liquidation proceedings.

10.6 The Provider is entitled to terminate this Contract if the Principal is delayed with the payment of their financial obligations under this Contract for more than 90 days.

10.7 Any termination of this Contract must be in writing, and a written notice of the intention to terminate the Contract must be delivered to the other Contracting Party.

10.8 The Contract shall be terminated after delivery of the written notice to the other Contracting Party. Termination of the Contract shall not affect the rights to compensation for damage incurred due to a breach of this Contract or the claim for payment of contractual penalties.

10.9 The Contracting Parties' obligations resulting from termination of the Contract are defined as follows: in the case of termination, the Provider shall hand over all materials in the current version to the Principal without delay. If the Contract was terminated due to reasons relating to the Principal, the Provider is entitled to a proportionate part of the price, corresponding to the work that was performed and handed over within a reasonable period after the notice of termination. If the Contract was terminated due to reasons relating to the Provider, the Provider is entitled to compensation for documented necessary expenses incurred during the on-line campaign.

10.10 Should the Contract be prematurely terminated, the Provider shall render assistance to the Principal as necessary so that the Principal would not incur losses.

10.11 The Contracting Parties have agreed on the express exclusion of the provisions of Section 1897 of Act No. 89/2012 Coll., the Civil Code; therefore this Contract may not be transferred by endorsement.

XI.

Contact Details, Specific Provisions

- XI.1** The Contracting Parties have agreed on the following contact persons:
- (a) for Principal: XXX, managing director of the CzechTourism agency in Japan with competence for Taiwan, XXX and XXX, managing director of the CzechTourism agency in South Korea with competence for the Philippines, XXX.
 - (b) For Provider: XXX

XI.2. Should the Provider not start any activity that is to be performed under the Contract by the deadlines determined herein or in the time frames set out by the Principal, the Principal is entitled to ensure performance of these activities in the necessary scope in another way or through a third party, yet at Provider's expense. This shall not affect the Principal's right to contractual penalties, or the right to terminate the Contract.

XII.

GDPR

- XII.1** In the event that personal data of employees, clients of the Principal or other persons to whom the Principal is in the position of personal data controller will be provided to the Provider in connection with the performance of the Contract, the Provider, as the processor of such data, undertakes to act according to the principles and processes set out in Regulation 2016/679 of the European Parliament and of the Council (EU) on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) and Act No. 110/2019 Coll., on Processing of Personal Data.
- XII.2** The Provider, as a processor of personal data, is obliged to process personal data only on the instructions of the controller. The Provider's employees are obliged to maintain confidentiality about the above personal data.
- XII.3** The Provider undertakes to take appropriate technical and organisational measures to protect personal data in order to ensure a level of protection appropriate to the potential risks of processing in such a way as to prevent unauthorised misuse, loss, altering, destruction of unauthorised access or other unauthorised processing.
- XII.4** The Provider is not entitled to involve other processors in the processing of personal data without the written permission of the Principal and is also obliged to inform the Principal of any intended changes related to processors.
- XII.5** Upon termination of the provision of services under this Contract, the Provider is obliged to return the personal data to the Principal or delete them on the basis of its order.
- XII.6** Furthermore, the Provider is obliged to assist the Principal in fulfilling its obligation to respond to requests for the exercise of the rights of data subjects. It is

also obliged to assist in ensuring the security of processing and reporting of personal data breaches.

Final Provisions

- XIII.1** If any provision of this Contract becomes invalid or unenforceable, such fact shall not have any effect on validity and enforceability of the remaining provisions of this Contract. The Contracting Parties undertake to replace the invalid or unenforceable provision by a new provision, wording of which shall correspond to the intent expressed by the original provision and by this Contract as a whole.
- XIII.2** This Contract contains the complete and entire agreement between the Contracting Parties concerning to the subject of this Contract and replaces all prior written or verbal agreements regarding the subject of this Contract.
- XIII.3** If any Contracting Party overlooks or remits any default, violation, delay or failure to perform any obligation resulting from this Contract, it shall not be interpreted as a waiver of any continuing or subsequent default, violation or failure to observe, and no such waiver shall be considered as effective, if not provided in writing for each individual case.
- XIII.4** The facts stated in this Contract shall not be treated by the Contracting Parties as trade secrets within the meaning of Section 504 of the Civil Code. If the Contractor treats any facts stated in the Contract as trade secrets, these facts shall be provided in an annex to the Contract; according to Section 5 (6) of Act No. 340/2015 Coll., on the Register of Contracts, the price for performance cannot be treated as a trade secret.
- XIII.5** This Contract has been made in 2 counterparts, both valid as originals, of which each Contracting Party shall receive one.
- XIII.6** This Contract and relationships resulting from this Contract are governed by the legal order of the Czech Republic, in particular by Act No. 89/2012 Coll., the Civil Code, as amended.
- XIII.7** Any changes to this Contract must be made in writing in the form of numbered amendments, signed by both Contracting Parties.
- XIII.8** Any and all disputes arising from or in connection with this Contract, which cannot be resolved amicably, shall be resolved by general courts in accordance with the provisions of Act No. 99/1963 Coll., the Civil Procedure Code, as amended.
- XIII.9** All annexes to this Contract form an integral part hereof.
- (i) Annex 1: The Provider's bid ("Bid") submitted within small-scale public contract titled **"Digitální online marketingová kampaň na podporu obnovení cestovního ruchu ze zemí APAC (Japonsko, Jižní Korea a Tchaj-wan)" Digital on-line marketing campaign to support restarting tourism from APAC countries (Japan, South Korea and Taiwan).**
 - (ii) Annex 2: Tender Documentation for the Tender Procedure

**Česká centrála cestovního
ruchu – CzechTourism**
agreed by:

**Contractor Travelscape LLC
d/b/a Expedia Group Media**
agreed by:

name: XXX
title: Managing Director

day and month 2020
date:

name: XXX
title:

day and month 2020
date: