Kunaw Travel Hokkaido LLC

Standard General Conditions of Travel Agency Business (Arranged Tour Contract Part)

Chapter 1 – General Provisions

Article 1 (Scope of Application)

- 1. The Arranged Tour Contract to be executed between Kunaw Travel Hokkaido LLC (hereinafter referred to as "Our Company", "We", or "Us", as the case may be) and the traveler shall be based on these General Conditions. Any matter not stipulated in the General Conditions shall be governed by ordinance or generally established practices.
- 2. Notwithstanding the provisions of the preceding Paragraph, in cases where we execute a special contract (hereinafter referred to as the "Special Contract") with the traveler in writing without violating the relevant laws and harming the interests of the traveler, such a Special Contract shall be given priority.

Article 2 (Definition of Terminology)

- 1. In these General Conditions, "Arranged Tour Contract" or "Contract" shall mean a contract under which we undertake to make arrangements at the request of the traveler by representing them or acting as their intermediary, so that they may be provided with transportation, accommodation, or other services provided by transportation, accommodation, and other facilities related to travel (hereinafter referred to as the "Tour Service").
- 2. In these General Conditions, "Domestic Trip" shall mean trips within Japan only, and "Overseas Trip" shall mean those trips other than a Domestic Trip.
- 3. In these General Conditions, "Tour Fee" shall mean the expenses paid by our Company to arrange the Tour Service, such as transportation charges, accommodation charges, and other expenses payable to transportation and accommodation facilities, etc., and the Travel Service Handling Fees designated by us (excluding handling fees for alteration and cancellation procedures).
- 4. In this Part, "Communication Contract" shall mean the Arranged Tour Contract which is executed between us and a member of a credit card company affiliated with us (hereinafter referred to as an "Affiliated Company") by subscription through telephone, mail, fax, the Internet, or other means of communication, subject to the prior consent of the traveler to settle the rights or obligations concerning the Tour Fee etc. based on the Arranged Tour Contract that we hold with the traveler, on or after the date when such rights or obligations should be fulfilled, according to the credit card membership rules provided separately by the Affiliated Company, and to pay the Tour Fee, etc. of the said Arranged Tour Contract according to the methods specified in Article 16 Paragraph 2 or Paragraph 5.
- 5. In these General Conditions, the "Card Use Date" shall mean the date when the traveler or our Company becomes obligated to pay the Tour Fee, etc. or fulfill refund obligations under the Arranged Tour Contract.

Article 3 (Fulfillment of Obligation for Arrangements)

When we have made arrangements for the Tour Service with the due care of a prudent manager, our obligations based on the Arranged Tour Contract shall be deemed fulfilled. Accordingly, when we have fulfilled such obligations, the traveler must pay us the Travel Service Handling Fee (hereinafter referred to as the "Handling Fee") designated by us, even if the contracts with transportation and accommodation facilities, etc. to provide the Tour Service could not be executed due to reasons such as a lack of capacity, business closure, inadequate conditions, etc. In cases where a Communication Contract has been executed, the Card Use Date shall be the date when we inform the traveler that we were not able to execute a contract with the transportation and accommodation facilities, etc. to provide the Tour Service.

Article 4 (Business Agent)

There are cases where we may engage other travel agents, professional arrangers, or other helpers in or outside Japan, in order to have them make arrangements in whole or in part on our behalf for the execution of the Arranged Tour Contract.

Chapter 2 – Execution of Contract

Article 5 (Subscription for the Tour Contract)

- 1. A traveler who intends to execute an Arranged Tour Contract with us must fill in the necessary information in an application form designated by us (hereinafter referred to as the "Application Form") and submit it to us together with an application fee in an amount separately designated by us (hereinafter referred to as the "Application Fee").
- 2. Notwithstanding the provisions of the preceding Paragraph, a traveler who wishes to execute a Communication Contract with us must notify us of their membership number and the content of the Tour Service they intend to request.
- 3. The Application Fee specified in Paragraph 1 above shall be treated as part of the Tour Fee, the cancellation fee, or any other fee payable to us by the traveler.

Article 6 (Rejection of the Execution of the Contract)

We reserve the right to decline the execution of the Arranged Tour Contract in any of the following cases:

- a. In cases where the traveler intends to execute a Communication Contract, but the traveler is unable to settle in whole or in part their liability related to the Tour Fee, etc. in accordance with the credit card membership rules of the Affiliated Company, due to reasons such as the traveler's credit card being invalid.
- b. In cases where the traveler is recognized as a gang member, an associated gang member, a person or a company related to crime syndicates, a corporate racketeer, or any other antisocial forces;
- c. In cases where the traveler has made forceful or unreasonable demands, or has acted in a threatening manner or made threatening statements, or has conducted violent acts in connection with any transaction between the parties, or has committed any other acts equivalent to these;
- d. In cases where the traveler has committed acts which may damage our reputation or obstruct our business by spreading false rumors, using

fraudulent means or force, or any other acts equivalent to these;

e. In cases where there are compelling reasons related to our business.

Article 7 (Execution of the Contract)

- 1. The Arranged Tour Contract shall be executed when we have accepted the execution of the Contract and have received the Application Fee specified in Article 5 Paragraph 1.
- 2. Notwithstanding the provisions of the preceding Paragraph, the Communication Contract shall be executed when we have sent out a notice to the effect that we accept the subscription as stipulated in Article 5 Paragraph 2, and the said notice has reached the traveler.

Article 8 (Special Rules Related to the Execution of the Contract)

- 1. Notwithstanding the provisions of Article 5 Paragraph 1, we may execute the Arranged Tour Contract solely through the acceptance of the execution of the Contract by means of a Special Contract put into writing, without receiving payment of an Application Fee.
- 2. In the case of the preceding Paragraph, the timing of the execution of the Arranged Tour Contract shall be specified in the document described in the preceding Paragraph.

Article 9 (Special Rules Related to Transportation Tickets and Accommodation Coupons, etc.)

- 1. Notwithstanding the provisions of Article 5 Paragraph 1 and the preceding Article Paragraph 1, we may accept subscriptions done verbally when the Arranged Tour Contract is aimed solely at arranging transportation services or accommodation services, and requires us to deliver a document indicating the right to receive the relevant Tour Service in exchange for a Tour Fee.
- 2. In the case of the preceding Paragraph, the Arranged Tour Contract shall be executed when we have accepted the execution of the Contract.

Article 10 (Contract Document)

- After the execution of the Arranged Tour Contract, we shall promptly deliver to the traveler a document that describes particulars concerning the itinerary, the content of the Tour Service, the Tour Fee, other conditions of the Tour, as well as matters concerning our Company's responsibility (hereinafter referred to as the "Contract Document"). However, there may be cases where we do not deliver the said Contract Document, when we deliver a document indicating the right to receive all of the Tour Services which we have arranged, such as transportation tickets, accommodation coupons, and other services.
- 2. In cases where we have delivered the Contract Document described in the preceding Paragraph, the scope of the Tour Service that we are obligated to arrange under the Arranged Tour Contract will be specified in the said Contract Document.

Article 11 (Method of Utilizing Telecommunication Technology)

- 1. With the traveler's prior consent, instead of physically delivering the Contract Document or a document that describes details such as the itinerary, the content of the Tour Service, the Tour Fee, other conditions of the Tour, and matters concerning our responsibility (delivered at the time when the traveler is about to execute the Arranged Tour Contract), when we have provided the traveler with the said document that specifies such details (hereinafter referred to in this Article as the "Specified Details") by means of telecommunications technology, we shall confirm that the Specified Details have been recorded on a file equipped in the communications equipment used by the traveler.
- 2. In the case of the preceding Paragraph, when the communications equipment used by the traveler cannot be equipped with a file for recording the Specified Details, we shall record the Specified Details on a file (for exclusive use of the said traveler) equipped in a communications equipment used by our Company, and confirm that the said traveler has viewed the Specified Details.

Chapter 3 – Alteration and Cancellation of the Contract

Article 12 (Alteration of the Contract Content)

- 1. If we receive a request from the traveler to change the itinerary, the content of the Tour Service, or other content of the Arranged Tour Contract, we shall try to accommodate the request to the extent that is possible.
- 2. In cases where the content of the Arranged Tour Contract is changed at the request of the traveler as stipulated in the preceding Paragraph, the traveler shall bear any cancellation fees and penalty fees payable to transportation and accommodation facilities, etc. for the cancellation of any arrangement already made, as well as any other expenses required for the change in arrangements. The traveler must also pay to us our prescribed Handling Fee for making the change. Furthermore, any increase or decrease in the Tour Fee arising from such changes in the content of the Arranged Tour Contract shall be borne by the traveler.

Article 13 (Discretionary Cancellation by the Traveler)

- 1. The traveler may cancel the Arranged Tour Contract in whole or in part at any time.
- 2. When the Arranged Tour Contract has been cancelled pursuant to the provisions of the preceding Paragraph, the traveler shall bear the cost of any Tour Service already received, and the cost of any cancellation fee, penalty fee, and other expenses already paid or payable to the transportation and accommodation facilities, etc. for any Tour Service not yet received, as well as pay the Handling Fee prescribed by our Company for the cancellation procedure, and any other Handling Fee that we would have received.

Article 14 (Cancellation Due to Reasons Attributable to the Traveler)

- 1. We may cancel the Arranged Tour Contract in any of the following cases:
 - a. In cases where the traveler does not pay the Tour Fee by the specified due date;
 - b. In cases where a Communication Contract has been executed, but the traveler has become unable to settle in whole or in part their liability related to the Tour Fee, etc. in accordance with the membership rules of the Affiliated Company, due to reasons such as the traveler's credit card becoming invalid;

- c. When it is found that the traveler falls under any of Article 6 Items b through d.
- 2. When the Arranged Tour Contract has been cancelled pursuant to the provisions of the preceding Paragraph, the traveler shall bear the cost of any cancellation fee, penalty fee, and other expenses already paid or payable to the transportation and accommodation facilities, etc. for any Tour Service not yet received, and pay the Handling Fee prescribed by our Company for the cancellation procedures, as well as any other Handling Fee that we would have received.

Article 15 (Cancellation Due to Reasons Attributable to Our Company)

- 1. In cases where the arrangement of the Tour Service has become impossible due to reasons attributable to us, the traveler may cancel the Arranged Tour Contract.
- 2. When the Arranged Tour Contract has been cancelled pursuant to the provisions of the preceding Paragraph, we shall reimburse to the traveler the Tour Fee already collected, after deducting the expenses already paid or payable to the transportation and accommodation facilities, etc. for any Tour Service already received by the traveler.
- 3. The provisions of the preceding Paragraph shall not prevent the traveler from claiming compensation for damages from our Company.

Chapter 4 – Tour Fee

Article 16 (Tour Fee)

- 1. The traveler must pay us the Tour Fee no later than the date specified by us prior to the start of the Tour.
- 2. When a Communication Contract has been executed, we shall receive payment of the Tour Fee by using the credit card of our Affiliated Company without obtaining the traveler's signature on the designated voucher. In this case, the Card Use Date shall be considered as the date when we have informed the traveler of the content of the Tour Service that has been confirmed.
- 3. In cases where fluctuations in the Tour Fee arise prior to the start of the Tour due to revisions in the fares and charges of transportation and accommodation facilities, etc., fluctuations in foreign exchange rates, or other such reasons, we may change the said Tour Fee.
- 4. In the case of the preceding Paragraph, any increase or decrease in the Tour Fee shall be borne by the traveler.
- 5. When we have executed a Communication Contract with the traveler, and expenses to be borne by the traveler have arisen under the provisions of Chapter 3 and Chapter 4, we shall receive payment of the said expenses by using the credit card of our Affiliated Company without obtaining the traveler's signature on the designated voucher. In this case, the Card Use Date shall be considered as the date when we have informed the traveler of the amount of the expenses payable by the traveler to us, or the amount reimbursable by us to the traveler. However, in cases where we have cancelled the Arranged Tour Contract pursuant to the provisions of Article 14 Paragraph 1 Item b, the traveler must pay any expenses payable to us by no later than the date set by us, in the method designated by us.

Article 17 (Settlement of the Tour Fee)

- In cases where the amount of the Handling Fee and the expenses to be borne by the traveler paid by us to the transportation and accommodation facilities, etc. to arrange the Tour Service (hereinafter referred to collectively as the "Settled Tour Fee") does not match with the amount we have already collected as the Tour Fee, we shall promptly settle the Tour Fee after the Tour finishes, in accordance with the provisions of the following two Paragraphs.
- 2. If the Settled Tour Fee exceeds the amount we have already collected as the Tour Fee, the traveler must pay the difference to us.
- 3. If the Settled Tour Fee is less than the amount we have already collected as the Tour Fee, we shall reimburse the difference to the traveler.

Chapter 5 – Arrangement for Organizations and Groups

Article 18 (Arrangement for Organizations and Groups)

The provisions of this Chapter shall apply to the execution of the Arranged Tour Contract in cases where we receive a subscription from an accountable representative appointed by two or more travelers who are to travel the same itinerary at the same time (hereinafter referred to as the "Contract Representative").

Article 19 (Contract Representative)

- Except in cases where a Special Contract was executed, we shall deem the Contract Representative as the person holding all authority concerning the execution of the Arranged Tour Contract for the travelers comprising their organization or group (hereinafter referred to as the "Constituent Members"), and we shall handle all transactions concerning the Tour for the said organization or group, and the provisions of Article 22 Paragraph 1, with the said Contract Representative.
- 2. The Contract Representative must submit a list of the Constituent Members or inform us of the number of Constituent Members on or before the date specified by us.
- 3. We shall not be held responsible for any liabilities or obligations assumed by the Contract Representative towards their Constituent Members at present, or is likely to assume in the future.
- 4. In cases where the Contract Representative will not accompany their organization or group during the Tour, a Constituent Member appointed by the Contract Representative beforehand shall be deemed to be the Contract Representative after the commencement of the Tour.

Article 20 (Special Rules for the Execution of the Contract)

- 1. Notwithstanding the provisions of Article 5 Paragraph 1, when we execute the Arranged Tour Contract with the Contract Representative, there may be cases where we approve the execution of the Arranged Tour Contract without receiving payment of an Application Fee.
- 2. In cases where we execute the Arranged Tour Contract without receiving payment of an Application Fee under the provisions of the preceding Paragraph, we shall deliver to the Contract Representative a document written to that effect, and the Arranged Tour Contract shall be deemed to have been executed when we have delivered the said document to the Contract Representative.

Article 21 (Change of Constituent Members)

- 1. When there is a request for a change in the Constituent Members from the Contract Representative, we shall accommodate the request as much as possible.
- 2. Any increase or decrease in the Tour Fee arising from the change described in the preceding Paragraph, and any expenses required for the said change shall be borne by the Constituent Members.

Article 22 (Tour Conductor Service)

- 1. At the request of the Contract Representative, we may provide tour conductor services by having a tour conductor accompany the organization or group.
- 2. As a general rule, the content of the tour conductor service to be performed by the tour conductor shall consist of tasks required to conduct the activities of organization or group according to the predetermined itinerary.
- 3. As a general rule, the service hours for the tour conductor to provide tour conductor services shall be from 8:00 to 20:00 local time.
- 4. When we provide tour conductor services, the Contract Representative must pay to us our prescribed fee for tour conductor services.

Chapter 7 – Responsibilities

Article 23 (Responsibilities of Our Company)

- In the course of fulfilling the Arranged Tour Contract, when we or an agent we have engaged to make arrangements on our behalf under the provisions of Article 4 (hereinafter referred to as the "Business Agent") cause any damages to the traveler through intent or negligence, we shall be responsible for the compensation of such damages. However, such compensation shall be limited to cases where we have been notified within two years from the day immediately following the day when the damages were incurred.
- 2. In cases where the traveler has incurred damages due to reasons beyond the control of our Company or our Business Agent, such as natural disasters, war, civil unrest, suspension of Tour Services by transportation and accommodation facilities, etc., orders from government and other public authorities, and other such causes, we shall not be held responsible for the compensation of such damages, except in the case of the preceding Paragraph.
- 3. With regards to damages caused to baggage as described in Paragraph 1, notwithstanding the provisions of the said Paragraph, we shall compensate each traveler a maximum amount of one hundred and fifty thousand yen (¥150,000) (except in cases where the damages were caused by us through intent or gross negligence), but only in cases where we have been notified of the damages within 14 days (in the case of the Domestic Trip) from the day immediately following the day when the damages were incurred.

Article 24 (Responsibilities of the Traveler)

- 1. In cases where we incur damages due to the willful misconduct or negligence of a traveler, the said traveler must pay us compensation for the damages .
- 2. When a traveler executes an Arranged Tour Contract with us, the traveler must make efforts to utilize the information we provide and understand the content of the said Arranged Tour Contract, including their rights and obligations, etc.
- 3. After the start of the Tour, if the traveler realizes that the Tour Service being offered differs from that specified in the Contract Document, they must promptly report it on-site to us, our Business Agent, or the provider of the said Tour Service, in order for them to properly receive the Tour Service specified in the Contract Document.

Chapter 7 – Compensation Business Guarantee Bonds

Article 25 (Compensation Business Guarantee Bonds)

- 1. Our Company is a Security Member of the All Nippon Travel Agents Association (located at 2-19 Akasaka 4-chome, Minato-ku, Tokyo).
- 2. The traveler or Constituent Member who has executed an Arranged Tour Contract with us is entitled to be reimbursed a maximum amount of eleven million yen (¥11,000,000) from the compensation business guarantee bonds deposited by the All Nippon Travel Agents Association mentioned in the preceding Paragraph, with regards to claims as arising from the transaction.
- 3. As we have paid our share of the compensation business guarantee bonds to the All Nippon Travel Agents Association in accordance with the provisions of Article 49 Paragraph 1 of the Travel Agency Law, we have not deposited the business guarantee bonds stip ulated in Article 7 Paragraph 1 of the Travel Agency Law.

(Travel Planning/Implementation)

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