

Schmetterling Cooperation Agreement

Cust. no _____

hereinafter referred to as "**Partner**".

and

Schmetterling International GmbH & Co. KG

represented by Schmetterling Verwaltungs-GmbH,
in turn represented by Managing Director Willi Müller and Anya Müller-Eckert

Geschwand 131

91286 Obertrubach –Geschwand, Germany

hereinafter referred to as "**Schmetterling**".

1. Aim and subject of the agreement

- 1.1. With conclusion of this agreement, Schmetterling shall incorporate the Partner into its cooperation system as "**Schmetterling Travel Agency**" (or "White Label-Partner"). The Partner will hereby gain access to the services, products and brands of Schmetterling. The Partner shall continue to operate as an independent travel agent, however. There does not exist a territorial protection agreement.
- 1.2. A declared aim of the contracting parties is to use this mutual cooperation to improve their respective positions and the position of their respective contracting party on the market by increasing the turnover and revenue of the companies. In the knowledge that the path set out by this agreement is time-consuming, the contracting parties are hereby laying the foundations for establishing a long-term partnership between medium-sized businesses.
- 1.3. Ultimately, the aims formulated here should also be achieved in that the contracting parties will expand their cooperation to corporate and business sectors where there is currently no cooperation.
- 1.4. Branches of the Partner are also covered by this cooperation agreement. However, the Partner is obliged to register its branches individually with Schmetterling by stating the addresses, employees etc. thereof. Schmetterling will record these branches in its systems individually.
- 1.5. Independent operational units and other local establishments of the Partner shall be deemed independent partners, with whom Schmetterling shall conclude a separate cooperation agreement as appropriate.

2. Partner models - levels of the partnership

- 2.1. There exist two partner models within the partnership with Schmetterling, each of which contains two cooperation levels. The partner models consist of the basic "Schmetterling Travel Agency" model, with which the Partner shall profit from a joint market present according to Paragraph 5, as well as the graduated "White Label Partner" model without the joint presence under Paragraph 5. There are two cooperation levels within each partner level which are arranged as follows.
- 2.2. If the travel turnover ("gross travel turnover") generated for the Partner's own agencies from the Schmetterling product range is below 500,000.00 EUR in the financial year, the Partner shall receive the commission published on the extranet ("basic provision") for those agencies promoting the organiser product range of Schmetterling and incorporated into the framework agreement ("Level 1").
- 2.3. If the accumulated travel turnover generated for the Partner's agencies from the Schmetterling product range exceeds 500,000.00 EUR in the financial year, the Partner shall, in addition to the commissions in the first level, and measured against its turnover and upon achieving the minimum turnover per agency defined by the organiser, receive a share in the on-top provisions paid out by the organiser (incentives, super commissions). The Partner must provide evidence that the turnover amounts and turnover level have been achieved. Only once this evidence is presented will the commissions be paid out by Schmetterling annually at the end of the financial year of the respective service provider on the basis of the turnover disclosed by the service providers ("Level 2").
- 2.4. Regardless of the partnership level, the Partner, in case of bookings (no agency of the Partner working for the organiser), shall only receive the booking commission as described on the Schmetterling extranet.

3. Services and obligations of Schmetterling regarding PROVISIONS

- 3.1. Schmetterling shall negotiate the best possible conditions for the Partner with tourism event organisers, producers, and other service providers (suppliers of the Schmetterling product range) at the beginning of each financial year in framework agreements. According to the objective of this agreement, agreements shall be concluded between the suppliers of the Schmetterling product range, in particular regarding provision rates and minimum turnover, by Schmetterling only. Schmetterling shall conduct negotiations under consideration for the total turnover volume of all Schmetterling partners.
- 3.2. Schmetterling shall post these performance-related conditions on the Schmetterling extranet. It is ultimately the respective account that shall be decisive.

- 3.3. Schmetterling shall undertake to incorporate the Partner into existing framework agreements with the organisers provided the Partner registers its respective agency data before the organiser's registration deadline. Schmetterling shall register the partner with the respective service provider as a member of the cooperation. Schmetterling shall undertake to publish other up-to-date information for the Partner via the Schmetterling extranet. Upon being incorporated into the Schmetterling cooperation, the Partner shall receive its own log-in details for the extranet. Upon the first-time log-in, the Partner shall undergo a beginner status process, in which all its data must be inspected and gaps filled.
- 3.4. Schmetterling shall retrieve the turnover of the Partner from the core organisers and own agencies of the Partner on a monthly basis, and make this available to the respective partner on the extranet after the evaluation and collating thereof. These turnover sums are not binding. The account shall be decisive. Booking turnover shall not be published.
- 3.5. Schmetterling shall promote the objective for the current financial year through appropriate suggestions and joint sales management campaigns, and shall thereby attempt to optimise the revenue of all cooperation partners.
- 3.6. Schmetterling shall process the booking for those organisers, with whom the Partner has not concluded an agency agreement ("booking").
- 3.7. Schmetterling is entitled to forbid the marketing of goods, trips or other services that damage the image of the cooperation.
- 3.8. The obligation of Schmetterling to pass on commissions to the Partner shall only exist to the extent that the payment of the commissions has been approved by the service provider. If the service provider refuses to pay or is about to declare insolvency, Schmetterling shall not pay any commissions to the Partner.

4. OTHER services of Schmetterling

- 4.1. Upon request, each partner shall have the opportunity to demand from Schmetterling both the necessary logistics required for individual service providers, network partners etc. as well as to lay claims against Schmetterling for fulfilment with respect to end customers.
- 4.2. The remaining scope of the partnership can be found in the cooperation brochures.

5. Schmetterling Reisebüro – brands/services and obligations of Schmetterling

- 5.1. For the duration of the agreement, Schmetterling shall guarantee the Partner the non-exclusive and non-transferable right to offer, bring to the market, acquire, and identify its products and services under the licensed Schmetterling brand as Schmetterling Reisebüro, and to use this brand on commercial documents. The conditions of use for Schmetterling brands shall apply for the use of the Schmetterling brand(s). The Partner can find these conditions under www.schmetterling.de.
- 5.2. The Partner may acquire the licensed products regarding market presence as listed in the Appendix. Schmetterling shall provide all partners with a one-time, free-of-charge basic material pack for one branch. Material packs for other branches must be agreed upon with Schmetterling. The scope of the basic material pack can be found in the attached **Appendix 1**.
- 5.3. All advertising measures for the basic material pack stated above are commissioned by Schmetterling. The costs for advertising measures for SMG may not exceed an appropriate framework (based on turnover of Partner). Schmetterling may reject advertising measures if this framework is exceeded, or alternatively the Partner shall be entitled to a share of those costs which exceed the appropriate framework.
- 5.4. The Partner shall undertake to design at least one show window, if available, according to the stipulations of the Schmetterling CI in order to strengthen the brand. The design of this window is generally conducted by companies commissioned by Schmetterling. Schmetterling shall bear the costs for the design and implementation of a show window.
- 5.5. The Partner shall undertake not to change the licensed brand, and to only use such in the form stipulated in each case by Schmetterling. Any other use requires the consent of Schmetterling.
- 5.6. The Partner shall undertake to obtain necessary approvals from authorities for advertising measures and labels at its own expense.

5.7. Upon termination of this agreement, the Partner shall be obliged to remove all signs of Schmetterling accordingly.

6. Obligations of the Partner - Proxy

- 6.1. The Partner shall issue Schmetterling (Appendix 2) an exclusive legal power to act to negotiate and conclude agreements for the travel organisers, airlines and tourism service providers associated with Schmetterling. This power to act shall also cover any amendment, concluding and termination of agency agreements concluded between the Partner and the service providers named under Paragraph 6.1. Schmetterling has the power to negotiate the best possible conditions for the Partner with tourism event organisers, producers, and other service providers (suppliers of the Schmetterling product range) in framework agreements.
- 6.2. Agreements shall be concluded between the suppliers of the Schmetterling product range, in particular regarding provision rates and minimum turnover, by Schmetterling only. Schmetterling shall conduct negotiations under consideration for the total turnover volume of all Schmetterling partners.

7. Other obligations of the Partner

- 7.1. The Partner shall register all its organiser agency agreements with their respective agency numbers (including associated branch in case of branches) with the Schmetterling central database. If no registration is performed, or if the registration is only performed after the registration period for the respective organisers has expired, then the claim to additional commissions shall be dispensed with.
- 7.2. The Partner hereby agrees that data relevant for booking shall be transferred to the Schmetterling central database on the part of the producers and service providers via CRS/GDS systems. This understanding shall only lapse upon termination of the agreement.
- 7.3. Upon conclusion of the agreement, the Partner shall undertake:
- to operate its travel agency on its own behalf and for its own account;
 - to state its VAT no. (VAT ID) or tax no.;
 - provide Schmetterling with a copy of its business registration or commercial register entry.
- 7.4. The Partner shall undertake:
- to point out to the customers that, in the case of booking with an international organiser, the respective general terms and conditions shall apply and the place of jurisdiction shall be the respective country;
 - to hand over to the customers all important documents regarding the booking, including the T&Cs of the organiser, and to have such confirmed by customers in the form of a signature;
 - to point out to the customers that booking with certain organisers does not automatically include an insurance policy in the price or packet. The Partner is obliged to offer the customer the insurance necessary for a trip, or to conclude compulsory insurance contracts for the customer according to local law;
 - to provide the customers with information on applicable passport, visa (including appointments) and hygiene stipulations, possible changes, and the health conditions necessary for participation in the event/trip.
- 7.5. The Partner shall undertake to bear the costs in case of ticket deposit.
- 7.6. The Partner shall undertake to bear the costs for express document delivery.
- 7.7. The Partner is not permitted to actively advertise discounts on the prices agreed for the Schmetterling product range between Schmetterling and the suppliers, notwithstanding the stipulations of Schmetterling.

- 7.8. The Partner should preferably make use of the training offers of Schmetterling in order to train qualified sales staff.
- 7.9. In the case that the Partner is obviously or covertly acting for a third party, both the Partner and the third party shall be liable for all actions deemed contrary to the core agreements of this contract. This shall also apply in particular, though not exclusively, for the reimbursement of damages resulting for Schmetterling as a result of this counter-contract behaviour.
- 7.10. The contracting parties shall inform one another immediately in written form of any changes which are of significance for the execution and orderly fulfilment of the contract and affected agreements. Where there exists doubt regarding the issue of significance, information shall be forwarded as a precaution.

8. Special obligations in case of posting of a booking

- 8.1. Thanks to the opportunity to post bookings of organisers, with whom the Partner has not concluded an agency contract, Schmetterling offers a very profitable instrument for increasing turnover. On the one hand, the Partner can react to customer wishes, and on the other, turnover can be managed in a more targeted fashion. The Partner shall observe the following points without exception. By signing this agreement, it confirms that it shall adhere to these obligations.
- 8.2. Information relating to the booking of postings or commissions for such shall be handled by the partner in the strictest confidence. Content may not be shared with or made available to third parties, other partners, or other cooperations or organisers and the external services thereof. In this respect, we refer you explicitly to the confidentiality clause in the associated T&Cs of Schmetterling.
- 8.3. Publishing the conditions of Schmetterling or passing these on to third parties will cause the Partner to automatically lose its right to post bookings. The Partner shall be irrevocably barred from further cooperation according to Paragraph 10 of the T&Cs for posting bookings of organisers. Possible communications shall be immediately withdrawn.
- 8.4. Every booking of a posting shall be registered on the day of booking via the booking notification form provided. This applies for any booking, cancellation, booking of options, cancellation of options, amendment to booking, preliminary remark, and request booking. The form can be found on Schmetterling platform under Booking / Posting / Register Posting or in the Schmetterling professional application under Posting Info / Register Booking. The claim to a commission shall not apply if a booking is not registered. If a booking is registered too late, or if Schmetterling was able to allocate the booking despite failure to register, the Partner shall be charged a flat-rate processing fee of €12.50 for the additional expenditure. Regarding booking via a Schmetterling agency, the Partner shall additionally undertake:
 - to send any change regarding the booking process to Schmetterling, or to inform the central booking department on the same day;
 - to contact Schmetterling in case of uncertainty regarding a booking, and in all cases where there is a need for clarification;
 - to bear the costs resulting from bookings, incorrect bookings, and incorrect information.
- 8.5. For postings, the Partner is entitled to act as a collection agent in the case of collection of cash by the travel agency. It shall collect customer payments for Schmetterling on a trust basis. Upon collection by the Partner, cash shall become the property of Schmetterling. The Partner shall post the amounts collected in a separate account within the context of orderly, business accounting. As well as the Partner's company in its respective legal form, the management and each individual managing director of the Partner shall, upon signing this agreement, assume personal liability as a principal for the cash collected for Schmetterling at the agency being handled as fiduciary funds. In this respect, the representative of the Partners simultaneously acts for himself upon signing this agreement. The representatives are liable for a delayed forwarding of the collected fiduciary funds to Schmetterling. The power to act as a collecting agent can be revoked by Schmetterling at any time.
- 8.6. The Partner may under no circumstances note down its own travel agency data in a booking (name, office address, e-mail address, account data).
- 8.7. For all organisers with direct customer collection, only bookings with direct customer collection shall be accepted. The address of the customers and their bank or credit card details are required for this.
- 8.8. No external advertising may be conducted for posting organisers. In individual cases, this may also be possible where appropriate and following consultation with Schmetterling Zentrale.

- 8.9. Direct contact (telephone, fax, e-mail etc.) with the organiser is not permitted.
- 8.10. All questions regarding bookings, options, cancellations etc. must be directed via the tourism booking centre only. The respective country-specific contact data shall be sent to the Partner upon conclusion of the contract.
- 8.11. As a rule, it is not possible to register information trips or information events, or travel agent discounts.
- 8.12. The ability to booking via Schmetterling agencies may not be transferred to third parties.
- 8.13. A transfer of events booked via Schmetterling to one's own agencies commissioned later or registered too late is not possible.
- 8.14. In case of slight negligence of the partner, Schmetterling shall endeavor to make goodwill claims to the concerned organizer / service provider. Schmetterling grants goodwill only in the cases and in the amount in which they are also conceded by the concerned organizer / service provider. Should the service provider reject a goodwill claim or reimburse only a partial amount of the goodwill, the goodwill granted by Schmetterling shall be also affected. In case of intent or gross negligence of the partner, e.g. forgotten option entries or incorrect entries of the partner, Schmetterling shall make no goodwill claims to the service providers. In justified exceptional cases, Schmetterling may reject the placing of a goodwill claim even in case of slight negligence.
- 8.15. If the above points are breached, then the Partner shall undertake to assume full liability for damages which may result, including on behalf of its employees.

9. Costs

- 9.1. The costs for incorporating the Partner into the cooperation total € 0,00 annually.

10. Beginning and maturity of the agreement

- 10.1. The contract commences after the signature of both parties and ends 31.10 ._____. The contract shall be extended tacitly by one year unless terminated in writing six months before the respective end of the agreement.

11. Agency assignment/termination

- 11.1. If an agency of the Partner is blocked, closed or terminated by a producer during the year, or if the Partner terminates the agency contract during the year, the Partner shall have no claim to commissions from Schmetterling.
- 11.2. In the case of extraordinary termination and a rescission of contract during the year, any and all claims to as yet unpaid incentives and commissions shall be dispensed with.

12. General Terms and Conditions (T&Cs)

- 12.1. Moreover, the General Terms and Conditions regarding the cooperation agreement shall apply (www.schmetterling.de) and are hereby stated to be a core component of the agreement. If desired, these can be issued to the Partner in written form.

To subscribe to agreement, I confirm that I would like to be included in the cooperation as Schmetterling Travel Agency.

For now I do not want to use the image and trademark "Schmetterling Travel"

By signing, I hereby confirm that I have read and accepted the Terms & Conditions of this agreement, also accessible under www.schmetterling.de. The Partner also confirms that is has read and accepted the conditions for use for the Schmetterling brands, accessible under Schmetterling.de

I also confirm to Schmetterling that all data and information received by Schmetterling in connection with the agreement and the use of Schmetterling systems may be used for both statistical and advertising purposes.

I also hereby agree that Schmetterling may inform me of new products and news via newsletters (currently SMGvor9) sent to my e-mail address(es).

Appendices:

Appendix 1: Scope of basic material pack

Appendix 2: Legal power of authority

(Place, date)

(Signature of Partner)

(Place, date)

(Signature of Schmetterling)

Appendix 1: Scope of basic material pack – Schmetterling Travel Agency

1. Schmetterling provides all Schmetterling travel agencies with a one-time basic material pack free of charge. This material pack includes:

- Display window sticker (the Partner is obliged to provide images of the agency)
- 500 sheets letterhead paper
- 250 business cards per employee
- Schmetterling Reisebüro certificate
- 1 Company stamp on request
- 100 postcards
- 250 C4 envelopes
- 250 DIN long envelopes
- 10 Schmetterling pins
- Schmetterling stickers (2 sizes)
- Posters

2. Moreover, the following services can also be provided. The costs will be agreed upon in separate negotiations depending on expenditure.

- Sign with Schmetterling Logo
- Vehicle decal
- Various advertising campaigns following discussion

All advertising measures for the basic material pack stated above are commissioned by Schmetterling. The costs for advertising measures for SMG may not exceed an appropriate framework (based on turnover of Partner). SMG may reject advertising measures if this framework is exceeded, or alternatively the Partner shall be entitled to a share of those costs which exceed the appropriate framework.

Appendix 2: Legal power of authority

The travel agency

Travel agency

Owner/Managing Director

Street

Country / Postcode / City

Hereinafter referred to as "travel agency"
issues

Schmetterling International GmbH & Co. KG
Geschwand 131
91286 Obertrubach-Geschwand

Hereinafter referred to as "Schmetterling"
the following

LEGAL POWER OF AUTHORITY

The travel agency issues Schmetterling an exclusive legal power of authority to negotiate and conclude agreements for the travel organisers, airlines and tourism service providers associated with Schmetterling (suppliers for the Schmetterling cooperation product range).

This power of authority also covers any amendment to or termination of the existing agency agreements concluded between the travel agency and the respective travel organisers, airlines and tourism service providers.

This power of authority is irrevocable and shall end upon expiry of the basic agreement.

Place, date

(Signature of the owner or managing director)

First name and surname of the owner/managing director
(please use BLOCK CAPITALS)