

**GOVERNMENT OF PUERTO RICO
Puerto Rico Tourism Company**

SPONSORSHIP AGREEMENT

Contract No. PRTC 2020-000093

In London, England, this December 11th, 2019.

APPEARING PARTIES

This sponsorship agreement is made and entered by and between the **PUERTO RICO TOURISM COMPANY** ("PRTC"), a public corporation of the Government of Puerto Rico, existing and authorized to execute this agreement by virtue of Act Number 10 enacted on June 18, 1970, as amended, "Puerto Rico Tourism Company Act" (23 L.P.R.A. § 671 *et seq.*) ("Act Number 10"), represented herein by its Executive Director, Carla G. Campos Vidal, of legal age, single and resident of San Juan, Puerto Rico.

AND

WORLD TRAVEL AND TOURISM COUNCIL ("WTTC") (the "SECOND PARTY") a private limited company organized under the laws of the England, represented herein by its President and Chief Executive Officer, Gloria Guevara Manzo, of legal age, married executive and resident of the United Kingdom who has the necessary authority to execute this agreement.

WITNESSETH

WHEREAS, the WTTC is the entity that represents the Travel & Tourism private sector globally. The WTTC works to raise awareness of Travel & Tourism as one of the world's largest industrial sectors.

WHEREAS, the Government of Puerto Rico will be hosting the **2020 Global Summit** of the WTTC to be held from April 21 thru 24, 2020 at the Puerto Rico Convention Center in San Juan, Puerto Rico (the "Event").

WHEREAS, the PRTC is the main sponsor and host of the event.

WHEREAS, the PRTC and Discover Puerto Rico will be the organizers of the Event.

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WHEREAS, the WTTC requires a **FOUR MILLION DOLLARS (\$4,000,000.00)** investment of the host destination in order to pay for the expenses to be incurred in organizing and coordinating the overall arrangements for the Event. Therefore, for hosting the Event, the Government of Puerto Rico committed to invest the amount of **TWO MILLION TWO HUNDRED THOUSAND DOLLARS (\$2,200,000.00)**, of which amount the PRTC will invest **ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00)**, the Department of Economic Development and Commerce **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)** and the Puerto Rico Convention District Authority **TWO HUNDRED THOUSAND DOLLAR (\$200,000.00)**. The remaining balance of **ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$1,800,000.00)** will be raised by Discover Puerto Rico through sponsorships and partnership management.

WHEREAS, the PRTC is authorized to execute this agreement (the "Agreement") by virtue of Article 5 (g) of Act Number 10;

NOW THEREFORE, in consideration of the mutual premises and covenants set forth herein, the parties hereto, intending to be legally bound, hereby agree as follows:

TERMS AND CONDITIONS

1. **TERM OF AGREEMENT**

The term of this Agreement shall commence on the date hereof and shall expire on June 30, 2020, unless sooner terminated as provided hereunder.

2. **AUTHORIZED REPRESENTATIVE**

The PRTC's Executive Director or her authorized representative shall be the person responsible for the faithful execution of this Agreement.

3. **SPONSORSHIP**

3.1 The PRTC's Board of Directors, after evaluating the supporting documentation, including the Memorandum of Understanding between Discover Puerto Rico and WTTC that outlines the scope of the event ("Proposal"), agreed to grant the WTTC the amount of **ONE MILLION FIVE HUNDRED DOLLARS (\$1,500,000.00)** corresponding to the WTTC's operational expenses for the event. This sum will serve to cover the WTTC expenses in organizing and coordinating the overall arrangement of the

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Summit: \$900,000 to cover WTTC Summit operational costs and \$600,000 being a management fee (WTTC staff costs, resources and overhead). The Sponsorship funds shall be disbursed from the PRTC's account number **30-0000-57260 (Board Resolution Number 20-025)** in two (2) installment as follows:

- (a) A first payment in the amount of **SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00)** following execution and registration of this Agreement at the Office of the Comptroller of Puerto Rico (hereinafter referred to as the "Comptroller") and, as set forth in Clause 4.1 of this Agreement, after an invoice is received and authorized by the PRTC; and
- (b) A second and last payment in the amount of **SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000.00)** on or before December 31st, 2019 and, as set forth in Clause 4.1 of this Agreement, after an invoice is received and authorized by the PRTC.

Such funds shall be disbursed by the PRTC if the WTTC submits evidence to the PRTC with a duly certified invoice that includes a budget breakdown of expenses that the WTTC expects to incur with the allocated funding and commitment to show proof of evidence of such expenses and compliance with the benefits specified in Section 3.2 upon completion of the event.

- 3.2 The PRTC, as the Event's main sponsor, will receive the following:
 - i. Commitment from WTTC to host the WTTC Global Summit in San Juan, Puerto Rico from April 21, 2020 to April 24, 2020.
 - ii. The WTTC will work with the PRTC to generate invitations for the over 1,000 international delegates expected to be in attendance and over 200 international media representatives.
 - iii. Open and direct contact between PRTC and WTTC for the coordination of the Government of Puerto Rico's involvement in official matters.
 - iv. Recognition of the Government of Puerto Rico through the PRTC as the Event's main sponsorship partner in all collateral material and formal mentions before, during and after the event.

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- v. The Government of Puerto Rico will have the opportunity to review, comment and approve any and all official event communications through PRTC.
- vi. The Government of Puerto Rico will review all event run-downs to comment on and approve the participation of official Government representatives.
- vii. Other relevant items that require coordination between PRTC and WTTC will be discussed and be mutually agreed upon throughout the duration of the Agreement.

3.3 The PRTC shall not pay the SECOND PARTY any sum of money in excess of the Maximum Amount stipulated in this Agreement. The SECOND PARTY is not authorized to submit invoices for which payment shall exceed the Maximum Amount to be paid by the PRTC.

3.4 If the funds granted hereunder are in any way reduced or cancelled for reasons out of PRTC's control, the parties acknowledge that this Agreement shall terminate on the date in which such funds are reduced or cancelled. In such case, the PRTC shall pay for the services rendered, subject to the terms and conditions of this Agreement. If the funds are reduced, the parties shall have the option, but not the obligation, to negotiate a new agreement, subject to the corresponding administrative orders and availability of funds.

3.5 **THIS AGREEMENT MUST BE REGISTERED AT THE OFFICE OF THE COMPTROLLER OF PUERTO RICO (HEREINAFTER REFERRED TO AS THE "COMPTROLLER"), AS PROVIDED IN ARTICLE 1 OF ACT NUMBER 18, ENACTED ON OCTOBER 30, 1975, AS AMENDED (2 L.P.R.A. § 97 ET SEQ.) AND REGULATION NUMBER 33 OF THE COMPTROLLER. THE SECOND PARTY SHALL NOT GRANT THE BENEFITS HEREUNDER OR RECEIVE PAYMENT FOR SUCH BENEFITS FROM THE PRTC UNTIL THIS AGREEMENT IS REGISTERED WITH THE COMPTROLLER. THE SECOND PARTY SHALL HAVE THE RESPONSIBILITY TO REQUEST DOCUMENTS EVIDENCING THAT THE PRTC HAS REGISTERED THIS AGREEMENT WITH THE COMPTROLLER.**

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4. **INVOICES**

In order to receive payments, in whole or in part, the WTTC shall submit an invoice and documents that support the request for payment submitted to the PRTC. Such invoices shall be submitted by the Second Party, according to the terms specified in section 3.1, certified by an authorized official of the WTTC. The supporting evidence which must accompany the invoices include a budget breakdown of expenses that the WTTC expects to incur with the allocated funding and commitment to show proof of evidence of such expenses and compliance with the benefits specified in Section 3.2 upon completion of the Event.

The SECOND PARTY's invoices shall include the following certification:

"Subject to penalty of total nullity, I certify that no public official or employee of the Puerto Rico Tourism Company is a party to or has any interest in the profits or benefits derived from the Agreement which is the basis of this invoice or certification. The sole consideration received in return for the sponsorship rendered under the Agreement has been the payment of the fees that have been negotiated with the PRTC. The amount invoiced herein is fair and correct. The sponsorship rights and benefits have been rendered and no prior payment has been received for such rights and benefits."

The PRTC shall not pay the SECOND PARTY for any invoice that does not contain the foregoing certification.

4.2 The PRTC shall evaluate or audit the invoice submitted by the SECOND PARTY within seven (7) business days of PRTC's receipt of such invoice ("Review Period"), prior to issuing an authorization for payment of the same. If the PRTC believes that an invoice does not adequately reflect rights and benefits or that such invoice is not acceptable for any other reason, it shall inform the SECOND PARTY within the Review Period about its objections to such invoice and the deficiencies detected so that the SECOND PARTY can explain or correct them. If no objection is received by the SECOND PARTY within the Review Period, the invoice shall be deemed accepted and PRTC shall authorize payment of the same. The SECOND PARTY shall submit an amended invoice that addresses the objections and corrects the deficiencies detected and informed by the PRTC within three (3) business days. The PRTC shall pay the SECOND PARTY's invoice within fourteen (14) calendar days from the date in which the PRTC grants final authorization for payment of the SECOND PARTY's invoice.

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5. **GOVERNMENT ETHICS**

5.1 The SECOND PARTY, for itself and its directors, member, officers and employees, hereby certify that:

- (a) None of the SECOND PARTY's directors, officers or employees were involved, as a public official or employee, in the decision-making process pursuant to which the PRTC determined to grant the WTTC the Sponsorship, or in the process of negotiation or execution of this Agreement;
- (b) No public official or employee of the Government of Puerto Rico or member of his/her family, has any interest in the profits or benefits to be derived from this Agreement;
- (c) None of the SECOND PARTY's directors, officers or employees have worked as a public official or employee within the two (2) years immediately preceding the execution of this Agreement;
- (d) No PRTC officer or employee has requested, or accepted, from any of the SECOND PARTY's directors, officers or employees, directly or indirectly, for him/her or any member of his/her family, or for any individual, juridical person or business, benefit of profitable value, such as, gifts, rewards, favors, services, promises, donations and loans as payment for the execution of his/her duties and responsibilities or to exert influence, in any way, in connection with the execution of this Agreement;
- (e) None of the SECOND PARTY's directors, officers or employees have any family relation, within the fourth grade of consanguinity or second of affinity, with any of the PRTC's officers or employees having the authority to participate in or influence the institutional decisions of the PRTC, or to approve, authorize or execute agreements on behalf of the PRTC;
- (f) Neither the SECOND PARTY, nor any of its parent companies or subsidiaries, if any, or any of its directors, officers or employees have been convicted or accused of committing crimes against the public treasury, the public trust, or public function, against the exercise of public power or that

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involve public funds or property, in the courts of the Government of Puerto Rico, federal courts or the courts of any jurisdiction of the United States. During the term of this Agreement, the SECOND PARTY shall notify the PRTC about (i) any change in the foregoing certification; or (ii) any investigation involving the SECOND PARTY, any of its parent companies or subsidiaries, if any, or any of its directors, member, officers or employees, regarding any of the crimes mentioned in this Paragraph 5.1(f), at the state or federal level. Failure to comply with this requirement shall constitute a violation of this Paragraph 6.1(f) and shall result in the immediate termination of this Agreement by the PRTC;

(g) During the ten (10) years prior to the year of execution of this Agreement, neither the SECOND PARTY, nor any of its parent companies or subsidiaries, if any, or any of its directors, officers or employees have committed crimes against the public treasury, the public trust, or public function, against the exercise of public power or that involve public funds or property, in the Government of Puerto Rico or in any jurisdiction of the United States;

(h) It knows its professional code of ethics and it shall abide by it in the rendering of services hereunder;

(i) It has no contracts with other government agencies, instrumentalities or public corporations of the Government of Puerto Rico;

(j) It has no pending claims or litigation against the Government of Puerto Rico;

(k) It has received a copy of the "Office of Government Ethics Organic Act" and its applicable Regulation, of Act Number 2-2018, known as "Anti-Corruption Code for the New Puerto Rico"; and

(l) Certifies that is not subject to realize economic contribution by judicial or administrative order or comply with any obligation under Act Number 168-2000, as amended known as "Act for the Improvement of Elderly Support of Puerto Rico" or if being, is in compliance with the payment of the economic contribution or obligation imposed.

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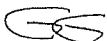
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5.2 PRTC certifies that:

- (a) None of its officials or employees having authority to approve, authorize or execute agreements, or any of their family members, have or have had, during the two (2) years prior to occupying their position, direct or indirect pecuniary interest in this Agreement;
- (b) None of its officials or employees having authority to approve, authorize, or execute agreements, or any of their family members, have or have had, during the two (2) years prior to occupying their position, direct or indirect pecuniary interest in the SECOND PARTY;
- (c) No PRTC official or employee with the authority to approve, authorize, or execute agreements, or member of his/her family, that have or have had direct or indirect pecuniary interests in the SECOND PARTY during the two (2) years prior to occupying his/her position, was involved in the evaluation, consideration, approval or execution of this Agreement;
- (d) No public official or employee of the Government of Puerto Rico or member of his/her family, has any interest in the profits or benefits to be derived from this Agreement;
- (e) Certifies that is not subject to make any economic contribution by judicial or administrative order or comply with any obligation under Act No. 168-2000, as amended known as "Act for the Improvement of Elderly Support of Puerto Rico" (herein after as Act No. 168) or if being, is in compliance with the payment of the economic contribution or obligation imposed.

5.3 The SECOND PARTY acknowledges and agrees that the foregoing representations are essential to this Agreement. Should any of such representations prove to be untrue, PRTC shall have the right to terminate this Agreement immediately, without notice. Upon any such termination, the SECOND PARTY shall reimburse PRTC any funds disbursed hereunder. The SECOND PARTY's directors, officers or employees and any of its agents and subcontractors shall comply with the certifications specified in this Section 5.



5.4 The SECOND PARTY agrees to fully comply with the "Anticorruption Code for the New Puerto Rico", established by virtue of Act Number 2-2018, and it has received a copy of the "Office of Government Ethics Organic Act", Act No. 1-2012 and its Regulation.

6. **TAX RESPONSIBILITIES**

6.1 The SECOND PARTY hereby certifies to PRTC that:

- (a) During each of the five (5) taxable years prior to the year of execution of this Agreement (the "Five Year Period"), it was not engaged in the conduct of a trade or business in Puerto Rico and, therefore, it did not derive any income effectively connected with a trade or business in Puerto Rico. Therefore, it was not required to file, and it did not file, any income tax returns in Puerto Rico during the Five-Year Period and it does not owe any income taxes to the Puerto Rico Department of the Treasury;
- (b) It is not required to withhold any Puerto Rico sales and use tax. Therefore, it does not have to register as a withholding agent and obtain a Certificate from the Registry of Merchants of the Puerto Rico Department of the Treasury;
- (c) During the Five Year Period it did not have any personal property in Puerto Rico. Therefore, it was not required to file and it did not file, any personal property tax returns in Puerto Rico during the Five Year Period and it does not owe the Puerto Rico Municipal Revenue Collection Center ("CRIM", its Spanish acronym) any taxes with regards to personal property;
- (d) During the Five Year Period it did not have and it currently does not have, any real property in Puerto Rico. Therefore, it does not owe any real property taxes to CRIM;
- (e) It does not have any employees in Puerto Rico. Therefore, it does not (i) owe any monies to the Puerto Rico Department of Labor and Human Resources in connection with unemployment, disability or chauffeur's insurance; (ii) have to obtain and maintain an insurance policy from the Puerto Rico State Insurance Fund; and (iii) have the obligation to withhold

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and remit, as employer, any monies for the payment of child support to the Puerto Rico Administration for Child the Sustenance of Minors; and

- (f) It is not required by law to withhold or pay any other taxes to the Government of Puerto Rico.

6.2 The SECOND PARTY acknowledges and agrees that the foregoing representations are essential to this Agreement. If any of such representations prove to be untrue, PRTC shall have the right to terminate this Agreement immediately, without notice. Upon any such termination, SECOND PARTY shall reimburse PRTC any funds disbursed hereunder.

7. **EXECUTION DOCUMENTS**

7.1 Prior to the execution of this Agreement and before receiving any payments from the PRTC, the SECOND PARTY has submitted to the PRTC the following certifications and documents:

- (a) Certificate of Incorporation which states registration of the WTTC in the United Kingdom (Number).
- (b) Corporate resolution authorizing an officer of the SECOND PARTY to execute this Agreement; and
- (d) A sworn statement notarized by a Notary Public duly authorized to practice in England and Wales and duly authenticated by the City of London, in which the SECOND PARTY certifies the disposition of Clause 6.1 of this Contract.

7.2 The SECOND PARTY acknowledges and agrees that the foregoing representations are essential to this Agreement. Should any of such representations prove to be untrue, the PRTC shall have the right to terminate this Agreement immediately, without notice. Upon any such termination, the SECOND PARTY shall reimburse to PRTC any funds disbursed hereof.

8. **EVENT OF DEFAULT**

If any of the parties (i) fails to perform or observe any term, covenant or agreement contained herein on its part to be performed or observed; (ii) fails to observe any

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representation, warranty or certification made hereunder; or (iii) is negligent or commits any improper or illegal acts in connection with the performance of its obligations hereunder, then the other party may terminate, immediately, its obligations pursuant to this Agreement, without prior notice, whereupon the same shall forthwith terminate.

9. **INDEMNITY**

9.1 The ENTITY shall indemnify, defend, hold harmless, and forever release the PRTC, its affiliates, subsidiaries, directors, officers, employees, agents, representatives, licensees, assigns, and the Government of Puerto Rico for and from, against and with respect to any and all losses, causes of action, claims, damages, liabilities, costs and expenses (including reasonable attorneys' and experts' fees) directly or indirectly related to the Event. This includes relief in case the insurance company of the ENTITY denied insurance coverage under exclusions, limitations or any other condition under the insurance policy. This Paragraph does not grant any rights to the ENTITY. This Paragraph shall survive any termination or earlier expiration of this Agreement.

9.2 The PRTC shall indemnify, defend, hold harmless, and forever release the ENTITY, its affiliates, subsidiaries, directors, officers, employees, agents, representatives, licensees, assigns, for and from, against and with respect to any and all losses, causes of action, claims, damages, liabilities, costs and expenses (including reasonable attorneys' and experts' fees) directly or indirectly related to the Event. This includes relief in case the insurance company of the PRTC denied insurance coverage under exclusions, limitations or any other condition under the insurance policy. This Paragraph does not grant any rights to the PRTC. This Paragraph shall survive any termination or earlier expiration of this Agreement.

10. **NOTICES**

10.1 All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing (including email communication) and shall be (as elected by the person giving notice) hand delivered by messenger or courier service (including overnight delivery), emailed, telecopied or mailed by registered or

certified mail (postage prepaid), return receipt requested, addressed to the addresses set forth at the end of this Agreement.

10.2 Each such notice shall be deemed delivered and received (i) on the date delivered if by personal delivery or courier or emailed; (ii) on the date of transmission with confirmed answer back if by email; and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

10.3 By giving to the other party at least fifteen (15) days written notice thereof, such party and its successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses.

11. **WAIVER**

11.1 Waiver by any party, whether express or implied, of its rights under any provision of this Agreement shall constitute a waiver of such party's rights under such provisions at any other time or a waiver of such party's rights under any other provision of this Agreement. Failure by the parties to take any action against any breach of this Agreement or default by another party shall not constitute waiver of the other party's right to enforce any provision of this Agreement or to take action against such breach or default or against any subsequent breach or default by such other party.

11.2 PRTC's payment of the marketing, promotional and operational items rendered hereunder shall not operate as a waiver of any rights, under this Agreement, and the SECOND PARTY shall remain liable to PRTC, for all damages incurred by PRTC as a result of the SECOND PARTY's failure to perform or observe any term, covenant or agreement contained in this Agreement on its part to be performed or observed. PRTC'S rights and remedies hereunder are in addition to any other rights or remedies provided by law.

12. **GOVERNING LAW; JURISDICTION**

This Agreement and the rights of the parties hereunder shall be exclusively governed by and interpreted in accordance to the laws of the Government of Puerto Rico,

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without attention to any conflicts of law provisions that would render the law of another jurisdiction applicable. The SECOND PARTY agrees that any action or proceeding arising out of or related in any way to this Agreement shall be brought solely in a court of competent jurisdiction sitting in Puerto Rico. The SECOND PARTY hereby irrevocably and unconditionally consents to the jurisdiction of any such court and hereby irrevocably and unconditionally waives any defense of an inconvenient forum to the maintenance of any action or proceeding in any such court, any objection to venue with respect to any such action or proceeding and any right of jurisdiction on account of the place of residence or domicile of any party thereto.

13. **SEVERABILITY**

If any provision of this Agreement or the application of such provision to any persons or circumstances shall be held illegal, invalid or unenforceable by final unappealable order, decree or judgment of any court of competent jurisdiction, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held illegal, invalid or unenforceable, shall not be affected thereby.

14. **ENTIRE AGREEMENT; AMENDMENTS**

This Agreement constitutes the entire agreement between the parties. The parties hereto may amend this Agreement at any time during its term, but no amendment shall be effective unless it is in writing and duly executed by the parties.

15. **EFFECT OF OTHER LETTERS, AGREEMENT OR APPROVALS**

This Agreement supersedes all prior conversations, understandings, agreements and negotiations between the parties with respect to the matters contemplated herein.

16. **HEADINGS**

The headings of the Sections of this Agreement are for convenience only and are not to be deemed controlling over the text of any Section of this Agreement.

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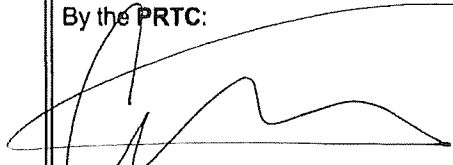
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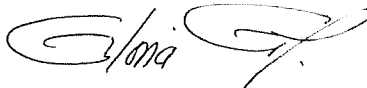
IN WITNESS WHEREOF, the parties execute this Agreement in London, England,
as of the day and year written above.

By the PRTC:



Carla G. Campos Vidal
Executive Director
Puerto Rico Tourism PRTC
PO Box 9023960
San Juan, P.R. 00902-3960
Phone: (787) 721-1173
Fax: (787) 977-0287
E.I.N.:

By the SECOND PARTY:

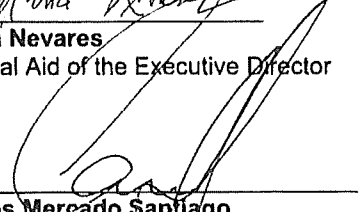


Gloria Guevara Manzo
Authorized Representative
World Travel and Tourism Council
Harlequin Building
65 Southwark Street
London, SE1 OHR
Telephone: (020) 748-1800
Email: enquiries@wttc.org
E.I.N.:

Revised and approved by:



María Nevares
Special Aid of the Executive Director



Carlos Mercado Santiago
Deputy Executive Director



Janice M. Ramírez Vélez, Esq.
General Legal Counsel
Legal Division of the Puerto Rico Tourism PRTC

I, **Carmen L. Fernández Estébanez**, attorney of the Legal Division of the Puerto Rico
Tourism PRTC, hereby certify that I have examined this document and find it correct in
all its parts.

