

Section IV: Vendor / Supplier Agreements

Definition:

Vendor/Supplier Agreements include the terms and conditions of the services provided by the supplier and the obligations of each party in the agreement. To assure that adequate risk management applies to transportation services purchased by the Operator, the following specific provisions should be included in these agreements.

Note:

These examples may not be suitable for the reader's particular needs. All provisions and documents should be reviewed by legal counsel to determine their applicability to the Tour Operator's individual circumstances, operations and supplier arrangements. This is not a legal document, nor should it be considered a legal opinion.

Example #1: Transportation Agreements

Insurance Coverage Supplier will maintain at its own expense comprehensive liability insurance covering bodily injury (including death) and property damage with minimum limits as required by law (note - for U.S interstate travel, that would be \$5 million). Supplier will name Buyer as an Additional Insured on relevant policies and require the insurer to give to Buyer one month's prior written notice of any changes in, or cancellation of, the insurance. Supplier will provide Buyer insurance certificates reflecting the above.

Indemnification (a/k/a hold harmless) Supplier will defend, hold harmless and indemnify - including attorney's fees - the Buyer and the Buyer's Personnel against claims that arise, or are alleged to have arisen, as a result of any negligent or intentional acts or omissions of Supplier or breach by Supplier of any terms of this Agreement.

Limitation of Liability Except for liability under the Section entitled indemnification, in no event will either party be liable to the other for any lost revenues, lost profits, incidental, indirect, consequential, special or punitive damages.

Example #2: Transportation Agreements

Insurance Carrier (transportation vendor) shall insure all motorcoaches against damage by fire, collision or accident and make good any damage to, or loss of, the motorcoach and also any damage to property or person, including the property and persons of the passengers, whether by reason of negligence of the driver or otherwise. Insurance procured pursuant to this section shall meet or exceed the following minimum limits of protection (Operator would specify):

Automobile Liability:

Hold Harmless (a/k/a: indemnification) To the fullest extent permitted by law, Carrier (transportation provider) shall defend, indemnify and hold harmless (name of Tour Operator) and its affiliates, officers, employees, clients, representatives, and agents from and against all losses, claims, suits, damages, and expenses, including but not limited to attorneys' fees, arising out of, or resulting from, performance of any service, provided that (i) any loss, claim, suit, damage or expense is attributable to injury or death of persons or to injury or destruction of property including the loss of use resulting there from and (ii) is caused in whole or part by any negligent act or omission of the Carrier.

Example #3: Destination Management Company Agreements

If the Tour Operator contracts with a DMC - Destination Management Company - for transportation services, then the same Insurance and indemnification provisions should be included in the DMC agreement.