UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Despegar.com, Corp.
(Exact name of Registrant as specified in its charter)

British Virgin Islands
(State or other jurisdiction of
incorporation or organization)

4700
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer
Identification Number)

Juana Manso 999
Ciudad Autónoma de Buenos Aires, Argentina C1107CBR
Telephone: +54 11 4894-3500
(Address, including zip code, and telephone number, including area code, of Registrant’s principal executive offices)

National Corporate Research, Ltd.
10 E. 40th Street, 10th floor
New York, NY 10016
Telephone: 800-221-0102
(Name, address, including zip code, and telephone number, including area code, of agent for service)

with copies to:
Juan Francisco Méndez
Simpson Thacher & Bartlett LLP
425 Lexington Avenue
New York, New York 10017
Telephone: (212) 455-2000

Ward Breeze
Heidi E. Mayon
Brian C. Hutchings
Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP
220 West 42nd Street, 17th Floor
New York, New York 10036
Telephone: (212) 730-8133

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.
☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.
Emerging growth company ☒

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment, which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.
This is the initial public offering of the ordinary shares of Despegar.com, Corp., a business company organized under the laws of the British Virgin Islands. We are offering ordinary shares and the selling shareholders identified in this prospectus are offering ordinary shares. We will not receive any proceeds from the sale of ordinary shares by the selling shareholders.

No public market currently exists for our ordinary shares. We have applied to list our ordinary shares on the New York Stock Exchange under the symbol “DESP”.

We anticipate that the initial public offering price will be between $ and $ per ordinary share.

We are an “emerging growth company” and a “foreign private issuer” under applicable U.S. federal securities laws and may elect to comply with reduced public company reporting requirements.

Investing in our ordinary shares involves significant risks. See “Risk Factors” beginning on page 15 of this prospectus.

<table>
<thead>
<tr>
<th>Per share</th>
<th>Price to Public</th>
<th>Underwriting Discounts and Commissions (1)</th>
<th>Proceeds to Us (before expenses)</th>
<th>Proceeds to Selling Shareholders (before expenses)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

(1) See “Underwriting” for a description of the compensation payable to the underwriters.

We have granted the underwriters the option (exercisable within 30 days from the date of this prospectus) to purchase up to an additional ordinary shares on the same terms and conditions set forth above, solely to cover over-allotments, if any.

Neither the U.S. Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ordinary shares on or about .

Morgan Stanley
Itau BBA
Cowen

Citigroup
UBS Investment Bank
KeyBanc Capital Markets

The date of this prospectus is , 2017.
The Most Downloaded OTA App in the Region
Table of Contents

LATIN AMERICA’S LEADING OFFERER

$466 million in net income and $3.9 billion in gross sales

140 million unique visitors in LTM2Q17

Servicing 20 markets representing 95% of the region’s population

250+ 200+ 250+

6 cruise

LOCAL MARKET EXPERTISE AND LEADERSHIP

LEADING OFFERINGS
65% of transactions from repeat customers in 1H2017

250+ airlines, 900+ car rentals, 300K+ hotels, 200+ bus carriers, 300K+ hotels, 250+ destination service suppliers, 5 cruise lines, 7,000+ activities

LEADING MOBILE RECOGNITION

LEADING BRAND RECOGNITION AND AWARENESS
You should rely only on the information contained in this prospectus, any amendment or supplement to this prospectus or any free writing prospectus we may authorize to be delivered to you. Neither we, the selling shareholders nor any of the underwriters have authorized anyone to provide you with additional or different information. If anyone provides you with different or inconsistent information, you should not rely on it.

The information in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or any sale of our ordinary shares. Our business, financial condition, results of operations and prospects may have changed since the date on the front cover of this prospectus.

This prospectus may only be used where it is legal to sell our ordinary shares. We and the selling shareholders have not undertaken any efforts to qualify this offering for offers and sales to the public in any jurisdiction outside the United States, and we do not expect to make offers and sales to the public in jurisdictions located outside the United States. However, we and the selling shareholders may make offers and sales outside the United States in circumstances that do not constitute a public offer or distribution under applicable laws and regulations.

Through and including , 2017 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.
PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless the context suggests otherwise, references in this prospectus to “Despegar,” the “Company,” “we,” “us” and “our” are to Despegar.com, Corp., a business company incorporated in the British Virgin Islands (“BVI”), and its consolidated subsidiaries. Unless the context suggests otherwise, references to “Latin America” are to South America, Mexico, Central America and the Caribbean.

We were formed as a new business company in BVI on February 10, 2017. On May 3, 2017, the stockholders of our predecessor, Decolar.com, Inc., a Delaware corporation, exchanged their shares of Decolar.com, Inc. for ordinary shares of Despegar.com, Corp. to create a new BVI holding company. Following the exchange, our existing shareholders own shares of Despegar.com, Corp. and Decolar.com, Inc. is a wholly-owned subsidiary of Despegar.com, Corp. The audited consolidated financial statements as of and for the years ended December 31, 2016 and 2015, and the unaudited condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 to the extent related to the events and periods prior to May 3, 2017, included in this prospectus are the consolidated financial statements of Decolar.com, Inc., which is our predecessor for accounting purposes, and other information contained in this prospectus related to events and periods prior to May 3, 2017 is based on Decolar.com, Inc.

Unless indicated otherwise, the information included in this prospectus assumes no exercise by the underwriters of the option to purchase up to an additional ordinary shares from us and that the ordinary shares to be sold in this offering are sold at $ per ordinary share, the midpoint of the price range set forth on the cover page of this prospectus.

Financial Statements

The financial information contained in this prospectus derives from our audited consolidated financial statements as of December 31, 2016 and 2015 and for the fiscal years ended December 31, 2016 and 2015 and our unaudited condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2017 and 2016. Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) and presented in dollars.

Non-GAAP Financial Measures

This prospectus includes certain references to Adjusted EBITDA, a non-GAAP financial measure. We define Adjusted EBITDA as net income / (loss) exclusive of financial income / (expense), income tax, depreciation, amortization and share-based compensation. See “Summary—Summary Financial and Operating Data” for a reconciliation of Adjusted EBITDA to net income / (loss). Adjusted EBITDA is not prepared in accordance with U.S. GAAP. Accordingly, you are cautioned not to place undue reliance on this information and should note that Adjusted EBITDA, as calculated by us, may differ materially from similarly titled measures reported by other companies, including our competitors.

We believe that Adjusted EBITDA provides useful supplemental information to investors about us and our results. Adjusted EBITDA is among the measures used by our management team to evaluate our financial and operating performance and make day-to-day financial and operating decisions. In addition, Adjusted EBITDA is frequently used by securities analysts, investors and other parties to evaluate companies in the online travel industry. We also believe that Adjusted EBITDA is helpful to investors because it provides additional information about trends in our core operating performance prior to considering the impact of capital structure, depreciation, amortization and taxation on our results. Adjusted EBITDA should not be considered in isolation or as a substitute for other measures of financial performance reported in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, including:

• Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs or contractual commitments;
Adjusted EBITDA does not reflect our financial expenses, including the cash requirements to service interest or principal payments on our indebtedness, or interest income or other financial income;

Adjusted EBITDA does not reflect our income tax expense or the cash requirements to pay our income taxes;

although depreciation and amortization are non-cash charges, the assets being depreciated or amortized will often need to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for these replacements;

although share-based compensation is a non-cash charge, Adjusted EBITDA does not consider the potentially dilutive impact of share-based compensation; and

other companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

Certain Operating Measures
This prospectus includes certain references to number of transactions and gross bookings, both operating measures. Number of transactions is the total number of customer orders completed on our platform during a given period. Gross bookings is the aggregate purchase price of all travel products booked by our customers through our platform during a given period. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics.”

Currency Presentation
In this prospectus, references to “dollars” and “$” are to the currency of the United States, references to “Brazilian real,” “Brazilian reais” and “R$” are to the currency of Brazil and references to “Argentine pesos” and “ARS” are to the currency of Argentina. See “Exchange Rates” for information regarding historical exchange rates of Brazilian reais and Argentine pesos to dollars.

Rounding
Certain figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be exact arithmetic aggregations or percentages of the figures that precede them.

Trademarks
Our key trademarks are “Despegar.com,” “Decolar.com” and “Decolar.com.br.” Other trademarks or service marks appearing in this prospectus are the property of their respective holders. Solely for the convenience of the reader, we refer to our brands in this prospectus without the ® symbol, but these references are not intended to indicate in any way that we will not assert our rights to these brands to the fullest extent permitted by law.

Market Data
This prospectus includes industry, market and competitive position data and forecasts that we have derived from independent consultant reports, publicly available information, industry publications, official government information and other third-party sources, including Euromonitor International, SimilarWeb, STR Global, GSM Association, Skift and SiteMinder, as well as our internal data and estimates. Independent consultant reports, industry publications and other published sources generally indicate that the information contained therein was obtained from sources believed to be reliable. Although we believe that this information is reliable, the information has not been independently verified by us.
Certain data included in this prospectus related to the Latin American travel market and the Latin American online travel market includes the purchase of hotel and other travel products by inbound travelers traveling to Latin America, as well as corporate travel. Our customer base, however, is primarily comprised of consumers from Latin America traveling for leisure domestically within their own country of origin, to other countries in the Latin American region, and outside of Latin America. Market data related solely to the travel trends of Latin American consumers is limited. As a result, certain market data included in this prospectus is being provided to investors to give a general sense of the trends of our industry but such market data does not capture the travel trends of only our targeted customers. Accordingly, investors should not place undue reliance on the market information in this prospectus.

Information sourced to Euromonitor is from independent market research carried out by Euromonitor International Limited as part of its annual Passport research. Euromonitor makes no warranties about the fitness of this intelligence for investment decisions.
FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements, principally under the captions “Summary,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Business.” We have based these forward-looking statements largely on our current beliefs, expectations and projections about future events and financial trends affecting our business and our market. Many important factors, in addition to those discussed elsewhere in this prospectus, could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including:

- political, social and macroeconomic conditions in Latin America;
- currency exchange rates and inflation;
- current competition and the emergence of new market participants in our industry;
- government regulation;
- our expectations regarding the continued growth of internet usage and e-commerce in Latin America;
- failure to maintain and enhance our brand recognition;
- our ability to maintain and expand our supplier relationships;
- our reliance on technology;
- the growth in the usage of mobile devices and our ability to successfully monetize this usage;
- our ability to attract, train and retain executives and other qualified employees;
- our ability to successfully implement our growth strategies; and
- the other factors discussed under section “Risk Factors” in this prospectus.

We operate in a competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The words “believe,” “may,” “should,” “aim,” “estimate,” “continue,” “anticipate,” “intend,” “will,” “expect” and similar words are intended to identify forward-looking statements. Forward-looking statements include information concerning our possible or assumed future results of operations, business strategies, capital expenditures, financing plans, competitive position, industry environment, potential growth opportunities, the effects of future regulation and the effects of competition. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly or to revise any forward-looking statements after we distribute this prospectus because of new information, future events or other factors. In light of the risks and uncertainties described above, the future events and circumstances discussed in this prospectus might not occur or come into existence and forward-looking statements are thus not guarantees of future performance. Considering these limitations, you should not make any investment decision in reliance on forward-looking statements contained in this prospectus.
SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information you should consider before investing in our ordinary shares. You should read this entire prospectus carefully, including “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements included elsewhere in this prospectus, before you decide to invest in our ordinary shares.

Our Company

We are the leading online travel company in Latin America, known by our two brands, Despegar, our global brand, and Decolar, our Brazilian brand. We have a comprehensive product offering, including airline tickets, packages, hotels and other travel-related products, which enables consumers to find, compare, plan and purchase travel products easily through our marketplace. We provide our network of travel suppliers a technology platform for managing the distribution of their products and access to our users. We believe that our focus on the underpenetrated Latin American online travel market, our knowledge of the consumer and supplier landscape in the region and our ability to manage the business successfully through economic cycles will allow us to continue our industry leadership. In the six months ended June 30, 2017 and the year ended December 31, 2016, we had approximately 2.5 million and 4.0 million customers, generating $248.5 million and $411.2 million in revenue, respectively. Our gross bookings were $2.1 billion and $3.3 billion in the six month ended June 30, 2017 and the year ended December 31, 2016, respectively.

Total Latin America online travel bookings are projected to be approximately $29.7 billion in 2016 and are expected to grow to approximately $47.6 billion by 2020, representing an estimated compound annual growth rate (“CAGR”) of 12.5%, according to Euromonitor International, with projected penetration of online travel bookings expected to increase from approximately 31% in 2016 to approximately 36% in 2020. Factors driving the growth in online travel bookings include the increase of internet penetration, further adoption of smartphones, tablets and other mobile devices and a growing middle class with greater access to banking services and credit products, together enabling a larger segment of the growing population to transact online or on mobile devices.

The Latin American travel industry is characterized by significant fragmentation in suppliers across airlines, hotels and other travel products. This fragmentation is compounded by regional complexities, including differences in language, local customs, travel preferences, currencies and regulatory regimes across the more than 40 countries in the region. These factors create challenges for suppliers to reach customers directly and, consequently, create a significant market opportunity for us.

We believe we have the broadest travel portfolio among online travel agencies (“OTAs”) in Latin America, with inventory from global suppliers, including over 250 airlines and over 300,000 hotels, as well as approximately 900 car rental agencies and approximately 250 destination services suppliers with more than 7,000 activities. Additionally, we have accumulated approximately nine million user-generated reviews as of June 30, 2017, of which 1.1 million and 1.9 million were submitted in the six months ended June 30, 2017 and in the year ended December 31, 2016, respectively, which we believe drive user engagement. Our business benefits from network effects: our large customer base helps us to attract additional travel suppliers and, in turn, a larger network of travel suppliers helps us to attract new customers by enhancing our product offering. Additionally, as we continue to grow our marketplace, we are increasingly able to offer more competitive pricing and product availability to our customers as well as enhance the effectiveness of our marketing strategy.

We have grown significantly since our founding in 1999 and through the recent economic and currency volatility. In the six months ended June 30, 2017 and 2016 and in the years ended December 31, 2016 and 2015, we generated revenue of $248.5 million, $193.9 million, $411.2 million and $421.7 million, respectively. During
the same periods, we had net income / (loss) of $18.8 million, $(0.6) million, $17.8 million and $(85.3) million, respectively, and Adjusted EBITDA of $41.2 million, $14.6 million, $48.6 million and $(39.1) million, respectively. See “—Summary Financial and Operating Data” for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to income / (loss), the most directly comparable U.S. GAAP financial measure.

Travel Market Opportunity in Latin America

Latin America is one of the largest and most diverse regions in the world. Comprised of over 40 countries with a total population of over 600 million, the region encompasses multiple languages, currencies and regulatory regimes. The travel market serving Latin American consumers presents a significant opportunity for us due to its large market size, highly fragmented base of travel suppliers and rapid growth in the adoption of technology-based solutions for consumers and travel suppliers.

Large and Growing Travel Industry

The Latin American travel industry, comprised of air, hotels, car rentals and attractions within Latin America and inbound to the region, including corporate travel, represented an estimated $97.5 billion market projected for 2016 and is expected to grow to approximately $130.9 billion by 2020, according to Euromonitor International. This represents an estimated CAGR of 7.6% from 2016 to 2020. In 2016, airline bookings in Latin America are projected to be approximately $43.3 billion, hotel bookings are projected to be approximately $46.0 billion and together car rentals and attractions are projected to be approximately $8.2 billion.

Long-term favorable macroeconomic trends in the region have contributed to the expansion of the middle class and increased consumption in the region. According to the World Bank, the middle class (defined as per capita income of $3,650 to $18,250 per year) comprised approximately 35% of the Latin American population in 2014, compared to less than 25% a decade prior. This amounted to an additional 108 million people moving into the middle class. The growth in the middle class and the expansion of gross domestic product (“GDP”) per capita have increased disposable income available for discretionary purchases, including travel.

Overview of Suppliers in the Latin American Travel Industry

The Latin American travel industry is characterized by significant supplier fragmentation across airlines, hotels and other travel products. Regional complexities, including differences in language, local customs, travel preferences, currencies and regulatory regimes across the more than 40 countries in the region, create challenges for suppliers to reach customers directly, at scale and across the region.

The airline industry in the region is highly fragmented, as evidenced by the fact that the largest four airlines in Latin America by bookings accounted for approximately 40% of total bookings per year in 2015 in comparison to 68% in the United States during the same period, according to Euromonitor International. Additionally, Latin America’s hotel industry is characterized by higher fragmentation and lower occupancy rates than that of other developed markets. In Latin America, the top ten hotel chains had an estimated 15.3% market share in 2015, compared to 51.8% in the United States during the same period, according to Euromonitor International. Furthermore, a large portion of the room capacity in Latin America is provided by independent hotels, with major chains accounting for only 46% of total capacity, compared to 72% in the United States, according to Skift and SiteMinder. The hotel occupancy rate in South America was 55% in 2016, compared to 65% in North America and 70% in Europe, according to STR Global.

As the leading OTA in Latin America, we believe we are well positioned to succeed as consumers’ destination of choice for fast, easily searchable and more transparent travel research, planning and booking. As
our customer base and brand recognition have grown, we have been able to leverage our user data, including travel history and preferences, to serve personalized recommendations to drive higher customer conversion. Additionally, we have been able to provide attractive pricing and availability of travel products to our customers through scale and by bundling multiple travel products together in a single offer.

*Trends Driving Online Travel and Our Growth*

An expanding and evolving travel market, coupled with greater internet, smartphone and other mobile device penetration, is expected to drive robust growth in online travel bookings in Latin America. Total Latin America online travel bookings were approximately $13.7 billion in 2010 and are projected to be approximately $29.7 billion in 2016, and are expected to further increase to approximately $47.6 billion by 2020, according to Euromonitor International. This represents an estimated CAGR of 12.5% from 2016 to 2020. According to our estimates, based on Euromonitor International market data, we had a market share of approximately 11% of the Latin American online travel market, as measured by gross bookings projected for 2016. We believe that our business will continue benefiting from these market trends, although we cannot assure you that our business will grow at the same rates as historic or forecasted market growth.

According to Euromonitor International, online travel penetration in Latin America, measured as online bookings as a percentage of total travel bookings, increased from approximately 16% in 2010 to approximately 31% projected for 2016 and is expected to climb to approximately 36% by 2020. By comparison, in the United States and Western Europe, online booking penetration was 49% and 52%, respectively, projected for 2016. As consumers shift to researching and booking travel online, travel suppliers have adapted their offerings and deepened their relationships with online marketing and booking channels, such as OTAs, to generate revenue. OTAs provide travel suppliers with scale and distribution into new and existing markets and 24/7 customer service and localization services, including language and payment capabilities. Factors driving the growth in online travel include:

- **Increasing internet penetration**. In 2015, internet penetration in Latin America was approximately 50%, and is expected to increase to approximately 66% by 2020, according to Euromonitor International. By comparison, North America and Western Europe had internet penetration of 71% and 74%, respectively, in 2015, and are expected to increase to 81% and 82%, respectively, in 2020.

- **Increasing adoption of mobile devices**. The number of unique mobile subscribers in Latin America is expected to grow by approximately 110 million, according to the GSM Association, bringing the total to approximately 524 million in the region by 2020.

- **Superior user experience**. Online travel booking channels, which include websites and mobile apps, empower travelers to search products and user-generated reviews and easily compare real-time availability and pricing options from multiple travel providers simultaneously, which we believe leads to higher user engagement and customer conversion.

- **Growth in banked consumers and proliferation of credit products**. With the continued development of the Latin American economy, a larger portion of the population has opened bank accounts, enabling access to new forms of payments including credit cards and other financial products. With the increased number of consumers with bank and credit card accounts, more people have the ability to make purchases online.
Our Competitive Strengths

We are the leading OTA in Latin America, offering our customers a broad and diversified selection of travel products at attractive prices. Our leadership position is a result of our following core strengths:

Industry Leader in Latin America

With our launch in 1999, we have benefited from an early mover advantage in Latin America, which has allowed us to achieve significant scale and brand awareness, with approximately 140 million unique visitors to our platform in the last twelve months ended June 30, 2017, based on our internal estimates. In the six months ended June 30, 2017 and in the year ended December 31, 2016, we had approximately 2.5 million and 4.0 million customers, respectively, primarily in Latin America, generating approximately $248.5 million and $411.2 million in revenue and $2.1 billion and $3.3 billion in gross bookings, respectively. In 2016, we held the #1 ranking of all OTAs in Latin America by desktop traffic, according to SimilarWeb.

We benefit from network effects: our large customer base helps us to attract additional travel suppliers and, in turn, a larger network of travel suppliers helps us to attract new customers by enhancing our product offering. Furthermore, by growing our user base and aggregating different products from our supplier base, we are able to offer attractive pricing and availability of travel products to our customers as well as enhance the effectiveness of our marketing strategy.

Strong Brand Recognition and Awareness

Despegar, our global brand, and Decolar, our Brazilian brand, have leading brand awareness in online travel in key markets, including Brazil and Argentina. According to search engine trend data that is based on the relative number of searches of brand related keywords on Google during the six months ended June 30, 2017, we had a 27% share (in each case, as compared with what we believe to be the next five largest competitors in the market) in Latin America, 24% in Brazil, 37% in Argentina, 37% in Chile and 25% in Colombia, which represented the strongest brand awareness in each of these markets, and a 20% share in Mexico, where we had the second strongest brand awareness. We have dedicated significant efforts and resources to building our brands throughout our 18-year history, including more than $1.0 billion in lifetime investment in marketing and branding activities. Based on our own customer surveys, we had a net promoter score (“NPS”) of 63 in the six months ended June 30, 2017, which we believe represents a strong willingness of our customers to recommend our offerings to others. In the six months ended June 30, 2017, 52% of the traffic on our platform was from visitors coming to our platform directly, or through other free channels, rather than visitors coming to our platform through paid channels, largely due to the strength of our brand.

Local Market Expertise and Leadership

We have a strong track record in Latin America, with a point of sale in 20 markets, representing 95% of the region’s population, and with a leading OTA presence in key markets such as Brazil, Argentina, Mexico, Chile, and Colombia. In our two largest markets, Brazil and Argentina, we have operated for 17 and 18 years, respectively. Our knowledge of local consumers, and their buying patterns and travel preferences, as well as our ability to offer financing through our relationships with financial institutions, have enabled us to serve our customers more effectively than global competitors from outside the region. Furthermore, our extensive supplier relationships allow us to offer a greater scale and breadth of offerings than smaller, local competitors. We understand the objectives of, and challenges faced by, Latin American travel suppliers and we are well-positioned to address those challenges by helping the suppliers grow their businesses, all to the benefit of consumers who receive more choice at attractive pricing.
As the leading Latin American OTA, we have developed long-standing relationships with a wide range of local banks to offer installment payment plans to their credit card holders as an alternative purchase option. We believe that local banks look to partner with us because of our scale, access to our online audience and high transaction volume. We believe this differentiates us from other local and global travel agencies as those agencies either do not offer installment plans or offer installment plans from a more limited selection of financing providers or in a more limited selection of countries. We believe our portfolio of installment plans is a meaningful driver of traffic to our platform as well as conversion. Approximately 54% and 55% of our transactions in the six months ended June 30, 2017 and the year ended December 31, 2016, respectively, were paid by installment. Our agreements with local banks allow us to offer installment plans without assuming collection risk from the customer.

**Leading Mobile Offering**

Mobile is an increasingly important part of our business, as consumers are quickly able to access and browse our real-time travel offerings, compare prices and make purchases through their mobile devices. We launched our leading mobile travel apps in 2012. As of June 30, 2017, our mobile apps have more than 33 million cumulative downloads from the iOS App Store and Google Play (22 million of which were downloaded in the last two years ended June 30, 2017) and we believe they are the most downloaded OTA apps in Latin America. In addition, our iOS App Store and Google Play apps received ratings of 4.5 and 4.4 stars as of June 2017, respectively. During the six months ended June 30, 2017 and the year ended December 31, 2016, mobile, which includes both mobile web and our mobile apps, accounted for approximately 55% and 50% of all of our user visits and approximately 27% and 23% of our transactions, respectively. In addition, transactions via mobile increased by approximately 57% from the six months ended June 30, 2016 compared to the six months ended June 30, 2017. We continue to provide innovative features and functionality to consumers through our mobile apps, including push notifications, dynamic updates, inventory alerts and personalized promotions as well as in-app customer service. Our customers using mobile devices have historically made more repeat transactions than customers using desktop computers. Additionally, our mobile presence allows in-destination marketing, which facilitates cross-selling of additional travel products, such as rental cars and destination services, to customers after they have arrived at their destination.

**Powerful Data and Analytics Platform**

Our large web and mobile audience and transaction volume generate a significant amount of data that allows us to better understand our customers and provide personalized travel offerings and also helps us to drive our sales, marketing and operational strategy. Currently, the majority of visitors to our platform see a personalized landing page based on such factors as user account information, past search and purchasing history and geolocation. We believe that this personalization of the user experience increases engagement and likelihood of purchase.

**Effective Marketing Capabilities**

We have invested significant resources in our marketing team, which we believe is a significant driver of our business. Through our vertically-integrated, in-house marketing team, we are able to control all aspects of our budget, marketing campaigns and market analytics, without the need for agencies or external consultants. Our marketing team’s local knowledge and expertise in our key markets have allowed us to develop direct relationships with a broad range of local and regional media providers and purchase media directly, avoiding more costly intermediaries. We have invested in our own creative, production and media execution teams, composed of approximately 122 employees, who are quickly able to adapt our marketing strategy, while also leveraging our extensive data and analytics capabilities for more precise audience targeting. Furthermore, we have developed our own software platform for managing our search optimization capabilities, allowing us to tailor messages effectively for specific target markets and customers.
Proven and Experienced Team

Our management team has significant experience in the travel sector and across a variety of industries in Latin America. Members of our management team have worked at organizations such as Expedia, Kimberly-Clark, LATAM Airlines, McKinsey, Morgan Stanley, PwC and Thales, among others. In addition to our management team, we have an extensive technology team including more than 800 developers and technology professionals. By fostering a distinctive, collaborative and high-performance working culture, we attract software developers with world-class talent and offer an engaging working environment for ongoing career development. We believe we are perceived as a top talent recruiter for IT professionals in Latin America, allowing us to attract the highest quality professionals and specialists dedicated to the enhancement of our platform.

Our Strategy

Our goal is to further expand our leading position, continue to innovate by better serving customer and supplier needs and increase our profitability with the following key strategies:

Continue to Grow and Develop Our Customer Base in Latin America

We believe there are significant opportunities to expand further our customer base in the region and, at the same time, increase our share of total travel spend by our customers. During the six months ended June 30, 2017 and the year ended December 31, 2016, approximately 2.5 million and 4.0 million customers, respectively, transacted on our platform and approximately 65% and 60%, respectively, of our transactions were with repeat customers. Furthermore, we believe that our personalized customer experience, comprehensive product offering and high-impact marketing, such as online advertising, television, radio and print media, will allow us to continue to drive repeat purchases and attract new customers to our platform.

Continue to Enhance Our Product Offerings

We believe that we can grow our business by further tailoring and expanding our product offering to address the needs of new and existing customers. For example, in recent years, we have launched new products, including travel insurance, bus trips, vacation rentals, and our local concierge product, in several of our existing markets. We believe this strategy can also be replicated in additional markets. We are continuing to expand our installment payments plans and add other payment options, such as debit cards and acceptance of multiple credit cards in a single transaction, as well as several market-specific localized payment options, to attract more customers to our platform and improve purchase conversion at checkout.

Increase Cross-Selling

We plan to grow our revenue by further capitalizing on our large scale, high volume traffic and technology to continue to increase cross-selling. We believe there is significant room to grow our packages, hotels and other travel products businesses through focused marketing and cross-selling initiatives, such as offering exclusive discounts on related products upon checkout, targeted post-sale emails and personalized in-destination mobile marketing with offers for additional travel products that may be relevant to customers’ initial purchase.

Expand and Deepen Supplier Relationships

We plan to expand our supplier base as well as deepen our relationships with suppliers. We intend to continue to provide access to our broad customer base and offer multiple rate plans and package deals, to drive demand for our suppliers, products and help them grow their businesses. We will also continue to invest in our software to offer our suppliers tools to better manage their inventory.
Continue to Invest in Our Mobile Offering

We will continue to invest in our mobile platform by launching new mobile features and functionality. Additionally, we will continue to invest in mobile-focused marketing in order to augment our app downloads and mobile conversion, which we believe represents a significant growth opportunity for our business. Through mobile-only rates, personalized packaged products and in-destination targeted marketing through our mobile apps, we offer our customers an attractive range of travel products in an efficient manner. We believe that by taking a mobile first approach and providing customers with the ability to use the latest mobile technology, such as account recognition, in-app customer service, automated payment options, location-based targeting and highly-targeted push and in-app notifications, will allow us to continue to accelerate our mobile growth.

Focus on Operational Efficiency

We have invested aggressively over the years to scale our operations and support the growth of our business. We intend to continue enhancing the infrastructure and technology that support our platform in order to facilitate the best product offering, provide reliable site performance and ensure high quality customer service by promptly processing requests and frequently monitoring performance.

We also plan to invest in initiatives to promote further automation and improve efficiency, which will simplify our operations and reduce costs. We will continue to define and implement fraud-prevention strategies, and invest in tools to minimize both fraud exposure and legitimate sales rejections. Moreover, we will continue our focus on minimizing fulfillment leakage and costs by improving internal processes and supplier inventory integration, as we believe there is significant opportunity to capture additional growth in these areas.

Opportunistically Pursue Strategic Acquisitions

We may expand our business through opportunistic acquisitions that enable us to enhance our customer offerings, build our marketplace, enter new geographies or enhance our operational infrastructure. We may also consider acquiring additional technology capabilities through alliances and partnerships. We believe our industry and operational experience and our open and collaborative culture will help us to integrate acquired businesses.

Risk Factors

Our business is subject to numerous risks and uncertainties, including those highlighted in “Risk Factors” immediately following this prospectus summary. These risks include:

• we are subject to the risks generally associated with doing business in Latin America and risks associated with our business concentration within this region;
• general declines or disruptions in the travel industry may adversely affect our business and results of operations;
• our business and results of operations may be adversely affected by macroeconomic conditions;
• we are exposed to fluctuations in currency exchange rates;
• if we are unable to maintain or increase consumer traffic to our sites and our conversion rates, our business and results of operations may be harmed;
• we operate in a highly competitive and evolving market, and pressure from existing and new companies, as well as consolidation within the industry, may adversely affect our business and results of operations;
• if we are unable to maintain existing, and establish new, arrangements with travel suppliers, our business may be adversely affected;
we rely on the value of our brands, and any failure to maintain or enhance consumer awareness of our brands could adversely affect our business and results of operations;

we rely on information technology, including third-party technology, to operate our business and maintain our competitiveness, and any failure to adapt to technological developments or industry trends, including third-party technology, could adversely affect our business;

we are subject to payments-related fraud risk;

any system interruption, security breaches or lack of sufficient redundancy in our information systems may harm our business;

our ability to attract, train and retain executives and other qualified employees, particularly highly-skilled IT professionals, is critical to our business and future growth;

our business depends on the availability of credit cards and financing options for consumers;

internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain;

we may not be able to consummate acquisitions or other strategic opportunities in the future;

we will be a foreign private issuer under U.S. securities regulations and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer; and

the strategic interests of our significant shareholders may, from time to time, differ from and conflict with our interests and the interests of our other shareholders.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the U.S. Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”). An emerging growth company may take advantage of relief from certain reporting requirements and other burdens that are otherwise applicable generally to public companies. These provisions permit reduced obligations with respect to financial data, including presenting only two years of audited financial statements and only two years of selected financial data, and an exception from compliance with the auditor attestation requirements of Section 404 of the U.S. Sarbanes-Oxley Act of 2002.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards. Accordingly, we will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies.

We may take advantage of these provisions for up to five years or such earlier time that we no longer qualify as an emerging growth company. We would cease to be an emerging growth company if we have more than $1.07 billion in annual revenue, have more than $700 million in market value of our share capital held by non-affiliates or issue more than $1 billion of non-convertible debt over a three-year period. We may choose to take advantage of some but not all of these reduced reporting burdens.

Corporate Information

Despegar.com, Corp. was formed as a business company incorporated in the BVI on February 10, 2017. On May 3, 2017, the stockholders of our predecessor, Decolar.com, Inc., a Delaware corporation, exchanged their shares for ordinary shares of Despegar.com, Corp. to create a new BVI holding company. Following the
exchange, our existing shareholders own shares of Despegar.com, Corp., and Decolar.com, Inc. is a wholly-owned subsidiary of Despegar.com, Corp. The audited consolidated financial statements as of and for the years ended December 31, 2016 and 2015, and the unaudited condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 to the extent related to the events and periods prior to May 3, 2017, included in this prospectus are the consolidated financial statements of Decolar.com, Inc., which is our predecessor for accounting purposes, and other information contained in this prospectus related to events and periods prior to May 3, 2017 is based on Decolar.com, Inc.

Our principal executive office is located at Juana Manso 999, Ciudad Autónoma de Buenos Aires, Argentina C1107CBR, and our telephone number is: +54 11 4894 3500. Our agent for service of process in the United States is National Corporate Research, Ltd., located at 10 E. 40th Street, 10th Floor, New York, New York 10016.
## The Offering

<table>
<thead>
<tr>
<th><strong>Issuer</strong></th>
<th>Despegar.com, Corp., a business company incorporated in the BVI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Selling shareholders</strong></td>
<td>The selling shareholders listed in “Principal and Selling Shareholders.”</td>
</tr>
<tr>
<td><strong>Ordinary shares offered by us</strong></td>
<td>shares, without par value</td>
</tr>
<tr>
<td><strong>Ordinary shares offered by the selling shareholders</strong></td>
<td>shares, without par value</td>
</tr>
<tr>
<td><strong>Over-allotment option</strong></td>
<td>We have granted the underwriters a 30-day option to purchase up to additional ordinary shares solely to cover over-allotments, if any.</td>
</tr>
<tr>
<td><strong>Share capital before and after the offering</strong></td>
<td>As of the date of this prospectus, our issued and outstanding share capital consists of ordinary shares. Immediately after the offering, we will have ordinary shares issued and outstanding, or ordinary shares issued and outstanding if the underwriters exercise their over-allotment option in full.</td>
</tr>
<tr>
<td><strong>Use of proceeds</strong></td>
<td>We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $, or $ if the underwriters exercise their over-allotment option in full, assuming an initial offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus. The principal purposes of this offering are to increase our financial flexibility and create a public market for our ordinary shares. We intend to use the net proceeds that we receive from this offering for general corporate purposes, including potential acquisitions or other strategic opportunities in the future. We will not receive any proceeds from the sale of ordinary shares by the selling shareholders. See “Use of Proceeds.”</td>
</tr>
<tr>
<td><strong>Listing</strong></td>
<td>We have applied to list our ordinary shares on the New York Stock Exchange under the symbol “DESP”.</td>
</tr>
<tr>
<td><strong>Lock-up</strong></td>
<td>We, our executive officers, directors and substantially all of our existing shareholders have executed lock-up agreements preventing them from selling any ordinary shares held by them prior to this offering (other than ordinary shares to be sold in the offering by the selling shareholders), without the prior written consent of Morgan Stanley &amp; Co. LLC and Citigroup Global Markets Inc. on behalf of the underwriters, for a period of 180 days from the date of this prospectus. For more information, see “Underwriting.”</td>
</tr>
<tr>
<td><strong>Dividend policy</strong></td>
<td>We currently intend to retain all available funds and any future earnings to fund the development and expansion of our business, and we do not anticipate declaring or paying any dividends on our ordinary shares in the foreseeable future. For more information, see “Dividend Policy.”</td>
</tr>
</tbody>
</table>

10
<table>
<thead>
<tr>
<th>Table of Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxation</strong></td>
</tr>
<tr>
<td><strong>Directed share program</strong></td>
</tr>
<tr>
<td><strong>Risk factors</strong></td>
</tr>
</tbody>
</table>

In this prospectus, the number of ordinary shares to be outstanding after this offering is based on 58,518,679 ordinary shares outstanding as of August 31, 2017, and excludes the following:

- 90,626 ordinary shares subject to restricted stock units (“RSUs”) outstanding;
- 3,775,000 ordinary shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $26.0197 per share, subject to vesting requirements; and
- an additional 1,086,777 ordinary shares reserved for issuance under our 2016 Stock Incentive Plan.

For more information, see “Management—Equity Incentive Plans.”

Unless otherwise indicated, all information in this prospectus assumes:

- no exercise of the underwriters’ option to purchase additional shares from us; and
- an initial offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.
**Summary Financial and Operating Data**

The following summary financial and other operating data of our predecessor, Decolar.com, Inc., and its consolidated subsidiaries should be read together with “Selected Financial Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements included elsewhere in this prospectus.

We derived the summary income statement, balance sheet and cash flow data as of and for the years ended December 31, 2016 and 2015 from our audited consolidated financial statements which are included elsewhere in this prospectus. We derived the summary income statement, balance sheet and cash flow data as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 from our unaudited condensed consolidated financial statements, which are included elsewhere in this prospectus and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to state fairly the financial information set forth in those statements. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP in dollars. Our historical results do not necessarily indicate results expected for any future period, and the results of operations for the six months ended June 30, 2017 are not necessarily indicative of the results to be expected for the full fiscal year or any other period.

### Summary Income Statement Data

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017 (unaudited)</td>
<td>2016 (audited)</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>$116,653</td>
<td>$92,149</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>131,808</td>
<td>101,763</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>248,461</td>
<td>193,912</td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>66,227</td>
<td>67,246</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>182,234</td>
<td>126,666</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>78,835</td>
<td>57,710</td>
</tr>
<tr>
<td>General and administrative</td>
<td>37,487</td>
<td>29,146</td>
</tr>
<tr>
<td>Technology and product development</td>
<td>33,052</td>
<td>31,503</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>149,374</td>
<td>118,359</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>32,860</td>
<td>8,307</td>
</tr>
<tr>
<td>Financial income</td>
<td>915</td>
<td>3,923</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(8,682)</td>
<td>(7,962)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income taxes</strong></td>
<td>25,093</td>
<td>4,268</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6,292</td>
<td>4,824</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>$18,801</td>
<td>$(556)</td>
</tr>
<tr>
<td><strong>Earnings / (loss) per share:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>$0.32</td>
<td>$(0.01)</td>
</tr>
<tr>
<td>Diluted</td>
<td>$0.32</td>
<td>$(0.01)</td>
</tr>
<tr>
<td><strong>Weighted average shares outstanding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>58,518</td>
<td>58,518</td>
</tr>
<tr>
<td>Diluted</td>
<td>58,609</td>
<td>58,518</td>
</tr>
</tbody>
</table>
## Summary Balance Sheet Data

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017 (unaudited)</th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents (1)</td>
<td>$ 92,107</td>
<td>$ 75,968</td>
<td>$102,116</td>
</tr>
<tr>
<td>Total assets</td>
<td>418,163</td>
<td>353,710</td>
<td>348,215</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>479,350</td>
<td>435,973</td>
<td>431,348</td>
</tr>
<tr>
<td>Total shareholders’ deficit attributable to Decolar.com, Inc.</td>
<td>(61,187)</td>
<td>(82,263)</td>
<td>(83,133)</td>
</tr>
</tbody>
</table>

(1) Excludes restricted cash and cash equivalents. See note 3 to our audited consolidated financial statements.

## Other Financial and Operating Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of transactions (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>By country</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>1,784</td>
<td>1,375</td>
<td>2,924</td>
<td>3,620</td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>1,069</td>
<td>833</td>
<td>1,798</td>
<td>1,787</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>1,486</td>
<td>1,130</td>
<td>2,490</td>
<td>2,298</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,339</td>
<td>3,338</td>
<td>7,212</td>
<td>7,705</td>
<td></td>
</tr>
<tr>
<td>By segment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>2,570</td>
<td>1,936</td>
<td>4,250</td>
<td>4,385</td>
<td></td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>1,769</td>
<td>1,402</td>
<td>2,963</td>
<td>3,320</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,339</td>
<td>3,338</td>
<td>7,212</td>
<td>7,705</td>
<td></td>
</tr>
<tr>
<td>Gross bookings (2)</td>
<td>$ 2,080,128</td>
<td>$ 1,416,990</td>
<td>$ 3,260,234</td>
<td>$ 3,596,260</td>
<td></td>
</tr>
<tr>
<td><strong>Financial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA (unaudited) (3)</td>
<td>$ 41,227</td>
<td>$ 14,581</td>
<td>$ 48,585</td>
<td>$ (39,067)</td>
<td></td>
</tr>
</tbody>
</table>

(1) The number of transactions is an operating measure that represents the total number of customer orders completed on our platform in any given period. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics.”

(2) Gross bookings is an operating measure that represents the aggregate purchase price of all travel products booked by our customers through our platform during a given period. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics.”

(3) We define Adjusted EBITDA as net income / (loss) exclusive of financial income / (expense), income tax, depreciation, amortization and share-based compensation. We believe that Adjusted EBITDA, a non-GAAP financial measure, provides useful supplemental information to investors about us and our results. Adjusted EBITDA is among the measures used by our management team to evaluate our financial and operating performance and make day-to-day financial and operating decisions. In addition, Adjusted EBITDA is frequently used by securities analysts, investors and other parties to evaluate companies in the online travel industry. We also believe that Adjusted EBITDA is helpful to investors because it provides additional information about trends in our core operating performance prior to considering the impact of capital structure, depreciation, amortization, and taxation on our results. Adjusted EBITDA should not be
considered in isolation or as a substitute for other measures of financial performance reported in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, including:

- Adjusted EBITDA does not reflect changes in, including cash requirements for, our working capital needs or contractual commitments;
- Adjusted EBITDA does not reflect our financial expenses, or the cash requirements to service interest or principal payments on our indebtedness, or interest income or other financial income;
- Adjusted EBITDA does not reflect our income tax expense or the cash requirements to pay our income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will need to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for these replacements;
- although share-based compensation is a non-cash charge, Adjusted EBITDA does not consider the potentially dilutive impact of share-based compensation; and
- other companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

We compensate for the inherent limitations associated with using Adjusted EBITDA through disclosure of these limitations, presentation of our consolidated financial statements in accordance with U.S. GAAP and reconciliation of Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net income / (loss).

The table below provides a reconciliation of our net income / (loss) to Adjusted EBITDA:

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, (in thousands)</th>
<th>Year Ended December 31, (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Net income / (loss)</td>
<td>$18,801</td>
<td>$(556)</td>
</tr>
<tr>
<td>Financial income</td>
<td>(915)</td>
<td>(3,923)</td>
</tr>
<tr>
<td>Financial expense</td>
<td>8,682</td>
<td>7,962</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6,292</td>
<td>4,824</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>2,705</td>
<td>2,528</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>3,556</td>
<td>3,646</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>2,106</td>
<td>100</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$41,227</td>
<td>$14,581</td>
</tr>
</tbody>
</table>
RISK FACTORS

Prior to investing in our ordinary shares, you should carefully consider the risks described below, in addition to the other information contained in this prospectus. We also may face additional risks and uncertainties that are not presently known to us, or that as of the date of this prospectus we deem immaterial, which may impair our business, financial condition and results of operations. If any of these events occur, the trading price of our ordinary shares could decline, and you may lose all or part of your investment. In general, you take more risk when you invest in the securities of issuers with operations in emerging markets such as Latin American countries than when you invest in the securities of issuers in the United States and other developed markets. The information in this Risk Factors section includes forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of numerous factors, including those described in “Forward-Looking Statements.”

Risks Related to Our Business

We are subject to the risks generally associated with doing business in Latin America.

Our business serves the Latin American travel industry and substantially all of our revenue is derived in Latin American countries. Substantially all of our operations are located in Latin America. Moreover, we have significant revenue from Brazil and Argentina as well as other Latin American countries: in 2016, Brazil and Argentina accounted for 41% and 25% of our transactions, respectively. As a result, we are subject to the risks generally associated with doing business in the region, including:

- political, social and macroeconomic instability;
- cycles of severe economic downturns;
- currency devaluations and fluctuations;
- periods of high inflation;
- availability, quality and level of usage of the internet and e-commerce;
- high levels of credit risk, fraud and lack of secure payment methods;
- uncertainty or changes in governmental regulation, including applicable to travel services operations and internet and e-commerce services;
- uncertainty or changes in tax laws and regulations;
- limited access to financing, both for companies and for consumers;
- exchange and capital controls;
- limited infrastructure, including in the travel and technology sectors;
- adverse labor conditions and difficulties in hiring, training and retaining qualified personnel;
- the challenges of doing business across a region with multiple languages, different currencies and regulatory regimes that varies from country to country; and
- the impact of adverse global conditions in the region.

Any of these risks could have a material adverse effect on our business, financial condition and results of operations. For more information, see “—Risks Related to Latin America.”
General declines or disruptions in the travel industry may adversely affect our business and results of operations.

Our business is significantly affected by the trends that occur in the travel industry. As the travel industry is highly sensitive to business and personal discretionary spending levels, it tends to decline during general economic downturns. Trends or events that tend to reduce travel and are likely to reduce our revenue include:

- terrorist attacks or threats of terrorist attacks or wars;
- fluctuations in currency exchange rates;
- health-related risks, such as an outbreak of the Zika virus, H1N1 influenza, Ebola virus, avian flu or any other serious contagious diseases;
- increased prices in the airline ticketing, hotel, or other travel-related sectors;
- significant changes in oil prices;
- travel-related strikes or labor unrest, bankruptcies or liquidations;
- travel-related accidents or the grounding of aircraft due to safety concerns;
- political unrest;
- high levels of crime;
- natural disasters or severe weather conditions, including volcanic eruptions, hurricanes, flooding or earthquakes;
- changes in immigration policy; and
- travel restrictions or other security procedures implemented in connection with any major events, particularly those that affect travel by Latin Americans within their respective countries, across the region and outbound from the region to the rest of the world.

We could be severely and adversely affected by declines or disruptions in the travel industry and, in many cases, have little or no control over the occurrence of such events. Such events could result in a decrease in demand for our travel services. Any decrease in demand, depending on the scope and duration, could significantly and adversely affect our business and financial performance over the short and long term.

Our business and results of operations may be adversely affected by macroeconomic conditions.

Consumer purchases of discretionary items generally decline during periods of recession and other periods in which disposable income is adversely affected. As a substantial portion of travel expenditure, for both business and leisure, is discretionary, the travel industry tends to experience weak or reduced demand during economic downturns.

General adverse economic conditions, including the possibility of recessionary conditions in Latin America or a worldwide economic slowdown, would adversely impact our business, financial condition and results of operations. Past weakness and uncertainty in the global economy and in Latin America have negatively impacted consumer spending patterns and demand for travel services and may continue to do so in the future. For example, consumer spending patterns and demand for travel services were negatively impacted by the 2008-2009 global financial crisis that arose in the United States, as well as the recession in Brazil of 2015-2016 and the Argentine financial crisis of 2001-2002 and recession of 2016.

As an intermediary in the travel industry, a significant portion of our revenue is affected by prices charged by our travel suppliers. During periods of poor economic conditions, airlines and hotels tend to reduce rates or offer discounted sales to stimulate demand, thereby reducing our commission-based income. A slowdown in
economic conditions may also result in a decrease in transaction volumes and adversely affect our revenue, including our consumer fee-based income. It is difficult to predict the effects of the uncertainty in global economic conditions. If economic conditions decline globally or in Latin America, our business, financial condition and results of operations could be adversely impacted.

We are exposed to fluctuations in currency exchange rates.

Because we conduct our business outside the United States and receive almost all of our revenue in currencies other than the dollar, but report our results in dollars, we face exposure to adverse movements in currency exchange rates. The currencies of certain countries where we operate, including Brazil and Argentina, have historically experienced significant devaluations. For example, in December 2015, the Argentine government let the Argentine peso float freely, after several years of controlling foreign exchange rates, resulting in a significant devaluation. The results of operations in the countries where we operate are exposed to foreign exchange rate fluctuations as the financial results of the applicable subsidiaries are translated from the local currency into dollars upon consolidation. If the dollar weakens against foreign currencies, the translation of these foreign-currency-denominated transactions will typically result in increased revenue and operating expenses, and our revenue and operating expenses will typically decrease if the dollar strengthens. Moreover, if the dollar strengthens against the foreign currencies of countries in which we operate, the purchasing power of our customers from those countries could be negatively affected by potentially increased prices in local currencies, and we could experience a reduction in the demand for our travel services.

Additionally, foreign exchange exposure also arises from pre-pay transactions, where we accept upfront payments for bookings in the customer’s home currency, but payment to the hotel is not due until after the customer checks out, and is paid by us in the hotel’s home currency. We are therefore exposed to foreign exchange risk between the time of the initial reservation and the time when the hotel is paid.

We minimize our foreign currency exposures by managing natural hedges, netting our current assets and current liabilities in similarly denominated foreign currencies, and managing short term loans and investments for hedging purposes. Additionally, from time to time we enter into derivative transactions. However, depending on the size of the exposures and the relative movements of exchange rates, if we choose not to hedge or fail to hedge effectively our exposure, we could experience a material adverse effect on our consolidated financial statements and financial condition.

We have incurred operating losses in the past and may experience earnings declines or net losses in the future.

We have incurred operating losses in the past, though in the six months ended June 30, 2017 and in the year ended December 31, 2016 we had positive net income. We cannot assure you that we can sustain profitability or avoid net losses in the future. Our ability to remain profitable depends on various factors, including our ability to generate additional transaction volume and revenue and control our costs and expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus, and we may further encounter unforeseen expenses, difficulties, complications, delays and other unknown events. If our costs and expenses increase at a more rapid rate than our revenue, we may not be able to sustain profitability and may incur losses.

If we are unable to maintain or increase consumer traffic to our sites and our conversion rates, our business and results of operations would be harmed.

Our ability to generate revenue depends, in part, on our ability to attract consumers to our platform. If we fail to maintain or increase consumer traffic and our conversion rates, our ability to grow our revenue could be negatively affected. We expect that our efforts to maintain or increase traffic are likely to include, among other things, significant increases to our marketing expenditures. We cannot assure you that any increases in our expenses will be successful in generating additional consumer traffic.
There are many factors that could negatively affect user retention, growth, and engagement, including if:

- we fail to offer compelling products;
- users increasingly engage with competing products instead of ours;
- we fail to introduce new and exciting products and services or those we introduce are poorly received;
- our websites or mobile apps fail to operate effectively on the iOS and Android mobile operating systems;
- we do not provide a compelling user experience;
- we are unable to combat spam or other hostile or inappropriate usage on our products, or if our anti-fraud measures are too conservative and we reject too many bona fide transactions;
- there are changes in user sentiment about the quality or usefulness of our existing products;
- there are concerns about the privacy implications, safety, or security of our products;
- our suppliers decide to discontinue the offering of their products through our platform;
- technical or other problems frustrate the user experience, particularly if those problems prevent us from delivering our products in a fast and reliable manner;
- we fail to provide adequate service to our customers and suppliers;
- we or other companies in our industry are the subject of adverse media reports or other negative publicity; or
- we do not maintain our brand image or our reputation is damaged.

Any decrease to user retention, growth, or engagement could render our products less attractive to consumers and would seriously harm our business.

**We operate in a highly competitive and evolving market, and pressure from existing and new companies may adversely affect our business and results of operations.**

The travel market in Latin America and worldwide is intensely competitive and rapidly evolving. Factors affecting our competitive success include, among other things, price, availability and breadth of choice of travel services and products, brand recognition, customer service, fees charged to travelers, ease of use, accessibility, consumer payment options and reliability. We currently compete with both established and emerging providers of travel services and products, including regional offline travel agency chains and tour operators, global OTAs with presence in Latin America and smaller, country-specific online and offline travel agencies and tour operators. In addition, our customers have the option to book travel directly with airlines, hotels and other travel service providers who are increasingly focused on further refining their online offerings. Large, established internet search engines have also launched applications offering travel itineraries in destinations around the world, and meta-search companies who can aggregate travel search results also compete against us for customers. In addition, we face price competition from new entrants that offer discounted rates and other incentives from time to time, as well as social media channels that market travel products and experiences. Some of our competitors have significantly greater financial and other resources than us. From time to time we may be required to reduce service fees and revenue margins in order to compete effectively and maintain or gain customers, brand awareness and supplier relationships.

Further, we may also face increased competition from new entrants in our industry. We cannot assure you that we will be able to successfully compete against existing or new competitors. If we are not able to compete effectively, our business, financial condition and results of operations may be adversely affected.
Some travel suppliers are seeking to decrease their reliance on distribution intermediaries like us by promoting direct distribution channels. Many airlines, hotels, car rental companies and tour operators have call centers and have established their own travel distribution websites and mobile applications. From time to time, travel suppliers offer advantages, such as bonus loyalty awards and lower transaction fees or discounted prices, when their services and products are purchased from supplier-related channels. We also compete with competitors which may offer less content, functionality and marketing reach but at a relatively lower cost to suppliers. If our access to supplier-provided content or features were to be diminished either relative to our competitors or in absolute terms or if we are unable to compete effectively with travel supplier-related channels or other competitors, our business could be materially and adversely affected.

**If we are unable to maintain existing, and establish new, arrangements with travel suppliers, our business may be adversely affected.**

Our business is dependent on our ability to maintain our relationships and arrangements with existing suppliers, such as airlines, global distribution system (GDS), service providers, hotels, hotel consolidators and destination services companies, car rental companies, bus operators, cruise companies and travel assistance providers, as well as our ability to establish and maintain relationships with new travel suppliers. In addition, the hotel and other lodging products that we offer through our platform for all countries outside Latin America are provided to us exclusively by affiliates of Expedia and Expedia is the preferred provider to us of hotel and other lodging products in Latin America pursuant to a lodging outsourcing agreement (the “Expedia Outsourcing Agreement”). In the event the Expedia Outsourcing Agreement is terminated, we may be required to pay a $125.0 million termination fee. For more information on our relationships with Expedia, see “Business — Material Agreements,” “Principal and Selling Shareholders” and “Certain Relationships and Related Person Transactions.” Adverse changes in key arrangements with our suppliers, including an inability of any key travel supplier to fulfill its payment obligation to us in a timely manner, increasing industry consolidation or our inability to enter into or renew arrangements with these parties on favorable terms, if at all, could reduce the amount, quality, pricing and breadth of the travel services and products that we are able to offer, which could adversely affect our business, financial condition and results of operations. For example, American Airlines discontinued our access to its inventory from July 2013 to March 2016, until a mutually satisfactory settlement was reached and American Airlines resumed supplying us with airline tickets.

In addition, adverse economic developments affecting the travel industry could also adversely impact our ability to maintain our existing relationships and arrangements with one or more of our suppliers. We cannot assure you that our agreements or arrangements with our travel suppliers or travel-related service providers will continue or that our travel suppliers or travel-related service providers will not further reduce commissions, terminate our contracts, make their products or services unavailable to us as part of exclusive arrangements with our competitors or default on or dispute their payment or other obligations towards us, any of which could reduce our revenue and margins or may require us to initiate legal or arbitral proceedings to enforce their contractual payment obligations, which may adversely affect our business, financial condition and results of operations.

**We rely on the value of our brands, and any failure to maintain or enhance consumer awareness of our brands could adversely affect our business and results of operations.**

We believe continued investment in our brand is critical to retain and expand our business. We believe that our brands are well recognized in the Latin American travel market. We have invested in developing and promoting our brand since our inception and expect to continue to spend on maintaining the value of our brands to enable us to compete against increased spending by competitors and to allow us to expand into new services or increase our penetration in certain markets where our brands are less well known.

We cannot assure you that we will be able to successfully maintain or enhance consumer awareness of our brands. Even if we are successful in our branding efforts, such efforts may not be cost-effective. Our marketing costs may also increase as a result of inflation in media pricing. If we are unable to maintain or enhance
consumer awareness of our brands and generate demand in a cost-effective manner, it would negatively impact our ability to compete in the travel industry and would have a material adverse effect on our business, financial condition and results of operations.

We rely on information technology to operate our business and maintain our competitiveness, and any failure to adapt to technological developments or industry trends could adversely affect our business.

We depend on the use of sophisticated information technology and systems, for search and reservation for airline tickets, hotels, and any of the other products that we offer on our platform, as well as payments, refunds, customer relationship management, communications and administration. As our operations grow in both size and scope, we must continuously improve and upgrade our systems and infrastructure to improve services, features and functionality, while maintaining the reliability and integrity of our systems and infrastructure in a cost-effective manner. Our future success also depends on our ability to upgrade our services and infrastructure ahead of rapidly evolving consumer demands while continuing to improve the performance, features and reliability of our service in response to competitive offerings.

We may not be able to maintain or replace our existing systems or introduce new technologies and systems as quickly as our competitors, in a cost-effective manner or at all. We may also be unable to devote adequate financial resources to develop or acquire new technologies and systems in the future.

We may not be able to use new technologies effectively, or we may fail to adapt our websites, mobile apps, transaction processing systems and network infrastructure to meet consumer requirements or emerging industry standards, comply with government regulation or prevent fraud or security breaches. If we face material delays in introducing new or enhanced solutions, our customers may forego the use of our services in favor of those of our competitors. Any of these events could have a material adverse effect on our business, financial condition and results of operations.

Some of our airline suppliers (including our GDS service providers) may reduce or eliminate the commission and other compensation they pay to us for the sale of airline tickets and this could adversely affect our business and results of operations.

In our air business, we generate revenue through commissions and incentive payments from airline suppliers (including our GDS service providers) and service fees charged to our customers. Our airline suppliers (including our GDS service providers) may reduce or eliminate the commissions, incentive payments or other compensation they pay to us. To the extent any of our airline suppliers (including our GDS service providers) reduce or eliminate the commissions, incentive payments or other compensation they pay to us, our revenue may be reduced unless we are able to adequately mitigate such reduction by increasing the service fee we charge to our customers or increasing our transaction volume in a sustainable manner. However, any increase in service fees may also result in a loss of potential customers. In addition, our arrangement with the airlines that supply airline tickets to us may limit the amount of service fee that we are able to charge our customers. Our business would also be negatively impacted if competition or regulation in the Latin American travel industry causes us to have to reduce or eliminate our service fees.

Our business and results of operations could be adversely affected if one or more of our major travel suppliers suffers a deterioration in its financial condition or restructures its operations.

As we are an intermediary in the travel industry, a substantial portion of our revenue is affected by the prices charged by our suppliers, including airlines, GDS service providers, hotels, destination service providers, car rental suppliers, tour operators, supply aggregators (such as other OTAs), cruise operators, bus service providers and travel assistance providers, and the volume of products offered by our suppliers. As a result, if one or more of our major suppliers suffers a deterioration in its financial condition or restructures its operations, it could adversely affect our business, financial condition and results of operations. Accordingly, our business may be negatively affected by adverse changes in the markets in which our suppliers operate.
In particular, as a substantial portion of our revenue depends on our sales of airline flights, we could be adversely affected by changes in the airline industry, including consolidation or bankruptcies and liquidations, and in many cases, we will have no control over such changes. Any consolidation in the airline industry in the future would result in fewer airlines with potentially more bargaining power with respect to the commissions and incentive payments or other fees they pay to intermediaries. Events or weaknesses specific to the airline industry that could negatively affect our business include air fare fluctuations, airport, airspace and landing fee increases, seat capacity constraints, removal of destinations or flight routes, travel-related strikes or labor unrest, imposition of taxes or surcharges by regulatory authorities and fuel price volatility. While decreases in prices for flights and other travel products generally increase demand, such price decreases generally also have a negative effect on the commissions we earn, particularly in our non-flight business, which is more dependent on commissions than our flight business. The overall effect of a price increase or decrease is therefore uncertain.

In the past several years, several major airlines have filed for bankruptcy, recently exited bankruptcy, or discussed publicly the risk of bankruptcy. In addition, some of these airlines have merged, or discussed merging, with other airlines. If one of our major airline suppliers merges or consolidates with, or is acquired by, another company that either does not participate in the GDS systems we use, or that participates in such systems but at substantially lower levels, the surviving company may elect not to make supply available to us or may elect to do so at lower levels than the previous supplier. Similarly, in the event that one of our major airline suppliers voluntarily or involuntarily declares bankruptcy and is subsequently unable to successfully emerge from bankruptcy, and we are unable to replace such supplier, our business would be adversely affected. Further consolidation of one or more of the major airlines could result in further capacity reductions, a reduction in the number of airline tickets available for booking on our website and increased air fares, which may have a negative impact on demand for travel products.

We are subject to payments-related fraud risks.

We are held liable for accepting fraudulent bookings on our platform and other bookings for which payment is successfully disputed by the cardholder, both of which lead to the reversal of payments received by us for such bookings (referred to as a “chargeback”). Our results of operations may be negatively affected by our acceptance of fraudulent bookings made using credit cards, as occurred in 2015, when there was an increase in fraud in the Latin American travel industry, particularly in Brazil. In the fourth quarter of 2015, we experienced an increase in attempted fraudulent transactions in Brazil, resulting in both the first quarter of 2016 and the fourth quarter of 2015 in an increase in fraud expense in the form of chargebacks. We also experienced a decrease in gross bookings in both quarters, as we imposed more restrictive anti-fraud protocol in response to the uptick in fraudulent transactions that resulted in more rejections of legitimate transactions. Our ability to detect and combat fraud, which has become increasingly common and sophisticated, may be negatively impacted by the adoption of new payment methods, the emergence and innovation of new technology platforms, including smartphones, tablets and other mobile devices, and our expansion, including into geographies with a history of elevated fraudulent activity. If we are unable to effectively combat fraud on our platform or if we otherwise experience increased levels of chargebacks, our results of operations could be materially adversely affected.

We have agreements with companies that process customer credit and debit card transactions for the facilitation of customer bookings of travel services from our travel suppliers. These agreements allow these processing companies, under certain conditions, to hold an amount of our cash (referred to as a “holdback”) or require us to otherwise post security equal to a portion of bookings that have been processed by such companies. These processing companies may be entitled to a holdback or suspension of processing services upon the occurrence of specified events, including material adverse changes in our financial condition. Moreover, there can be no assurances that the rates we pay for the processing of customer credit and debit card transactions will not increase, which could reduce our revenue thereby adversely affecting our business and financial performance.

Moreover, credit card networks, such as Visa and MasterCard, have adopted rules and regulations that apply to all merchants which process and accept credit cards and include the Payment Card Industry Data Security
Standards ("PCI DSS"). Under these rules, we are required to adopt and implement internal controls over the use, storage and security of card data. We are currently PCI DSS certified and in compliance with PCI DSS. We assess our compliance with PCI DSS rules on a periodic basis and make necessary improvements to our internal controls as needed. Failure to comply may prevent us from processing or accepting credit cards.

In addition, when onboarding suppliers to our platform, we may fail to identify falsified or stolen supplier credentials, which may result in fraudulent bookings or unauthorized access to personal or confidential information of users of our websites and mobile applications. A fraudulent supplier scheme could also result in negative publicity and damage to our reputation, and could cause users of our websites and mobile applications to lose confidence in the quality of our services. Any of these events would have a negative effect on the value of our brands, which could have an adverse impact on our financial performance.

Any system interruption, security breaches or lack of sufficient redundancy in our information systems may harm our businesses.

We rely on information technology systems, including the internet and third-party hosted services, to support a variety of business processes including booking transactions, and activities and to store sensitive data, including our proprietary business information and that of our suppliers, personally identifiable information and other information of our customers and employees and data with respect to invoicing and the collection of payments, accounting and procurement activities. In addition, we rely on our information technology systems to process financial information and results of operations for internal reporting purposes and to comply with financial reporting, legal, and tax requirements. The risk of a cybersecurity-related attack, intrusion, or disruption, including by criminal organizations, hacktivists, foreign governments, and terrorists, is persistent. We have experienced and may in the future experience system interruptions that make some or all of these systems unavailable or prevent us from efficiently fulfilling orders or providing services to third parties. Interruptions of this nature could include security intrusions and attacks on our systems for fraud or service interruption. Significant interruptions, outages or delays in our internal systems, or systems of third parties that we rely upon—including multiple co-location providers for data centers, cloud computing providers for application hosting, and network access providers—and network access, or deterioration in the performance of such systems, would impair our ability to process transactions, decrease our quality of service that we can offer to our customers, damage our reputation and brands, increase our costs and/or cause losses.

Potential security breaches to our systems or the systems of our service providers, whether resulting from internal or external sources, could significantly harm our business. We devote significant resources to network security, monitoring and testing, employee training, and other security measures, but we cannot assure you that these measures will prevent all possible security breaches or attacks. A party, whether internal or external, that is able to circumvent our security systems could misappropriate customer or employee information, proprietary information or other business and financial data or cause significant interruptions in our operations. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches, and reductions in website availability could cause a loss of substantial business volume during the occurrence of any such incident. Because the techniques used to sabotage security change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventive measures. We have obtained cyberinsurance, however we cannot assure you that our insurance will be sufficient to protect against our losses or will cover all potential incidents. Moreover, security breaches could result in negative publicity and damage to our reputation, exposure to risk of loss or litigation and possible liability due to regulatory penalties and sanctions or pursuant to our contractual arrangements with payment card processors for associated expenses and penalties. Security breaches could also cause customers and potential users and our suppliers to lose confidence in our security, which would have a negative effect on the value of our brands. Failure to adequately protect against attacks or intrusions, whether for our own systems or those of our suppliers, could expose us to security breaches that could have an adverse impact on our financial performance. For example, in 2014, hackers breached our system security and accessed credit card information from customers who had made purchases through our platform, representing approximately 663,000 unique credit card numbers.
In addition, we cannot assure you that our backup systems or contingency plans will sustain critical aspects of our operations or business processes in all circumstances, many other systems are not fully redundant and our disaster recovery or business continuity planning may not be sufficient. Fire, flood, power loss, telecommunications failure, break-ins, earthquakes, acts of war or terrorism, acts of God, computer viruses, electronic intrusion attempts from both external and internal sources and similar events or disruptions may damage or impact or interrupt computer or communications systems or business processes at any time. Although we have put measures in place to protect certain portions of our facilities and assets, any of these events could cause system interruption, delays and loss of critical data, and could prevent us from providing services to our customers and/or third parties for a significant period of time. Remediation may be costly and we may not have adequate insurance to cover such costs. Moreover, the costs of enhancing infrastructure to attain improved stability and redundancy may be time consuming and expensive and may require resources and expertise that are difficult to obtain.

**Our ability to attract, train and retain executives and other qualified employees, particularly highly-skilled IT professionals, is critical to our business and future growth.**

Our business and future success is substantially dependent on the continued services and performance of our key executives, senior management and skilled personnel, particularly personnel with experience in our industry and our information technology and systems. Any of these individuals may choose to terminate their employment with us at any time and we cannot assure you that we will be able to retain these employees or find adequate replacements, if at all. The specialized skills we require can be difficult, time-consuming and expensive to acquire and/or develop and, as a result, these skills are often in short supply. A lengthy period of time may be required to hire and train replacement personnel when skilled personnel depart our company. Our ability to compete effectively depends on our ability to attract new employees and to retain and motivate our existing employees. We may be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the quality of employees that our business requires. Competition for these personnel is intense, and we cannot assure you that we will be able to successfully attract, integrate, train, retain, motivate and manage sufficiently qualified personnel. If we do not succeed in attracting well-qualified employees or retaining or motivating existing employees, our business and prospects for growth could be adversely affected.

In addition, we compete for talented individuals not only with other companies in our industry but also with companies in other industries, such as software services, engineering services and financial services companies, among others, and there is a limited pool of individuals who have the skills and training needed to help us grow our company. High attrition rates of qualified personnel could have an adverse effect on our ability to expand our business, as well as cause us to incur greater personnel expenses and training costs.

Moreover, while we sometimes require our senior management to sign non-compete agreements, typically for a period of one year following termination, we cannot assure you that our former employees will not compete with us in the future. In addition, these non-compete agreements may be difficult to enforce in certain Latin-American jurisdictions.

**We rely on third-party systems and service providers and any disruption or adverse change in their businesses could have a material adverse effect on our business.**

We currently rely on a variety of third-party systems, service providers and software companies, including the GDS and other electronic central reservation systems used by airlines, various channel managing systems and reservation systems used by other suppliers, as well as other technologies used by payment gateway providers. In particular, we rely on third parties for:

- the hosting of our websites;
- certain software underlying our technology platform;
transportation ticketing agencies to issue transportation tickets and travel assistance products, confirmations and deliveries;

• third-party local tour operators to deliver on-site services to our packaged-tour customers;

• assistance in conducting searches for airfares and process air ticket bookings;

• processing hotel reservations for hotels not connected to our management system;

• processing credit card, debit card and net banking payments;

• providing computer infrastructure critical to our business; and

• providing customer relationship management (CRM) services.

Any interruption or deterioration in performance of these third-party systems and services could have a material adverse effect on our business. Further, the information provided to us by certain of these third-party systems may not always be accurate due to either technical glitches or human error, and we may incur monetary and/or reputational loss as a result.

Our success is also dependent on our ability to maintain our relationships with these third-party systems and service providers. In the event our arrangements with any of these third parties are impaired or terminated, we may not be able to find an adequate alternative source of systems support on a timely basis or on commercially reasonable terms, which could result in significant additional costs or disruptions to our business. Any security breach at one of these companies could also affect our customers and harm our business.

We rely on banks or payment processors to collect payments from customers and facilitate payments to suppliers, and changes to credit card association fees, rules or practices may adversely affect our business.

We rely on banks or payment processors to process collections and payments, and we pay a fee for this service. In the countries where we operate, the number of processors is limited so there is little or no competition among processors. From time to time, credit card associations may increase the interchange fees that they charge for each transaction using one of their cards.

For certain payment methods, including credit cards, we pay transaction and other fees, which may increase over time and raise our operating costs, lowering profitability. We rely on third parties to provide payment processing services and it could disrupt our business if these companies become unwilling or unable to provide these services to us. If we fail to comply with these third-party servicers’ rules or requirements, or if our data security systems are breached or compromised (similar to the increase in fraud attempts we experienced in the fourth quarter of 2015 in Brazil), we may be liable for chargebacks, credit card issuing banks’ costs, fines and higher transaction fees and we may lose our ability to accept credit card payments from our customers, process electronic funds transfers, or facilitate other types of online payments. If any of these situations were to occur, our business and results of operations could be adversely affected.

Our business depends on the availability of credit cards and financing options for consumers.

Our business is highly dependent on the availability of credit cards and financing options for consumers. In 2016 and 2015, substantially all our net sales were derived from payments effected through credit cards. Moreover, approximately 54% and 55% of transactions in the six months ended June 30, 2017 and the year ended December 31, 2016, respectively, were paid by installment, using credit cards. As a result, the continued growth of our business is also partially dependent on the expansion of credit card penetration in Latin America, which may never reach a percentage similar to more developed countries for reasons that are beyond our control, such as low credit availability for a significant portion of the population in such countries. The provision of credit cards and other consumer financing depends on the product offerings at local and regional banks operating in the countries we serve. In the past, banking systems in Latin America have suffered disruptions and significantly
limited availability and increased cost of consumer credit. Banks may also change their product offerings that they provide to consumers, or may change the availability or costs of such products, due to credit, regulations or other reasons beyond our control. For example, Argentina recently enacted regulations requiring vendors to disclose to customers the full price of items purchased by installment plan, including implicit financing costs. Furthermore, in Argentina, the rules that govern the credit card business provide for variable caps on the interest rates that financial entities may charge clients and the fees that they may charge merchants. Moreover, general legal provisions exist pursuant to which courts could decrease the interest rates and fees agreed upon by the parties on the grounds that they are excessively high.

We rely on various banks to provide financing to our customers who elect to use an installment plan payment option. Some of our competitors also offer installment plans and may offer installment plans with more attractive terms. If we are not able to offer a competitive selection of installment plan financing at competitive rates, our business and results of operations could be adversely affected. Moreover, our agreements with local banks allow us to offer installment payment plans without assuming collection risk from the customer and receive payment in full (provided we choose not to factor such installment payments). We cannot assure you that local banks will not change their credit practices in the future. If our arrangements with local banks are impaired or terminated, our business and results of operations could be adversely affected.

Furthermore, as secure methods of payment for e-commerce transactions have not been widely adopted in certain emerging markets, consumers and other merchants may have relatively low confidence in the integrity of e-commerce transactions and remote payment mechanisms, which may have a material and adverse effect on our business prospects or limit our growth.

Our business could be negatively affected by changes in search engine algorithms and dynamics or other traffic-generating arrangements.

We increasingly utilize internet search engines such as Google, principally through the purchase of travel-related keywords, to generate a significant portion of the traffic to our websites. Search engines frequently update and change the algorithms that determine the placement and display of results of a user’s search. It is possible that any such update could negatively affect us or may negatively affect us relative to our competitors. We have developed search engine management tools to bid more efficiently on portfolios of travel-related keywords and we have a search engine management team dedicated to reviewing the return of investment of all biddings.

In addition, a significant amount of traffic is directed to our websites through participation in pay-per-click and display advertising campaigns on search engines, including Google, and travel metasearch engines, including TripAdvisor and trivago. A search or metasearch engine could, for competitive or other purposes, adopt emerging technologies, such as voice, or alter its search algorithms or results, any of which could cause us to place lower in search query results, or exclude our website from the search query results. If a major search engine changes its algorithms or results in a manner that negatively affects the search engine ranking, paid or unpaid, of our websites, or if competitive dynamics impact the costs or effectiveness of search engine optimization, search engine marketing or other traffic-generating arrangements in a negative manner, this may have a material and adverse effect on our business and financial performance. In addition, certain metasearch engines have added or may add various forms of direct or assisted booking functionality to their sites. To the extent such functionality is promoted at the expense of traditional paid listings, this may reduce the amount of traffic to our websites or those of our affiliates.

Changes in internet browser functionality could result in a decrease in our overall revenue.

Some of our services and marketing activities rely on cookies, which are placed on individual browsers when users visit websites. We use these cookies to optimize our marketing campaigns, to better understand our users’ preferences and to detect and prevent fraudulent activity. Users can block or delete cookies through their browsers or “adblocking” software or apps. The most common internet browsers allow users to modify their
browser settings to prevent cookies from being accepted by their browsers, or are set to block third-party cookies by default. Increased use of methods, software or apps that block cookies, or diminished interest of users resulting from our use of such marketing activities, may adversely affect our business, financial condition and results of operations.

Our business depends on the continued growth of e-commerce and the availability and reliability of the internet in Latin America.

The market for e-commerce is developing in Latin America. Our future revenue depends substantially on Latin American consumers’ widespread acceptance and use of the internet as a way to conduct commerce. The use of and interest in the internet (particularly as a way to conduct commerce) has grown rapidly since our inception and we cannot assure you that this acceptance, interest and use will continue. For us to grow our user base successfully, more consumers must accept and use new ways of conducting business and exchanging information.

The price of personal computers and/or mobile devices and internet access may limit our potential growth in countries with low levels of internet penetration and/or high levels of poverty. In addition, the infrastructure for the internet may not be able to support continued growth in the number of internet users, their frequency of use or their bandwidth requirements.

The internet could lose its viability due to delays in telecommunications technological developments, or due to increased government regulation. If telecommunications services change or are not sufficiently available to support the internet, response times would be slower, which would adversely affect use of the internet and our service in particular. Moreover, lack of investment in mobile infrastructure in Latin America may limit the expansion of our mobile business, which is one of our key growth strategies.

Growth of e-commerce transactions in Latin America may be impeded by the lack of secure payment methods.

As secure methods of payment for e-commerce transactions have not been widely adopted in Latin America, both consumers and merchants may have a relatively low confidence level in the integrity of e-commerce transactions. Consumer confidence can be adversely affected by incidents of fraud and security breaches, including generally in the marketplace, which is beyond our control. Moreover, although we are PCI DSS certified, most of our suppliers with which we share information are not. The continued growth of e-commerce in the region will depend on consumers’ confidence in the safety of online payment methods.

Our future success depends on our ability to expand and adapt our operations in a cost-effective and timely manner.

We plan to continue to expand our operations by developing and promoting new and complementary services and increasing our penetration in our markets. Moreover, we expect our customer base to expand as income levels and access to internet and banking services, such as credit card issuances, increase in Latin America. We may not succeed at expanding our operations in a cost-effective or timely manner, and our expansion efforts may not have the same or greater overall market acceptance as our current services. Furthermore, any new service that we launch that is not favorably received by consumers could damage our reputation and diminish the value of our brands. To expand our operations we will also need to spend significant amounts on development, operations and other resources, and this may place a strain on our management, financial and operational resources. Similarly, a lack of market acceptance of these services or our inability to generate satisfactory revenue from any expanded services to offset their cost could have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in implementing our growth strategies.

Our growth strategies involve expanding our service and product offerings, enhancing our service platforms and potentially pursuing acquisitions or other strategic opportunities.
Our success in implementing our growth strategies could be affected by:

- our ability to attract customers in a cost-effective manner, including in markets where we have lower brand awareness or operational history;
- our ability to improve the competitiveness of our product offerings including by expanding the number of suppliers and negotiating fares and rates with existing and potential suppliers;
- our ability to market and cross-sell our travel services and products to facilitate the expansion of our business;
- our ability to compete effectively with existing and new entrants to the Latin American travel industry;
- our ability to expand and promote our mobile platform and make it user-friendly;
- our ability to build required technology;
- our ability to expand our businesses through strategic acquisitions and successfully integrate such acquisitions;
- the general condition of the global economy (particularly in Latin America) and continued growth in demand for travel services, particularly online;
- the growth of the internet and mobile technology as a medium for commerce in Latin America; and
- changes in the regulatory environments where we operate.

Many of these factors are beyond our control and we cannot assure you that we will succeed in implementing our strategies. Even if we are successful in executing our growth strategies, our different businesses may not grow at the same rate or with a uniform effect on our revenue and profitability.

**Acquisitions could present risks and disrupt our ongoing business.**

We may seek to undertake strategic acquisitions in the future. We have not undertaken significant acquisitions in the past, and we cannot assure you that we will be successful in identifying opportunities and consummating acquisitions on favorable terms or at all. Depending on the size and timing of an acquisition, we may be required to raise future financing to consummate the acquisition. Moreover, even if we are able to consummate a transaction, acquisitions may involve significant risks and uncertainties, including distraction of management from current operations, difficulties in integration with our existing business and technology, greater than expected liabilities and expenses, inadequate return on capital, and unidentified issues not discovered in our pre-acquisition investigations and evaluations of those strategies and acquisitions.

**If we continue to grow, we may not be able to appropriately manage the increased size of our business.**

We have experienced significant expansion in recent years and anticipate that further expansion will be required to address potential growth in our customer base and market opportunities. This expansion has placed, and is expected to continue to place, significant demands on management and our operational and financial resources.

We must constantly improve our software, technology infrastructure, product offering and human resources to accommodate the increased use of our website. This upgrade process is expensive, and the increasing complexity and enhancement of our website result in higher costs. Failure to upgrade our technology, features, transaction processing systems, security infrastructure, or network infrastructure to accommodate increased traffic or transaction volume or the increased complexity of our website could materially harm our business. Adverse consequences could include unanticipated system disruptions, slower response times, degradation in levels of customer support, impaired quality of users’ experiences with our services and delays in reporting accurate financial information.
Furthermore, we may need to enter into relationships with various strategic partners and other third-party service providers necessary to our business. The increased complexity of managing multiple commercial relationships could lead to execution problems that can affect current and future revenue and operating margins.

Our failure to manage growth effectively could have a material adverse effect on our business, results of operations and financial condition.

Internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain.

Most of the countries where we operate do not have specific laws governing the liability of e-commerce business intermediaries, such as ourselves, for fraud, intellectual property infringement or other illegal activities committed by individual users or third-party infringing content hosted on a provider’s servers. This legal uncertainty allows for different judges or courts to decide very similar claims in different ways and establish contradictory case law.

In addition, we are subject to a variety of laws, decrees and regulations across the countries where we operate that affect e-commerce, electronic or mobile payments, information requirements for internet providers, data collection, data protection, privacy, anti-money laundering, taxation (including VAT or sales tax collection obligations), obligations to provide certain information to certain authorities about transactions which are processed through our platforms or about our users and those regulations applicable to consumer protection and businesses in general. However, it is not clear how existing laws governing issues such as general commercial activities, property ownership, copyrights and other intellectual property issues, taxation (including tax laws that require us to provide certain information about transactions consummated through our platforms or about our users) and personal privacy apply to online businesses. Many of these laws were adopted before the internet was available and, as a result, do not contemplate or address the unique issues of the internet.

Moreover, due to these areas of legal uncertainty, and the increasing popularity and use of the internet and other online services, it is possible that new laws and regulations will be adopted with respect to the internet or other online services. If laws relating to these issues are enacted, they may have a material adverse effect on our business, results of operation and financial condition.

We are subject to laws relating to the collection, use, storage and transfer of personally identifiable information about our users, especially financial information. Several jurisdictions have regulations in this area, and other jurisdictions are considering imposing additional restrictions or regulations. If we violate these laws, which in many cases apply not only to third-party transactions but also to international transfers of information or transfers of information to third parties with which we have commercial relations, we could be subject to significant penalties and negative publicity, which would adversely affect us.

Because our services are accessible worldwide, other foreign jurisdictions may claim that we are required to comply with their laws. Laws regulating internet companies outside of the Latin American jurisdictions where we operate may be more restrictive to us than those in Latin America. In order to comply with these laws, we may have to change our business practices or restrict our services. We could be subject to penalties ranging from criminal prosecution, significant fines or outright bans on our services for failure to comply with foreign laws.

We process, store and use personal information, card payment information and other consumer data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations.

We acquire personal or confidential information from users of our website and mobile applications. There are numerous laws regarding privacy and the storing, sharing, use, processing, transfer, disclosure and protection of personal information, card payment information and other consumer data, the scope of which are changing.
subject to differing interpretations, and may be inconsistent between countries or conflict with other rules. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection. It is possible, however, that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or the practices of the company. Any failure or perceived failure by us, or our service providers, to comply with the privacy policies, privacy-related obligations to users or other third parties, or privacy related legal obligations, or any compromise of security that results in the unauthorized release or transfer of personally identifiable information, payment card information or other consumer data, may result in governmental enforcement actions, litigation or public statements against the company by consumer advocacy groups or others and could cause our customers and members to lose trust in the company, as well as subject us to bank fines, penalties or increased transaction costs, all of which could have an adverse effect on our business.

The regulatory framework for privacy issues is currently in flux and is likely to remain so for the foreseeable future. Practices regarding the collection, use, storage, transmission and security of personal information by companies operating over the internet have recently come under increased public scrutiny. Countries in Latin America are increasingly implementing new privacy regulations, resulting in additional compliance burdens and uncertainty as to how some of these laws will be interpreted.

**Application of existing tax laws or regulations are subject to interpretation by taxing authorities.**

The application of income and non-income tax laws and regulations to our products and services is subject to interpretation by the applicable taxing authorities across the multiple jurisdictions in which we operate our business. For example, in Brazil we are subject to corporate income tax (IRPJ), social contribution on net profits (CSLL), social contribution on total revenue (PIS and COFINS), withholding taxes, to a municipal tax on services (ISS). In Argentina, we are subject to income tax, value added tax, and turnover tax. In both countries, we are subject to transfer pricing rules applicable to cross-border operations with related parties or parties in tax havens or subject to privileged fiscal regimes. These taxing authorities may become more aggressive in their interpretation and/or enforcement of such laws and regulations over time, as governments are increasingly focused on ways to increase revenue. This may contribute to an increase in audit activity and harsher stances by tax authorities. As such, additional taxes or other assessments may be in excess of our current tax reserves or may require us to modify our business practices to reduce our exposure to additional taxes going forward, any of which could have a material adverse effect on our business, financial condition and results of operations.

While we believe we currently comply in all material respects with applicable tax laws and regulations in the jurisdictions we operate, tax authorities may determine that we owe additional taxes. Moreover, we may have historical tax contingencies across multiple jurisdictions, and while we have made provisions for those contingencies which we considered probable, the amount of total contingencies may exceed our provisions. We estimate that as of June 30, 2017 we have approximately $34 million of unasserted possible losses, including related to taxes, for which we have not recorded provisions. In accordance with U.S. GAAP, we record provisions for contingencies based on probable loss or when otherwise required under accounting rules, but we do not record provisions for possible and remote losses.

Significant judgment and estimation is required in determining our tax liabilities. In the ordinary course of our business, there are transactions and calculations, including intercompany transactions and cross-jurisdictional transfer pricing, for which the ultimate tax determination may be uncertain or otherwise subject to interpretation. Tax authorities may disagree with our intercompany charges, including the amount of or basis for such charges, cross-jurisdictional transfer pricing or other matters, and assess additional taxes. Although we believe our tax estimates are reasonable, the final determination of tax audits could be materially different from our historical income tax provisions and accruals, in which case we may be subject to additional tax liabilities, possibly including interest and penalties, which could have a material adverse effect on our cash flows and results of operations. Moreover, we have in the past and may in the future be required in certain jurisdictions to pay any such tax assessments prior to contesting their validity, which payments may be substantial.

29
Amendment to existing tax laws or regulations or enactment of new unfavorable tax laws or regulations could adversely affect our business and results of operations.

Many of the underlying laws or regulations imposing taxes and other obligations were established before the growth of the internet and e-commerce. If the tax or other laws or regulations were amended, or if new unfavorable laws or regulations were enacted, our tax payments or other obligations could increase, prospectively or retrospectively, subject us to interest and penalties, increase the demand for our products and services if we pass on such costs to our customers, result in increased costs to update or expand our technical or administrative infrastructure, or effectively limit the scope of our business activities if we decided not to conduct business in particular jurisdictions. As a result, these changes could have an adverse effect on our business, financial condition or results of operations.

Governments could adopt tax laws that increase our tax rate or tax liabilities or affect the carrying value of deferred tax assets or liabilities, including the termination of tax-free incentives or termination of treaties for the avoidance of double taxation. Any changes to tax laws could impact the tax treatment of our earnings and adversely affect our profitability. Our effective tax rate in the future could also be adversely affected by changes to our operating structure, changes in the mix of earnings in countries with differing statutory tax rates, or changes in the valuation of deferred tax assets and liabilities. Moreover, our results of operations and financial condition may be affected if certain beneficial tax incentives are not retained or renewed.

We are subject to anti-corruption and economic sanctions laws and regulations in the jurisdictions in which we operate, including the U.S. Foreign Corrupt Practices Act and regulations administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control. Failure to comply with these laws and regulations could negatively impact our business, our results of operations, and our financial condition.

We are subject to a number of anti-corruption and economic sanctions laws and regulations, including the U.S. Foreign Corrupt Practices Act (“FCPA”) and regulations administered and enforced by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”). Failure to comply with these laws and regulations could negatively impact our business, our results of operations, and our financial condition.

The FCPA and similar anti-bribery laws generally prohibit companies and their intermediaries from making improper payments or improperly providing anything of value to foreign officials, directly or indirectly, for the purpose of obtaining or keeping business and/or other benefits. The FCPA also requires maintenance of adequate record-keeping and internal accounting practices to accurately reflect transactions. Under the FCPA, companies operating in the United States may be held liable for actions taken by their strategic or local partners or representatives. Other jurisdictions in which we operate have adopted similar anti-corruption, anti-bribery and anti-kickback laws to which we are subject.

Economic sanctions and embargo laws and regulations, such as those administered and enforced by OFAC, vary in their application, as they do not all apply to the same covered persons or proscribe the same activities, and such sanctions and embargo laws and regulations may be amended or strengthened over time. Although we believe that we are in compliance with all applicable sanctions and embargo laws and regulations, and intend to maintain such compliance, there can be no assurance that we will be in compliance in the future, particularly as the scope of certain laws may be unclear and may be subject to changing interpretations.

Civil and criminal penalties may be imposed for violations of these laws. We operate in some countries which are viewed as high risk for corruption and/or economic sanctions issues. Despite our ongoing efforts to ensure compliance with the FCPA and similar laws, and economic sanctions laws and regulations, there can be no assurance that our directors, officers, employees, agents, and third-party intermediaries will comply with those laws and our policies, and we may be ultimately held responsible for any such non-compliance. If we or our directors or officers violate such laws or other similar laws governing the conduct of our business (including local laws), we or our directors or officers may be subject to criminal and civil penalties or other remedial
We are, and may be in the future, involved in various legal proceedings, the outcomes of which could adversely affect our business and results of operations.

We are, and may be in the future, involved in various legal proceedings relating to allegations of our failure to comply with consumer protection, labor, tax or antitrust regulations, that could involve claims or sanctions for substantial amounts of money or for other relief or that might necessitate changes to our business or operations.

Our websites contain information about hotels, flights, popular vacation destinations and other travel-related topics. It is possible that if any information, accessible on our websites, contains errors or false or misleading information, third parties could take action against us for losses incurred in connection with the use of such information. In addition, because consumer protection laws in many of our markets provide for joint liability, customers may bring claims against us for a failure or deficiencies in the provision of a travel product or service by one of our suppliers that is outside of our control.

The defense of any of these actions is, and may continue to be, both time-consuming and expensive. We cannot assure you that we will prevail in these legal proceedings or in any future legal proceedings and if such disputes were to result in an unfavorable outcome, it could result in reputational damage and have a material adverse effect on our business, financial condition and results of operations. For a discussion of certain key legal proceedings relating to us, see “Business — Legal and Regulatory—Legal Proceedings.”

We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.

Our websites and mobile applications rely on brands, domain names, technology and content. We protect our brands and domain names by relying on trademark and domain name registration in accordance with laws in Latin America. We have also entered into confidentiality and invention assignment agreements with our employees and certain contractors, as well as confidentiality agreements with certain suppliers and strategic partners, in order to protect our technology and content. We own our technology platform, which is comprised of applications that we develop in-house using primarily open source software. We have not registered our technology, however, because we believe it would be difficult to replicate and that it is adequately protected by the agreements we have in place. Additionally, our technology is constantly evolving and any registration may run the risk of protecting outdated technology. Effective trademark protection may not be available in every jurisdiction in which our services are made available, and policing unauthorized use of our intellectual property is difficult and expensive. Any misappropriation or violation of our rights could have a material adverse effect on our business.

Furthermore, we may need to go to court or other tribunals to enforce our intellectual property rights or to determine the validity and scope of the proprietary rights of others. These proceedings might result in substantial costs and diversion of resources and management attention.

We currently license from third parties some of the technologies, trademarks and content incorporated into our websites. As we continue to introduce new services that incorporate new technologies, third parties’ trademarks and content, we may be required to license additional technologies, third parties’ trademarks and content. We cannot be sure that such technologies and content licenses will be available on commercially reasonable terms, if at all.

Third parties may assert that our services, products and technology, including software and processes, violate their intellectual property rights. As competition in our industry increases and the functionality of
technology offerings further overlaps, such claims and counterclaims could increase. We cannot assure you that we do not or will not inadvertently infringe on the intellectual property rights of third parties. Any intellectual property claim against us, regardless of its merit, could have an adverse effect on our business, financial condition and results of operations and could be expensive and time consuming to defend. Our failure to prevail in such matters could result in loss of intellectual property rights, judgments awarding substantial damages and injunctive or other equitable relief against us, or require us to delay or cease offering services or reduce features in our services.

**Increased labor costs, compliance with labor laws and regulations and failure to maintain good relations with labor unions may adversely affect our results of operations.**

We are required to comply with extensive labor regulations in each of the countries in which we have employees, including with respect to wages, social security benefits and termination payments. If we fail to comply with these regulations we may face labor claims and government fines.

In the past, governments from certain countries in which we operate, including Argentina, have adopted laws, regulations and other measures requiring companies in the private sector to increase wages and provide specified benefits to employees. We cannot assure you that these governments will not do so again in the future.

In addition, some of our employees in Argentina, Brazil and certain other countries are currently represented by labor unions. We may face pressure from our labor unions or otherwise to increase salaries. In Argentina, for example, employers in both the public and private sectors have historically experienced, and are currently experiencing, significant pressure from unions and their employees to further increase salaries due to the devaluation of the peso and high inflation. The INDEC published data regarding the evolution of salaries in the private and public sectors in Argentina, which reflects approximately 32.9% and 32.6% salary increase in the private and public sectors, respectively, for the period from November 2015 through December 2016 and approximately 13.9% and 12.6% salary increase in the private and public sectors, respectively, for the first half of 2017. Due to high levels of inflation and full employment in the tech industry, we expect to continue to raise salaries. If future salary increases in the Argentine peso or the currencies of other countries in which we have employees exceed the pace of the devaluation of those currencies, such salary increases could adversely affect our business, results of operations and financial condition.

Moreover, while we have enjoyed satisfactory relationships with labor unions that represent our employees, labor-related disputes may still arise. Labor disputes that result in strikes or other disruptions could adversely affect our business, financial condition and result of operations.

**A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, results of operations or business growth.**

We have been subject, and we will likely be subject in the future, to inquiries from time to time from regulatory bodies concerning compliance with consumer protection, tax, labor, antitrust and travel industry-specific laws and regulations.

Such inquiries include investigations and legal proceedings relating to the travel industry and, in particular, parity provisions in contracts between hotels and travel companies, including us. A Brazilian hotel sector association (Forum de Operadores Hoteleiros do Brasil) filed a complaint with the Brazilian Administrative Council for Economic Defense (“CADE”) against us, Booking.com, and Expedia, in July 2016 with respect to parity provisions in contracts between hotels and travel companies. In September 2016, we submitted our response to the complaint to CADE. However, this administrative inquiry before CADE is still ongoing. See “Business—Legal and Regulatory—Legal Proceedings” for more information. We are unable at this time to predict the timing or outcome of these various investigations and lawsuits, including the CADE proceedings discussed above, or similar future investigations or lawsuits, and their impact, if any, on our business and results of operations. Parity provisions are significant to our business model, and their removal or modification may adversely affect our business, financial condition and results of operations.
The failure of our businesses to comply with these laws and regulations could result in fines and/or proceedings against us by governmental agencies and/or consumers, which if material, could adversely affect our business, financial condition and results of operations. Further, if such laws and regulations are not enforced equally against other competitors in a particular market, our compliance with such laws may put us a competitive disadvantage vis-à-vis competitors which do not comply with such requirements.

Complaints from customers or negative publicity about our services can diminish consumer confidence and adversely affect our business.

Because volume and growth in the number of new customers are key drivers of our revenue and profitability, customer complaints or negative publicity about our customer service could severely diminish consumer confidence in and use of our services. Measures we sometimes take to combat risks of fraud and breaches of privacy and security can damage relations with our customers. To maintain good customer relations, we need prompt and accurate customer service to resolve irregularities and disputes. Effective customer service requires significant personnel expense and investment in developing programs and technology infrastructure to help customer service representatives carry out their functions. These expenses, if not managed properly, could significantly impact our profitability. Failure to manage or train our customer service representatives properly could compromise our ability to handle customer complaints effectively. If we do not handle customer complaints effectively, our reputation and brand may suffer and we may lose our customers’ confidence.

Consumer adoption and use of mobile devices creates new challenges.

Widespread adoption of mobile devices, coupled with the web browsing functionality and development of apps available on these devices, is driving substantial online traffic and commerce to mobile platforms. We have experienced a significant shift of business to mobile platforms and our suppliers are also seeing a rapid shift of traffic to mobile platforms. Many of our competitors and new market entrants are offering mobile apps for travel products and other functionality, including proprietary last-minute discounts for accommodation reservations. Advertising and distribution opportunities may be more limited on mobile devices given their smaller screen sizes. The average price of travel products purchased in mobile transactions may be less than a typical desktop transaction due to different consumer purchasing patterns. Further, given the device sizes and technical limitations of tablets and smartphones, mobile consumers may not be willing to download multiple apps from multiple companies providing a similar service and instead prefer to use one or a limited number of apps for their mobile travel activity. As a result, the consumer experience with mobile apps as well as brand recognition and loyalty are likely to become increasingly important. Our mobile offerings drive a material and increasing share of our business. We believe that mobile bookings present an opportunity for growth and are necessary to maintain and grow our business as consumers increasingly turn to mobile devices instead of a desktop computer. As a result, it is increasingly important for us to develop and maintain effective mobile apps and websites optimized for mobile devices to provide consumers with an appealing, easy-to-use mobile experience. If we are unable to continue to innovate rapidly and create new, user-friendly and differentiated mobile offerings and advertise and distribute on these platforms efficiently and effectively, or if our mobile offerings are not used by consumers, we could lose considerable market share to existing competitors or new entrants and our business, financial condition and results of operations could be adversely affected.

Moreover, we are dependent on the compatibility of our app with popular mobile operating systems that we do not control, such as Android and iOS, and any changes in such systems that degrade our products’ functionality or give preferential treatment to competitive products could adversely affect the usage of our app on mobile devices. Additionally, in order to deliver high quality mobile products, it is important that our products work well with a range of mobile technologies, systems, networks, and standards that we do not control. We may not be successful in developing relationships with key participants in the mobile industry or in developing products that operate effectively with these technologies, systems, networks, or standards. In the event that it is more difficult for our users to access and use our app on their mobile devices, or if our users choose not to access or use our app on their mobile devices or use mobile products that do not offer access to our app, our user growth and user engagement could be harmed.
We rely exclusively on Expedia for the hotel and other lodging products that we offer for all countries outside Latin America.

The hotel and other lodging products that we offer through our platform for all the countries outside Latin America are provided to us exclusively by affiliates of Expedia pursuant to the Expedia Outsourcing Agreement. In addition, Expedia is the preferred provider to us of hotel and other lodging products in Latin America. For more information on our relationships with Expedia, see “Business—Material Agreements,” “Principal and Selling Shareholders” and “Certain Relationships and Related Person Transactions.”

If Expedia’s affiliates cease to provide us with their hotel and other lodging products, we may be unable to offer these products to our users for some time and it might be difficult for us to replace this supply in the short term, which would negatively affect our business, financial condition and results of operations. The Expedia Outsourcing Agreement may be terminated by Expedia, and we may be required to pay a $125.0 million termination payment, if we do not meet certain minimum performance requirements or if the termination by Expedia is for our material breach of certain terms under the Expedia Outsourcing Agreement or our Shareholder Agreements. In addition, Expedia may unilaterally terminate the Expedia Outsourcing Agreement in the event of a change of control of our Company.

Moreover, if the hotel and other lodging products provided by Expedia were to suffer a deterioration in scale or quality, or if their pricing were not attractive, the products and services that we offer to our users would be adversely affected. The Expedia Outsourcing Agreement may be terminated by us unilaterally beginning from March 6, 2022 upon payment of a $125.0 million termination payment to Expedia. Consequently, if a deterioration in the scale or quality of the products and services provided exclusively to us by affiliates of Expedia were to occur, or if their pricing were not attractive, it could be difficult for us to terminate the Expedia Outsourcing Agreement.

We may experience constraints in our liquidity and may be unable to access capital when necessary or desirable, either of which could adversely affect our financial condition.

Although we believe we have a sufficient level of cash and cash equivalents to cover our working capital needs in the ordinary course of business, we may, from time to time, explore additional financing sources and means to improve our liquidity and lower our cost of capital, which could include equity, equity-linked and debt financing and factoring activities. In addition, from time to time, we review acquisition and investment opportunities to further implement our business strategy and may fund these investments with bank financing, the issuance of debt or equity or a combination thereof.

The availability of financing depends in significant measure on capital markets and liquidity factors over which we exert no control. In light of periodic uncertainty in the capital and credit markets, we can provide no assurance that sufficient financing will be available on desirable or even any terms to improve our liquidity, fund investments, acquisitions or extraordinary actions or that our counterparties in any such financings would honor their contractual commitments, which in turn could negatively affect our business, results of operations and financial condition. In addition, if we raise funding through the issuance of new equity or equity-linked securities, it would dilute the percentage ownership of our then existing shareholders.

Our business experiences seasonal fluctuations and quarter-to-quarter comparisons of our results may not be meaningful.

Our business experiences fluctuations, reflecting seasonal variations in demand for travel services. For example, bookings for vacation and leisure travel are generally higher during the fourth quarter, although we have historically recognized more revenue associated with those bookings in the first quarter of each year. As a result, quarter-to-quarter comparisons of our results may not be meaningful. Moreover, seasonal fluctuations in our results of operations could result in declines in our share price that are not related to the overall performance and prospects of our business.
The use of derivative financial instruments may adversely affect our results of operations, particularly in a volatile and uncertain market.

From time to time, we enter into derivative transactions to manage our risks associated with currency exchange rates and interest rates. Significant changes may occur in our portfolio of derivative instruments due to increasing volatility and the fluctuation of the currencies of certain countries where we operate, including Brazil and Argentina, against the dollar and volatility in the relevant interest rates, and we may incur net losses from our derivative financial instruments. The fair value of the derivative instruments fluctuates over time as a result of the effects of future interest rates and exchange rates. These values must be analyzed in connection with the underlying transactions and as a part of our total average exposure to interest rate and exchange rate fluctuations. It is difficult to predict the magnitude of the risk resulting from derivative instruments because the appreciation is imprecise and variable. We may be adversely affected by our derivative financial positions.

Risks Related to Latin America

Latin American countries are subject to political and social instability.

Political and social developments in Latin America, including government deadlock, instability, civil strife, terrorism, high levels of crime, expropriations and other risks of doing business in Latin America could impact our business, financial condition and results of operations.

For example, recently in Brazil as a result of the ongoing Lava Jato investigation, a number of senior politicians have resigned or been arrested and other senior elected officials and other public officials are being investigated for allegations of unethical and illegal conduct. On August 31, 2016, the Brazilian Senate impeached President Rousseff for violations of fiscal responsibility laws and the then-Vice-President Temer assumed office to complete the remainder of the presidential mandate. The development of the investigations conducted by the Federal Police Department and the General Federal Prosecutor’s Office has increased uncertainty with respect to the future prospects of the Brazilian economy. Although the Brazilian Superior Electoral Court (Tribunal Superior Eleitoral) in a 4 to 3 vote has recently acquitted former President Rousseff and President Temer of charges of illegal campaign financing that could annul the presidential election that took place in 2014 and ultimately could require President Temer to vacate the presidential office, this decision may still be appealed to the Brazilian Supreme Court (Supremo Tribunal Federal). Furthermore, in June 2017, President Temer was indicted on corruption charges which, in August 2017, were rejected by the House of Representatives (Câmara dos Deputados) and, therefore, the proceeding is suspended and may only continue when Temer ceases to be President. In addition, in July 2017, former President Luiz Inácio Lula da Silva was convicted of corruption and money laundering by a lower federal court in the State of Paraná in connection with Operation Car Wash (Lava Jato), which decision may be appealed. This is the first decision convicting President Lula; however, there are four other ongoing criminal procedures involving him before lower courts regarding different allegations. We cannot predict the outcome of recent political uncertainty in Brazil and its future effects on the Brazilian economy.

In Argentina, during 2001 and 2002, the country experienced social and political turmoil, including the resignation of President De la Rúa, riots, looting, protests, strikes and street demonstrations. Also, in the past decade, the prior Argentine administration nationalized or announced plans to nationalize certain industries and expropriate private sector companies and property. In December 2008, the Argentine government transferred approximately AR$94.4 billion ($29.3 billion) in assets held by the country’s private Administradoras de Fondos de Jubilaciones y Pensiones (pension fund management companies, or “AFJPs”) to the government-run social security agency (“ANSES”). AFJPs were the largest participants in the country’s local capital market. With the nationalization of their assets, the local capital market decreased in size and became substantially concentrated. In addition, the Argentine government became a significant shareholder in many of the country’s public companies, including YPF S.A., the main Argentine oil and gas company, in which the majority of the capital stock was expropriated from the Spanish company Repsol, S.A. in 2012. Argentina holds mid-term congressional elections in October 2017 and we cannot assure you what the impact of the results of these elections will be on Argentine political and economic conditions.
Although political and social conditions in one country may differ significantly from another country, events in any of our key markets could adversely affect our business, financial conditions or results of operations.

Latin American countries have experienced periods of adverse macroeconomic conditions.

Our business is dependent upon economic conditions prevalent in Latin America. Latin American countries have historically experienced economic instability, including uneven periods of economic growth as well as significant downturns. As a consequence of economic conditions in global markets and lower commodity prices and demand for commodities, many of the economies of Latin American countries have recently slowed their rates of growth, and some have entered recessions.

For example, in Brazil real GDP shrank by 3.8% in 2015 and 3.6% in 2016. In addition, the credit rating of the Brazilian federal government was downgraded in 2015 and 2016 by all major credit rating agencies and is no longer investment grade.

Argentina during 2001 and 2002 underwent a period of severe political, economic and social crisis with real GDP contracting 10.9% in 2002. Among other consequences, the crisis resulted in the Argentine government defaulting on its foreign debt obligations, a significant devaluation of the Argentine peso, the introduction of emergency measures and numerous changes in regulations and economic policies, which in turn caused numerous Argentine private sector companies to default on their outstanding debt. More recently, according to INDEC, Argentina’s real GDP decreased by 2.3% in 2016, after growing 2.4% in 2015.

Since our business is dependent on discretionary consumer spending, which is influenced by general economic conditions, any prolonged economic downturn in any of our key markets could have adverse effects on our business, financial condition and results of operations.

Latin American governments have exercised and continue to exercise significant influence over their economies.

Governments in Latin America frequently intervene in the economies of their respective countries and occasionally make significant changes in policy and regulations. Governmental actions have often involved, among other measures, nationalizations and expropriations, price controls, currency devaluations, mandatory increases on wages and employee benefits, capital controls and limits on imports. Our business, financial condition and results of operations may be adversely affected by changes in government policies or regulations, including such factors as exchange rates and exchange control policies; inflation control policies; price control policies; consumer protection policies; import duties and restrictions; liquidity of domestic capital and lending markets; electricity rationing; tax policies, including tax increases and retroactive tax claims; and other political, diplomatic, social and economic developments in or affecting the countries where we operate.

In the future, the level of intervention by Latin American governments may continue or increase. We cannot assure you that these or other measures will not have a material adverse effect on the economy of each respective country and, consequently, will not adversely affect our business, financial condition and results of operations.

Inflation, and government measures to curb inflation, may adversely affect Latin American economies.

Many of the countries in which we operate have experienced, or are currently experiencing, high rates of inflation.

For example, the inflation rate in Brazil, as reflected by the Broad Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo , or “IPCA”), published by the Brazilian Institute for Geography and Statistics (Instituto Brasileiro de Geografia e Estatística , or “IBGE”), was 6.41% in 2014, 10.67% in 2015, 6.29% in 2016 and 1.18% in the first six months of 2017.
In Argentina, inflation has materially undermined the economy and the government’s ability to foster conditions that permit stable growth. The Consumer Price Index (Índice de Precios al Consumidor de la Ciudad de Buenos Aires or “IPCBA”) measured by the City of Buenos Aires (national statistical data was not available in Argentina from December 2015 to June 2016) showed an increase 26.9% in 2015 and 41% in 2016. According to measurements from INDEC of the national consumer price index, inflation for the first nine months of 2015 was 10.7%, for the period from May to December 2016 was 15.8%, and for the first six months of 2017 was 11.8%. Moreover, from December 2015 to January 2016, the new administration declared the national statistics agency, i.e., the INDEC, in state of administrative emergency and announced the implementation of certain methodological reforms and adjustment of certain macroeconomic statistics on the basis of these reforms. Despite these reforms that have been approved by the IMF, there remains uncertainty as to whether official data and measurement procedures sufficiently reflect inflation in the country, and what effect these reforms will have on the Argentine economy.

The measures taken by the governments of these countries to control inflation have often included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and retarding economic growth. Inflation, measures to combat inflation and public speculation about possible additional actions have contributed materially to economic uncertainty in many of these countries.

Inflation is also likely to increase some of our costs and expenses, including labor costs, which we may not be able to fully pass on to our customers, which could adversely affect our business, financial condition and results of operations.

Exchange rate fluctuations against the dollar in the countries in which we operate could negatively affect our results of operations.

Local currencies used in the conduct of our business are subject to depreciation and volatility. The currencies of many countries in Latin America have experienced significant volatility in the past, particularly against the dollar.

For example, the Brazilian real has historically experienced frequent, sometimes significant, fluctuations relative to the dollar. The real depreciated 47% in 2015, appreciated 17% in 2016 and depreciated 2% in the six months ended June 30, 2017, based on official exchange rates as reported by the Brazilian Central Bank. In addition, the Argentine peso has also suffered significant devaluations against the dollar. The Argentine peso depreciated 52% against the dollar in 2015, primarily after the lifting of certain foreign exchange restrictions in the month of December, depreciated 17% against the dollar in the year ended December 31, 2016 and depreciated 6% against the dollar in the six months ended June 30, 2017.

We are subject to foreign currency exchange controls in certain countries in which we operate.

Certain Latin American economies have experienced shortages in foreign currency reserves and their respective governments have adopted restrictions on the ability to transfer funds out of the country and convert local currencies into dollars.

For example, Brazilian law provides that whenever there is a serious imbalance in Brazil’s balance of payments or reason to foresee a serious imbalance, the Brazilian government may impose temporary restrictions on the remittance to foreign investors of the proceeds of their investments in Brazil.

Argentina in 2001 and 2002 imposed exchange controls and transfer restrictions substantially limiting the ability of companies to make payments abroad. Since the last quarter of 2011, the Argentine government increased controls on the sale of foreign currency and the acquisition of foreign assets by local residents, limiting the possibility of transferring funds abroad. In December 2015, the new administration lifted several exchange control restrictions, and in August 2016, the Argentine Central Bank issued new regulations which repealed most
of the restrictions for the purchase of foreign currency and the inflow and outflow of funds from Argentina, providing greater flexibility and access to the Argentine official foreign exchange market (the “MULC” for its acronym in Spanish or the “FX Market”). Furthermore, on May 19, 2017, the Central Bank issued new regulations regarding access to the foreign exchange market essentially abrogating all prior regulations and restrictions.

We cannot assure you that foreign exchange controls in Brazil, Argentina or any other country where we operate, may not reemerge or worsen in the future to prevent capital flight, counter a significant depreciation of the Brazilian real, Argentine peso or other currency, or address other unforeseen circumstances. Additional controls could have a negative effect on the ability of our operating entities in the affected country to access the international credit or capital markets.

Any shortages or restrictions on the transfer of funds from abroad may impede our ability to convert these currencies into dollars and to transfer funds, including for the payment of dividends or debt. Moreover, such restrictions limit our ability to use funds for operating purposes in other countries. Consequently, if we are prohibited from transferring funds out of the countries in which we operate, our business, financial condition and results of operations could be adversely affected. For a discussion of certain foreign exchange regulations applicable to us, see “Exchange Rates.”

Developments in other markets may affect Latin America.

The market value of companies like us may be, to varying degrees, affected by economic and market conditions in other global markets. Various Latin American economies have been adversely impacted by the political and economic events that occurred in several emerging economies in recent times, including Mexico in 1994, the collapse of several Asian economies between 1997 and 1998, the economic crisis in Russia in 1998, the Brazilian devaluations in January of 1999 and 2002 and the Argentine crisis of 2001 and 2012. In addition, Latin American economies have been adversely affected by events in developed countries, such as the 2008 and 2009 global financial crisis that arose in the United States.

As of the date of this prospectus, recent global developments have occurred in the world which could impact the economies of the Latin American countries in which we operate and consequently have an adverse effect on our business, financial condition and the results of operations, such as any new restrictions on travel, immigration or trade.

Developments of a similar magnitude to the international markets in the future can be expected to adversely affect the economies of Latin American countries and, therefore, us.

Risks Related to this Offering and our Ordinary Shares

There has been no prior market for our ordinary shares and an active trading market for our ordinary shares may not develop.

Prior to this offering, there has been no public market for our ordinary shares. Although we anticipate that our ordinary shares will be approved for listing on the New York Stock Exchange, we cannot assure you that an active public market will develop or be sustained after this offering or that investors will be able to sell the ordinary shares should they desire to do so. We and the selling shareholders will negotiate with the representatives of the underwriters to determine the initial public offering price, and it may bear no relationship to the price at which the ordinary shares will trade upon completion of this offering.
The price of our ordinary shares may fluctuate significantly and your investment may decline in value.

The price of our ordinary shares may fluctuate significantly in response to factors, many of which are beyond our control, including those described above under “—Risks Related to our Business” and “—Risks Related to Latin America.” The stock markets in general, and the shares of emerging market and technology companies in particular, have experienced price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that any trading price or valuation will be sustained. These factors may materially and adversely affect the market price of our ordinary shares, which may limit or prevent investors from readily selling our ordinary shares and may otherwise affect liquidity, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our ordinary shares. Following periods of volatility in the market price of a company’s securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management’s attention and resources, which would have a material adverse effect on our business, financial condition and results of operation.

Future sales of our ordinary shares by significant shareholders, or the perception in the public market that these sales may occur, could cause our stock price to decline.

If our significant shareholders sell, or indicate an intent to sell, substantial amounts of our ordinary shares in the public market, after the 180-day contractual lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our ordinary shares could decline significantly and could decline below the initial public offering price. We cannot predict the effect, if any, that public sales of these ordinary shares or the availability of these ordinary shares for sale will have on the market price of our ordinary shares. After giving effect to this offering, we will have ordinary shares outstanding, or ordinary shares if the underwriters exercise their over-allotment option in full.

Our executive officers, directors and substantially all of our existing shareholders have executed lock-up agreements preventing them from selling any ordinary shares held by them prior to this offering (other than ordinary shares to be sold in the offering by the selling shareholders) for a period of 180 days from the date of this prospectus, subject to certain limited exceptions and extensions described under the section titled “Underwriting.” However, Morgan Stanley & Co. LLC and Citigroup Global Markets Inc., in their sole discretion, may permit our executive officers, directors and shareholders to sell shares prior to the expiration of these lock-up agreements.

The ordinary shares offered in this offering will be freely tradable without restriction under the Securities Act, except for any of our ordinary shares purchased by directors and officers and certain other persons (but excluding our other employees) participating in our directed share program which are subject to a 180-day lock-up period, and any of our ordinary shares held by our “affiliates”, as that term is defined in the Securities Act, which will be restricted securities under the Securities Act. Restricted securities may not be sold unless the sale is registered under the Securities Act, other than if an exemption from registration is available. See “Shares Eligible for Future Sale” for a more detailed description of the restrictions on selling our ordinary shares after this offering. Certain of our shareholders have demand and/or piggyback registrations rights which may enable them to sell some or all of their ordinary shares in a public offering in the United States registered under the Securities Act. For more information, see “Principal and Selling Shareholders.”

If our significant shareholders sell substantial amounts of our ordinary shares in the public market, or if the public perceives that such sales could occur, this could significantly harm the market price of our ordinary shares, even if there is no relationship between such sales and the performance of our business.
The strategic interests of our significant shareholders may, from time to time, differ from, and conflict with, our interests and the interests of our other shareholders.

Following this offering, affiliates of Tiger Global will continue to hold % of our outstanding ordinary shares (assuming the underwriters do not exercise their over-allotment option). If affiliates of Tiger Global and/or other investors acquire or continue to own and control, directly or indirectly, a substantial portion of our voting share capital, even if their respective interests represent less than a majority of our total voting share capital, such shareholders may be able to exert influence over decisions at both the shareholder and board level of our Company. For more information, see “Principal and Selling Shareholders.”

The strategic interests of Tiger Global and the strategic interests of other significant shareholders, including Expedia, may differ from, and conflict with, our interests and the interests of our other shareholders in material respects. In addition, our amended and restated memorandum and articles of association to be adopted immediately prior to our initial public offering (our “IPO memorandum and articles of association”) will provide that Expedia and any of our directors affiliated with Expedia will not have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate.

For example, Tiger Global is in the business of making investments in companies and owns and may, from time to time, acquire or sell interests in businesses that directly or indirectly compete with certain areas of our business or that are our suppliers. In addition, Tiger Global may pursue acquisition opportunities that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Additionally, Expedia also competes in the global travel industry, and also acts as a supplier to us and certain of our competitors. For a further description of our relationship with Expedia, see “Business—Material Agreements,” “—Risks Related to our Business—We rely exclusively on Expedia for the hotel and other lodging products that we offer for all countries outside Latin America,” and “Description of Our Share Capital—Differences in Corporate Law—Conflict of Interest.”

We cannot assure you that the actions of Tiger Global and other significant shareholders, including Expedia, will not conflict with our interests or the interests of our other shareholders.

We have not determined any specific use for our net proceeds from this offering and we may use the proceeds in ways with which you may not agree.

The principal purposes of this offering are to increase our financial flexibility and create a public market for our ordinary shares, and we intend to use the net proceeds that we receive from this offering for general corporate purposes including potential acquisitions or other strategic opportunities in the future. We have not allocated our net proceeds from this offering to any particular purpose. Rather, our management will have considerable discretion in the application of the net proceeds that we received. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. You must rely on the judgment of our management regarding the application of the net proceeds of this offering. Our net proceeds may be used for corporate purposes that do not improve our profitability or increase our share price. In addition, net proceeds we receive from this offering may be placed in investments that do not produce income or that lose value.

Investors should not unduly rely on market information included in this prospectus.

Facts, statistics, forecasts and other information included in this prospectus relating to the Latin America travel and e-commerce markets are derived from various sources, including independent consultant reports, publicly available information, industry publications, official government information and other third-party sources, as well as internal data and estimates. Although we believe that this information is reliable, the information has not been independently verified by us. Additionally, we cannot assure you that the market data included in this prospectus is compiled or stated on the same basis as may be the case in the United States or elsewhere, particularly as the publication of certain market data for the Latin American region may be relatively newer than in the United States or elsewhere.
In addition, certain data related to the Latin American travel market and the Latin American online travel market includes the purchase of hotel and other travel products by inbound travelers traveling to Latin America, as well as corporate travel. Our customer base, however, is primarily comprised of consumers from Latin America traveling for leisure domestically within their own country of origin, to other countries in the Latin American region, and outside of Latin America. Market data related solely to the travel trends of Latin American consumers is limited. As a result, certain market data included in this prospectus is being provided to investors to give a general sense of the trends of our industry but such market data does not capture the trends of only our targeted customers.

Accordingly, investors should not place undue reliance on the market information included in this prospectus.

We will be a foreign private issuer under U.S. securities regulations and, as a result, we will not be subject to U.S. proxy rules and will be subject to Exchange Act reporting obligations that, to some extent, are more lenient and less frequent than those of a U.S. issuer.

Upon consummation of this offering, we will report under the Exchange Act as a non-U.S. company and a “foreign private issuer,” as such term is defined under U.S. securities regulations. Because we qualify as a foreign private issuer, we are exempt from certain provisions of the Exchange Act that are applicable to U.S. public companies, including (1) the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act; (2) the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and (3) the rules under the Exchange Act requiring the filing with the SEC of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K upon the occurrence of specified events. In addition, we will not be required to file our annual report on Form 20-F until 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are required to furnish reports on Form 6-K disclosing whatever information we have made or are required to make public pursuant to BVI law or distribute to our shareholders and that is material to our Company, you may not have the same protections afforded to shareholders of companies that are not foreign private issuers.

We are exempt from certain corporate governance requirements of the New York Stock Exchange.

We are exempt from certain corporate governance requirements of the New York Stock Exchange, by virtue of being a foreign private issuer. The standards applicable to us are considerably different than the standards applied to U.S. domestic issuers. For instance, we are not required to:

- have a majority of our board of directors be independent;
- have a compensation committee or a nominating or corporate governance committee;
- have regularly scheduled executive sessions with only non-management directors;
- have an executive session of solely independent directors each year; or
- adopt and disclose a code of business conduct and ethics for directors, officers and employees.

For more information, see “Management.” However, we have relied on and intend to continue to rely on some of these exemptions. As a result, you may not be provided with the benefits and protections of certain corporate governance requirements of the New York Stock Exchange.
We are an “emerging growth company” and the reduced disclosure and attestation requirements applicable to emerging growth companies could make our ordinary shares less attractive to investors.

We are an “emerging growth company,” as defined in the Jumpstart Our Business Startups Act, or JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs, including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act for up to five fiscal years after the date of this offering. Section 404(b) of the Sarbanes-Oxley Act would otherwise require our independent registered public accounting firm to attest to and report on the effectiveness our internal control structure and procedures for financial reporting.

In addition, Section 107 of the JOBS Act also provides that an EGC may take advantage of the extended transition period provided in Section 13(a) of the Exchange Act for complying with new or revised accounting standards. In other words, an EGC may delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected not to take advantage of the benefits of this extended transition period and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. This election is irrevocable.

We will cease to be an EGC upon the earliest of: (1) the last day of the fiscal year during which we have revenue of $1.07 billion or more, (2) the last day of the fiscal year following the fifth anniversary of the date of this offering, (3) the date on which we have issued more than $1 billion in non-convertible debt during the previous three-year period, or (4) when we become a “large accelerated filer,” as defined in Rule 12b-2 under the Exchange Act.

The requirements of being a public company may strain our resources and distract our management.

As a public company, we will be subject to the reporting requirements of the Exchange Act and requirements of the Sarbanes-Oxley Act applicable to a foreign private issuer and EGC. These requirements may place a strain on our systems and resources. The Exchange Act requires that we file annual and current reports with respect to our business and financial condition. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure and internal controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. In addition, sustaining our growth also will require us to commit additional management, operational and financial resources to identify new professionals to join our Company and to maintain appropriate operational and financial systems to adequately support expansion. These activities may divert management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We may lose our foreign private issuer status in the future, which could result in significant additional costs and expenses.

We are a “foreign private issuer,” as such term is defined under the Securities Act, and, therefore, we are not required to comply with all the periodic disclosure and current reporting requirements of the Exchange Act and related rules and regulations. Under the Securities Act, the determination of foreign private issuer status is made annually on the last business day of an issuer’s most recently completed second fiscal quarter and, accordingly, the next determination will be made with respect to us on June 30, 2018.

In the future, we would lose our foreign private issuer status if a majority of our shareholders, directors or management continue to be U.S. citizens or residents and we fail to meet additional requirements necessary to avoid loss of foreign private issuer status. Although we have elected to comply with certain U.S. regulatory
provisions, our loss of foreign private issuer status would make such provisions mandatory. If we are not a foreign private issuer, we will be required to file periodic reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer. For example, the annual report on Form 10-K requires domestic issuers to disclose executive compensation information on an individual basis with specific disclosure regarding the domestic compensation philosophy, objectives, annual total compensation (base salary, bonus and equity compensation) and potential payments in connection with change in control, retirement, death or disability, while the annual report on Form 20-F permits foreign private issuers to disclose compensation information on an aggregate basis. We will also have to mandatorily comply with U.S. federal proxy requirements, and our executive officers, directors and principal shareholders will become subject to the short-swing profit disclosure and recovery provisions of Section 16 of the Exchange Act. We may also be required to modify certain of our policies to comply with good governance practices associated with U.S. domestic issuers. In addition, we may lose our ability to rely upon exemptions from certain corporate governance requirements on U.S. stock exchanges that are available to foreign private issuers. Such transition and modifications will involve additional costs and may divert our management’s attention from other business concerns, which could have a material adverse effect on our business, financial condition and results of operations.

Our internal controls over financial reporting are not yet required to meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act, and failure to achieve and maintain effective internal controls over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and ordinary share price.

Our internal controls over financial reporting currently do not meet all of the standards contemplated by Section 404 of the Sarbanes-Oxley Act that eventually we will be required to meet. Because currently we do not have comprehensive documentation of our internal controls and have not yet tested our internal controls in accordance with Section 404, we cannot conclude in accordance with Section 404 that we do not have a material weakness in our internal controls or a combination of significant deficiencies that could result in the conclusion that we have a material weakness in our internal controls. We will be required to document, review and, if appropriate, improve our internal controls and procedures in anticipation of eventually being subject to the requirements of Section 404 of the Sarbanes-Oxley Act, which will require annual management assessments of the effectiveness of our internal controls over financial reporting beginning with the filing of our second annual report with the SEC and, when we cease to be an EGC, an attestation report by our independent auditors evaluating these assessments.

Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our consolidated financial statements. Confidence in the reliability of our consolidated financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could materially adversely affect us and lead to a decline in the price of our ordinary shares.

You will experience immediate and substantial dilution in the net tangible book value of ordinary shares purchased.

The initial public offering price per ordinary share is substantially higher than the net tangible book value per ordinary share prior to this offering. Accordingly, if you purchase our ordinary shares in this offering, you will incur immediate dilution of approximately $ in the net tangible book value per ordinary share from the price you pay for our ordinary shares, or approximately $ per ordinary share if the underwriters exercise their over-allotment option in full, representing the difference between (1) the assumed initial public offering price of $ per ordinary share (the mid-point of the estimated offering price range set forth in the front cover of this prospectus) and (2) the net tangible book value per ordinary share of $(2.30) at June 30, 2017 after giving effect to this offering. For more information, see “Dilution.”
Future issuances of our ordinary or other classes of shares may cause a dilution in your shareholding.

We may raise additional funding to meet our working capital, capital expenditure requirements for our planned long-term capital needs, or to fund future acquisitions. If such funding is raised through issuance of new equity or equity-linked securities, it may cause a dilution in the percentage ownership of our then existing shareholders.

From time to time we may grant equity-based compensation to our management and employees, which may dilute the value of your ordinary shares.

From time to time, we may grant options or other equity-based compensation to our management and employees. We have reserved 4,861,777 ordinary shares for issuance under our 2016 Stock Incentive Plan, of which 3,775,000 were issuable upon the exercise of outstanding options as of August 31, 2017. Furthermore, as of the date of this prospectus, restricted stock units relating to 90,626 ordinary shares were outstanding under our 2015 Stock Option Plan. For more information about our equity-based compensation, see “Management—Equity Incentive Plans.”

If our board of directors approves the issuance of new equity incentive plans (or the issuance of additional shares under the existing equity incentive plans), the interests of other shareholders may be diluted.

If securities or industry research analysts do not publish or cease publishing research or reports about our business or if they issue unfavorable commentary or downgrade our ordinary shares, our stock price and trading volume could decline.

The trading market for our ordinary shares will rely in part on the research and reports that securities and industry research analysts publish about us, our industry and our business. We do not have any control over these analysts. Our stock price and trading volumes could decline if one or more securities or industry analysts downgrade our ordinary shares, issue unfavorable commentary about us, our industry or our business, cease to cover us or fail to regularly publish reports about us, our industry or our business.

Investors may have difficulty enforcing judgments against us, our directors and management.

We are incorporated under the laws of the BVI and many of our directors and officers reside outside the United States. Moreover, many of these persons do not have significant assets in the United States. As a result, it may be difficult or impossible to effect service of process within the United States upon these persons, or to recover against us or them on judgments of U.S. courts, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws.

Furthermore, our IPO memorandum and articles of association include an exclusive jurisdiction clause pursuant to which, to the fullest extent permitted by applicable law, (i) other than claims specified in clause (ii) below and except as may otherwise be expressly agreed between the Company and a shareholder or between two or more shareholders in relation to the Company, we and all our shareholders agree that the BVI courts shall have exclusive jurisdiction to hear and determine all disputes of any kind regarding us and shareholders’ respective investments in us, irrevocably submit to the jurisdiction of the BVI courts, irrevocably waive any objection to the BVI courts being nominated as the forum to hear and determine any such dispute, and undertake and agree not to claim any such court is not a convenient or appropriate forum; and (ii) the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, in each case unless our board of directors consents in writing to the selection of an alternative forum.

An award of punitive damages under a U.S. court judgment based upon U.S. federal securities laws is likely to be construed by BVI courts to be penal in nature and therefore unenforceable in the BVI. Further, no claim may be brought in the BVI against us or our directors and officers in the first instance for violation of U.S.
federal securities laws because these laws have no extraterritorial application under BVI law and do not have force of law in the BVI. However, a BVI court may impose civil liability, including the possibility of monetary damages, on us or our directors and officers if the facts alleged in a complaint constitute or give rise to a cause of action under BVI law. Moreover, it is unlikely that a court in the BVI would award damages on the same basis as a foreign court if an action were brought in the BVI or that a BVI court would enforce foreign judgments if it viewed the judgment as inconsistent with BVI practice or public policy.

The courts of the BVI would not automatically enforce judgments of U.S. courts obtained in actions against us or our directors and officers, or some of the experts named herein, predicated upon the civil liability provisions of the U.S. federal securities laws, or entail actions brought in the BVI against us or such persons predicated solely upon U.S. federal securities laws. Further, there is no treaty in effect between the United States and the BVI providing for the enforcement of judgments of U.S. courts in civil and commercial matters, and there are grounds upon which BVI courts may decline to enforce the judgments of U.S. courts. Some remedies available under the laws of U.S. jurisdictions, including remedies available under the U.S. federal securities laws, may not be allowed in the BVI courts if contrary to public policy in the BVI. Because judgments of U.S. courts are not automatically enforceable in the BVI, it may be difficult for you to recover against us or our directors and officers based upon such judgments.

Certain types of class or derivative actions generally available under U.S. law may not be available as a result of the fact that we are incorporated in the BVI and the exclusive jurisdiction clause included in our IPO memorandum and articles of association. As a result, the rights of shareholders may be limited.

Shareholders of BVI companies may not have standing to initiate a shareholder derivative action in a court of the United States. Furthermore, our IPO memorandum and articles of association will include an exclusive jurisdiction clause which, to the fullest extent permitted by applicable law, will act as a bar to any such action in a court of the United States. In any event, the circumstances in which any such action may be brought, if at all, and the procedures and defenses that may be available in respect to any such action, may result in the rights of shareholders of a BVI company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The BVI courts are also unlikely to recognize or enforce against us judgments of courts in the United States based on certain liability provisions of U.S. securities law or to impose liabilities against us, in original actions brought in the BVI, based on certain liability provisions of U.S. securities laws that are penal in nature.

You may have more difficulty protecting your interests than you would as a shareholder of a U.S. corporation.

Our corporate affairs will be governed by the provisions of our IPO memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable BVI law. The rights of shareholders and the fiduciary responsibilities of our directors and officers under BVI law are not as clearly established as they would be under statutes or judicial precedents in some jurisdictions in the United States, and some states (such as Delaware) have more fully developed and judicially interpreted bodies of corporate law.

These rights and responsibilities are to a large extent governed by the British Virgin Island Business Companies Act, 2004 as amended from time to time (the “BVI Act”) and the common law of the BVI. The common law of the BVI is derived in part from judicial precedent in the BVI as well as from English common law, which has persuasive, but not binding, authority on a court in the BVI. In addition, BVI law does not make a distinction between public and private companies and some of the protections and safeguards (such as statutory pre-emption rights, save to the extent expressly provided for in the memorandum and articles of association) that investors may expect to find in relation to a public company are not provided for under BVI law.

There may be less publicly available information about us than is regularly published by or about U.S. issuers. Also, the BVI regulations governing the securities of BVI companies may not be as extensive as those in
effect in the United States, and the BVI law and regulations regarding corporate governance matters may not be as protective of minority shareholders as state corporation laws in the United States. Therefore, you may have more difficulty protecting your interests in connection with actions taken by our directors and officers or our principal shareholders than you would as a shareholder of a corporation incorporated in the United States.

The laws of BVI provide limited protections for minority shareholders, so minority shareholders will not have the same options as to recourse in comparison to the United States if the shareholders are dissatisfied with the conduct of our affairs.

Under the laws of the BVI there is limited statutory protection of minority shareholders other than the provisions of the BVI Act dealing with shareholder remedies. The principal protections under BVI statutory law are derivative actions, actions brought by one or more shareholders for relief from unfair prejudice, oppression and unfair discrimination and/or to enforce the BVI Act or the memorandum and articles of association. Shareholders are entitled to have the affairs of the company conducted in accordance with the BVI Act and the memorandum and articles of association, and are entitled to payment of the fair value of their respective shares upon dissenting from certain enumerated corporate transactions. For more information, see “Description of Our Share Capital” — “Shareholders’ Suits” and “Appraisal Rights” below.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the BVI is limited. Under the general rule pursuant to English company law known as the rule in Foss v. Harbottle, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company’s affairs by the majority or the board of directors. However, every shareholder is entitled to seek to have the affairs of the company conducted properly according to law and the constitutional documents of the company. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company’s memorandum and articles of association, then the courts may grant relief. Generally, the areas in which the courts will intervene are the following: (i) a company is acting or proposing to act illegally or beyond the scope of its authority; (ii) the act complained of, although not beyond the scope of the authority, could only be effected if duly authorized by more than the number of votes which have actually been obtained; (iii) the individual rights of the plaintiff shareholder have been infringed or are about to be infringed; or (iv) those who control the company are perpetrating a “fraud on the minority.”

These rights may be more limited than the rights afforded to minority shareholders under the laws of states in the United States.

There are no pre-emptive rights in favor of holders of ordinary shares so you may not be able to participate in future equity offerings.

There will be no pre-emptive rights applicable under our IPO memorandum and articles of association or BVI law in favor of holders of ordinary shares in respect of further issues of shares of any class, other than Expedia’s preemptive rights pursuant to our Shareholder Agreements. See “Certain Relationships and Related Party Transactions—Shareholder Agreements—Expedia Preemptive Rights” for more information. Consequently, you will not be entitled under applicable law to participate in any such future offerings of further ordinary shares or any preferred or other classes of shares.

We have no current plans to pay any cash dividends on our ordinary shares.

We currently intend to retain our future earnings, if any, to fund the development and growth of our business. As a result, capital appreciation, if any, of our ordinary shares are likely to be your sole source of gain for the foreseeable future. Consequently, in the foreseeable future, you will likely only experience a gain from your investment in our ordinary shares if the trading price of our ordinary shares increases.
Anti-takeover provisions in our Shareholder Agreements and IPO memorandum and articles of association might discourage, delay or prevent acquisition or other change of control attempts for us that you and/or other of our shareholders might consider favorable.

Certain provisions of our Shareholder Agreements and IPO memorandum and articles of association may discourage, delay or prevent a change in control of our Company or management that shareholders may consider favorable, including but not limited to the following provisions:

Pursuant to our Shareholder Agreements:

- Until three years from the date of this offering, we may not directly or indirectly issue or transfer any of our securities to certain specified entities that conduct business in the travel industry, and certain of our existing shareholders and their affiliates are also precluded from directly or indirectly transferring any of our securities to such entities, subject to limited exceptions.
- Expedia has agreed not to acquire more than 35% of the voting or economic power of our outstanding shares within three years of this offering except by means of a tender offer that, if consummated, would result in Expedia being the beneficial owner of more than 75% of the voting or economic power of our outstanding shares entitled to vote in the election of the board of directors.

Pursuant to our IPO memorandum and articles of association:

- Our board of directors may without prior notice to shareholders, or obtaining any shareholder approval, amend our IPO memorandum and articles of association to authorize and subsequently issue an unlimited number of preferred shares in one or more classes and series and designate the issue prices, rights, preferences, privileges, restrictions and terms of such preferred shares.
- Our board of directors will be made up of seven directors divided into three classes. Other than the initial terms of each class, which expire at the Company’s annual meeting in 2018, 2019 and 2020 respectively, directors in each class will have a term of three years. The only circumstance in which shareholders can elect new directors will be at an annual meeting and in respect of those board seats whose term is expiring at the annual meeting. Elections will take place by plurality voting. Shareholders will not have the power to increase or reduce the size of the board or fill a vacancy on the board, which matters will be the exclusive authority of our board of directors.
- Our shareholders may only remove directors for cause and only by resolution approved by shareholders holding not less than two-thirds of the voting rights at a meeting of shareholders called for the stated purpose of removing the director.
- There are a number of restrictions, conditions and other requirements (including advance notice period requirements) that apply to our shareholders’ ability to (i) request special meetings of our shareholders; (ii) nominate persons for election as directors at annual meetings of our shareholders; and (iii) propose other items of business or other matters for consideration at any annual or special meetings of our shareholders.
- All resolutions of the shareholders must be adopted at a meeting of our shareholders convened in accordance with our IPO memorandum and articles of association. Shareholders are prohibited from adopting resolutions by written consent.
- There are restrictions on amending our IPO memorandum and articles of association. Certain provisions of our IPO memorandum and articles of association (including many of the provisions described above) may only be amended with the approval of both our shareholders and our board of directors. Provisions that may be amended by the shareholders without board approval require the affirmative vote of holders of two-thirds of the shares entitled to vote on the resolution.

For more information on our Shareholder Agreements, see “Certain Relationships and Related Person Transactions—Shareholder Agreements.” For more information on our IPO memorandum and articles of association, see “Description of Our Share Capital”. 47
These provisions and other provisions under BVI law could discourage, delay or prevent potential takeover attempts and other transactions involving a change in control of our Company, including actions that our shareholders may deem advantageous. As such, these provisions may reduce the price that investors might be willing to pay for our ordinary shares in the future and negatively affect the trading price of our ordinary shares.
USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $ , or $ if the underwriters exercise their over-allotment option in full, assuming an initial offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus.

The principal purposes of this offering are to increase our financial flexibility and create a public market for our ordinary shares. We intend to use the net proceeds that we receive from this offering for general corporate purposes, including potential acquisitions or other strategic opportunities in the future.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by $ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and assuming no exercise of the underwriters’ over-allotment option, and after deducting underwriting discounts and commissions. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, and assuming no exercise of the underwriters’ over-allotment option, would increase (decrease) our net proceeds from this offering by $ million, assuming no change in the assumed initial public offering price per share and after deducting underwriting discounts and commissions.

Pending our use of the net proceeds from this offering, we plan to invest the net proceeds in a variety of capital preservation investments, including short-term interest-bearing investment-grade securities, certificates of deposit or government securities.

We will not receive any proceeds from the sale of ordinary shares by the selling shareholders.
The following table sets forth our cash and cash equivalents and capitalization as of June 30, 2017:

- on an actual basis; and
- on an as adjusted basis giving effect to the sale and issuance of ordinary shares by us in this offering, based upon the receipt by us of the estimated net proceeds from this offering at the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters’ over-allotment option and giving effect to our IPO memorandum and articles of association to be adopted immediately prior to the consummation of our initial public offering.

You should read this table together with the information contained in this prospectus, including “Use of Proceeds,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements included elsewhere in this prospectus.

<table>
<thead>
<tr>
<th></th>
<th>Actual (unaudited)</th>
<th>As Adjusted (1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (excluding restricted cash and cash equivalents)</td>
<td>$92,107</td>
<td>$85,292</td>
</tr>
<tr>
<td>Loans and other financial liabilities</td>
<td>13,882</td>
<td></td>
</tr>
<tr>
<td>75,000,000 shares, no par value, authorized and 58,518,679 such shares issued and outstanding, actual; unlimited shares, no par value, authorized and such shares issued and outstanding, as adjusted (2)</td>
<td>314,261</td>
<td>308,959</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>61,873</td>
<td></td>
</tr>
<tr>
<td>Other reserves</td>
<td>16,455</td>
<td></td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>(391,181)</td>
<td></td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(728)</td>
<td></td>
</tr>
<tr>
<td>Total shareholder deficit</td>
<td>(61,187)</td>
<td></td>
</tr>
<tr>
<td>Total capitalization</td>
<td>(47,305)</td>
<td></td>
</tr>
</tbody>
</table>

(1) Each $1.00 increase (decrease) in the assumed initial offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) total capitalization by approximately $, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and assuming no exercise of the underwriters’ over-allotment option, and after deducting underwriting discounts and commissions. Each increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, and assuming no exercise of the underwriters’ over-allotment option would increase (decrease) total capitalization by approximately $, assuming that the initial public offering price to the public remains the same and after deducting the underwriting discounts and commissions. The as adjusted information discussed above is illustrative only and will adjust based on the actual initial price to the public and other terms of this offering determined at pricing.

(2) In this prospectus, the number of ordinary shares to be outstanding after this offering is based on 58,518,679 ordinary shares outstanding as of August 31, 2017, and excludes the following:

- 90,626 ordinary shares subject to restricted stock units outstanding;
- 3,775,000 ordinary shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $26.0197 per share, subject to vesting requirements; and
- an additional 1,086,777 ordinary shares reserved for issuance under our 2016 Stock Incentive Plan.

For more information, see “Management—Equity Incentive Plans.”
DIVIDEND POLICY

In the six months ended June 30, 2017 and in 2016 and 2015, no dividends were declared or paid on our ordinary shares or on the common stock of our predecessor, Decolar.com, Inc. We currently intend to retain our available funds and future earnings, if any, to finance the development and growth of our business and operations as well as expand our business and do not currently anticipate paying dividends on our ordinary shares in the near future.

The declaration, amount and payment of any future dividends will be at the sole discretion of our board of directors, subject to compliance with applicable BVI laws regarding solvency. Our board of directors will take into account general economic and business conditions, our financial condition and results of operations, our available cash and current and anticipated cash needs, capital requirements, contractual, legal, tax and regulatory restrictions and other implications on the payment of dividends by us to our shareholders or by our subsidiaries to us, and such other factors as our board of directors may deem relevant.

As we are a holding company, we rely on dividends paid to us by our subsidiaries for our cash requirements, including funds to pay any dividends and other cash distributions to our shareholders, service any debt we may incur and pay our operating expenses. Our ability to pay dividends to our shareholders will depend on, among other things, the availability of dividends from our subsidiaries.

Under BVI law, our board of directors may authorize payment of a dividend to shareholders at such time and of such an amount as they determine if they are satisfied on reasonable grounds that immediately following the dividend the value of our assets will exceed our liabilities and we will be able to pay our debts as they become due. There is no further BVI statutory restriction on the amount of funds which may be distributed by us by dividend.

Pursuant to our IPO memorandum and articles of association:

- Subject to the Company satisfying the solvency test described above, our board of directors may authorize payment of a dividend or other distribution at such time and of such an amount and pursuant to such method or methods of payment or other distribution as it thinks fit. A dividend or other distribution may be paid wholly or partly by the distribution of specific assets (which may consist of our shares or securities of any other entity) and our board of directors may settle all questions concerning such distribution. Without limitation, our board of directors may fix the value of such specific assets, may determine that cash payments shall be made to some shareholders in lieu of specific assets and may vest any such specific assets in a liquidating or other trust on such terms as our board of directors thinks fit.
- Our board of directors may deduct from any dividend or other distribution payable to any shareholder any or all monies then due from such shareholder to us.
- All dividends and other distributions unclaimed for three years after having been declared may be forfeited by a resolution of directors for the benefit of the Company. All unclaimed dividends and other distributions may be invested or otherwise made use of by our board of directors for the benefit of the Company pending claim or forfeiture as aforesaid. No dividend or other distribution shall bear interest against the Company.
- A dividend or other distribution made to a shareholder at a time when, immediately after the dividend or other distribution, the value of the Company’s assets did not exceed its liabilities and the Company was not able to pay its debts as they fell due, is subject to recovery in accordance with the provisions of the BVI Act.
DILUTION

If you invest in our ordinary shares, your interest will be diluted to the extent of the difference between the initial public offering price per share of our ordinary shares and the net tangible book value per ordinary share after this offering. Dilution results from the fact that the per share offering price of the ordinary shares is substantially in excess of the net tangible book value per share attributable to our existing shareholders.

Our net tangible book value as of June 30, 2017 was $(134.8) million, or $(2.30) per ordinary share. Net tangible book value represents the amount of total tangible assets less total liabilities, and net tangible book value per ordinary share represents net tangible book value divided by the number of ordinary shares outstanding, after giving effect to this offering. After giving effect to receipt of the net proceeds of our sale and issuance of ordinary shares at an assumed initial offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters’ over-allotment option, our net tangible book value as of June 30, 2017 would have been approximately $, or $ per ordinary share. This represents an immediate increase in net tangible book value of $ per share to our existing shareholders and an immediate dilution of $ per share to investors purchasing ordinary shares in this offering.

The following table illustrates the per share dilution:

| Assumed initial public offering price per ordinary share | $ |
| Net tangible book value per ordinary share as of June 30, 2017 | $(2.30) |
| Increase in net tangible book value per ordinary share attributable to existing shareholders | $ |
| Net tangible book value per ordinary share after the offering | $ |
| Dilution per share to new investors | $ |

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the as adjusted net tangible book value by $ per share and the dilution per share to new investors by $ per share, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and assuming no exercise of the underwriters’ over-allotment option and after deducting underwriting discounts and commissions. An increase (decrease) of 1,000,000 shares in the number of shares offered by us, as set forth on the cover page of this prospectus, and assuming no exercise of the underwriters’ over-allotment option, would increase (decrease) our as adjusted net tangible book value by approximately $ million, or $ per share, and the dilution per share to investors in this offering by $ per share, assuming that the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions.

The following table summarizes, as of June 30, 2017, the number of ordinary shares purchased from us, the total consideration paid and the average price per ordinary share (i) paid to us by existing shareholders and (ii) to be paid by new investors acquiring our ordinary shares in this offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, and assuming no exercise of the underwriters’ over-allotment option.

<table>
<thead>
<tr>
<th>Ordinary Shares Purchased</th>
<th>Total Consideration</th>
<th>Average Price Per Ordinary Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>Percent</td>
<td>Amount</td>
</tr>
<tr>
<td>Existing shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New investors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration
paid by new investors by $ and increase (decrease) the percent of the total consideration paid by new investors by %, assuming the number of shares we are offering, as set forth on the cover page of this prospectus, remains the same and assuming no exercise of the underwriters’ over-allotment option, after deducting underwriting discounts and commissions. An increase (decrease) of 1,000,000 in the number of shares offered by us, as set forth on the cover page of this prospectus, and assuming no exercise of the underwriters’ over-allotment option, would increase (decrease) the total consideration paid by new investors by $ , assuming that the assumed initial price to the public remains the same and after deducting the underwriting discounts and commissions.

In this prospectus, the number of ordinary shares to be outstanding after this offering is based on 58,518,679 ordinary shares outstanding as of August 31, 2017, and excludes the following:

- 90,626 ordinary shares subject to restricted stock units outstanding;
- 3,775,000 ordinary shares issuable upon the exercise of outstanding options, with a weighted average exercise price of $26.0197 per share, subject to vesting requirements; and
- an additional 1,086,777 ordinary shares reserved for issuance under our 2016 Stock Incentive Plan.

For more information, see “Management—Equity Incentive Plans.”

To the extent that any outstanding options are exercised, outstanding RSUs settle, new options or RSUs are issued under our equity incentive plans, or we issue additional shares in the future, there will be further dilution to investors participating in this offering.
EXCHANGE RATES

While we maintain our books and records in dollars, our revenue and expenses are denominated primarily in the local currencies of the Latin American countries in which we operate, and as such may be affected by changes in the local exchange rates to the dollar. We have significant operations in Brazil and Argentina. The following paragraphs summarize the exchange rates and exchange controls of Brazilian reais and Argentine pesos. See “Risk Factors—Risks Related to Latin America—Exchange rate fluctuations against the dollar in the countries in which we operate could negatively affect our results of operations” and “We are subject to foreign currency exchange controls in certain countries in which we operate” for more information.

Brazil

The Brazilian foreign exchange system allows the purchase and sale of foreign currency and the international transfer of Brazilian reais by any person or legal entity, regardless of the amount, subject to certain regulatory procedures.

The Brazilian real depreciated against the dollar from mid-2011 to early 2016. In particular, during 2015, due to the poor economic conditions in Brazil, including as a result of political instability, the Brazilian real depreciated at a rate that was much higher than in previous years. On September 24, 2015, the Brazilian real fell to its lowest level since the introduction of the currency, at R$4.1945 per $1.00. In 2015, the Brazilian real depreciated 47.0%, reaching R$3.9048 per $1.00 on December 31, 2015. In 2016, the Brazilian real fluctuated significantly, primarily as a result of Brazil’s political instability, but appreciated 16.5%, reaching R$3.2591 per $1.00 on December 31, 2016. The Brazilian Central Bank has intervened occasionally in the foreign exchange market to attempt to control instability in foreign exchange rates. We cannot predict whether the Brazilian Central Bank or the Brazilian government will continue to allow the Brazilian real to float freely or will intervene in the exchange rate market by re-implementing a currency band system or otherwise. The Brazilian real may depreciate or appreciate substantially against the dollar in the future. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil’s balance of payments or there are reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that the Brazilian government will not place restrictions on remittances of foreign capital abroad in the future.

The following tables set forth the annual high, low, average and period-end exchange rates for the periods indicated, expressed in Brazilian reais per dollar (RS/$) and not adjusted for inflation, as reported by the Brazilian Central Bank. We cannot assure you that the Brazilian real will not depreciate or appreciate again in the future.

<table>
<thead>
<tr>
<th>Year</th>
<th>Period-end</th>
<th>Average (1)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>2.04</td>
<td>1.96</td>
<td>1.70</td>
<td>2.11</td>
</tr>
<tr>
<td>2013</td>
<td>2.34</td>
<td>2.16</td>
<td>1.95</td>
<td>2.45</td>
</tr>
<tr>
<td>2014</td>
<td>2.66</td>
<td>2.35</td>
<td>2.20</td>
<td>2.74</td>
</tr>
<tr>
<td>2015</td>
<td>3.90</td>
<td>3.34</td>
<td>2.58</td>
<td>4.19</td>
</tr>
<tr>
<td>2016</td>
<td>3.26</td>
<td>3.48</td>
<td>3.12</td>
<td>4.16</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Period-end</th>
<th>Average (2)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2017</td>
<td>3.13</td>
<td>3.20</td>
<td>3.13</td>
<td>3.27</td>
</tr>
<tr>
<td>February 2017</td>
<td>3.10</td>
<td>3.10</td>
<td>3.05</td>
<td>3.15</td>
</tr>
<tr>
<td>March 2017</td>
<td>3.17</td>
<td>3.13</td>
<td>3.08</td>
<td>3.17</td>
</tr>
<tr>
<td>April 2017</td>
<td>3.20</td>
<td>3.14</td>
<td>3.09</td>
<td>3.20</td>
</tr>
<tr>
<td>May 2017</td>
<td>3.25</td>
<td>3.21</td>
<td>3.09</td>
<td>3.38</td>
</tr>
<tr>
<td>June 2017</td>
<td>3.31</td>
<td>3.30</td>
<td>3.23</td>
<td>3.34</td>
</tr>
<tr>
<td>July 2017</td>
<td>3.13</td>
<td>3.21</td>
<td>3.13</td>
<td>3.32</td>
</tr>
</tbody>
</table>
Argentina

From April 1, 1991 until the beginning of 2002, Law No. 23,928 (the “Convertibility Law”) established a regime under which the Argentine Central Bank was obliged to sell dollars at a fixed rate of one Argentine peso per dollar. On January 6, 2002, the Argentine Congress enacted Law No. 25,561 (as amended and supplemented, the “Public Emergency Law”), formally ending the regime of the Convertibility Law, abandoning over ten years of dollar-Argentine peso parity and eliminating the requirement that the Argentine Central Bank’s reserves in gold, foreign currency and foreign currency-denominated debt be at all times equivalent to 100% of the monetary base.

The Public Emergency Law, which has been extended on an annual basis and is in effect until December 31, 2019, has granted the Argentine government the power to set the exchange rate between the Argentine peso and foreign currencies and to issue regulations related to the foreign exchange market. Following a brief period during which the Argentine government established a temporary dual exchange rate system, pursuant to the Public Emergency Law, the Argentine peso has been allowed to float freely against other currencies since February 2002. However, the Argentine Central Bank has had the power to intervene in the exchange rate market by buying and selling foreign currency for its own account, a practice in which it has engaged on a regular basis. Since 2011, the Argentine government has increased controls on exchange rates and the transfer of funds into and out of Argentina.

With the tightening of foreign exchange controls beginning in late 2011, in particular with the introduction of measures that restricted access to foreign currency for private companies and individuals, the implied exchange rate, as reflected in the quotations for Argentine securities that trade in foreign markets, compared to the corresponding quotations in the local market, increased significantly over the official exchange rate. Most of the foreign exchange restrictions have been gradually lifted by several communications issued by the Argentine Central Bank, starting with Communication “A” 5850 issued in December 2015. On August 9, 2016 the Argentine Central Bank issued Communication “A” 6037, which substantially modified the applicable foreign exchange regulations and eliminated the set of restrictions for accessing the FX Market. Consequently, as a result of the elimination of the existing limitations on the amounts for the purchase of foreign currency without specific allocation and the elimination of prior approval requirements, the spread between the official exchange rate and the implicit exchange rate derived from securities transactions has substantially decreased.

After several years of moderate variations in the nominal exchange rate, in 2012 the Argentine peso lost approximately 14% of its value with respect to the dollar. This was followed in 2013 and 2014 by a devaluation of the Argentine peso with respect to the dollar that exceeded 30%, including a loss of approximately 23% in January 2014. In 2015, the Argentine peso lost approximately 52% of its value with respect to the dollar, including a 10% devaluation from January 1, 2015 to September 30, 2015 and a 38% devaluation during the last quarter of the year, mainly concentrated after December 16, 2015 when certain exchange controls were lifted.
The following table sets forth the annual high, low, average and period-end exchange rates for the periods indicated, expressed in Argentine pesos per dollar and not adjusted for inflation. We cannot assure you that the Argentine peso will not depreciate or appreciate again in the future. The Federal Reserve Bank of New York does not report a noon buying rate.

<table>
<thead>
<tr>
<th>Year</th>
<th>Period-end</th>
<th>Average (1)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>4.84</td>
<td>4.51</td>
<td>4.28</td>
<td>4.84</td>
</tr>
<tr>
<td>2013</td>
<td>6.14</td>
<td>5.37</td>
<td>4.84</td>
<td>6.14</td>
</tr>
<tr>
<td>2014</td>
<td>8.52</td>
<td>7.94</td>
<td>6.16</td>
<td>8.53</td>
</tr>
<tr>
<td>2015</td>
<td>13.30</td>
<td>9.47</td>
<td>8.64</td>
<td>13.30</td>
</tr>
<tr>
<td>2016</td>
<td>15.87</td>
<td>14.42</td>
<td>9.70</td>
<td>15.87</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Period-end</th>
<th>Average (2)</th>
<th>Low</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 2017</td>
<td>15.90</td>
<td>15.91</td>
<td>15.81</td>
<td>16.08</td>
</tr>
<tr>
<td>February 2017</td>
<td>15.48</td>
<td>15.59</td>
<td>15.36</td>
<td>15.80</td>
</tr>
<tr>
<td>March 2017</td>
<td>15.60</td>
<td>15.72</td>
<td>15.60</td>
<td>15.80</td>
</tr>
<tr>
<td>April 2017</td>
<td>15.60</td>
<td>15.55</td>
<td>15.40</td>
<td>15.70</td>
</tr>
<tr>
<td>May 2017</td>
<td>16.30</td>
<td>15.90</td>
<td>15.50</td>
<td>16.38</td>
</tr>
<tr>
<td>June 2017</td>
<td>16.80</td>
<td>16.29</td>
<td>16.05</td>
<td>16.80</td>
</tr>
<tr>
<td>July 2017</td>
<td>17.85</td>
<td>17.39</td>
<td>16.80</td>
<td>17.99</td>
</tr>
</tbody>
</table>

Source: Banco de la Nación Argentina selling rate

(1) Represents the average of the exchange rates on the closing of each day during the year.

(2) Represents the average of the exchange rates on the closing of each day during the month.

On August 28, 2017, the exchange rate was AR$17.43 per $1.00.

Exchange Controls in Argentina

The enactment of the Public Emergency Law in 2002, among other things, authorized the Argentine government to implement a foreign exchange system and to enact foreign exchange regulations. Within this context, on February 8, 2002, pursuant to Decree No. 260/2002, the Argentine government (1) created the FX Market through which all transactions involving the exchange of foreign currency must be conducted, and (2) established that all foreign exchange transactions shall be made at the freely agreed exchange rate and in compliance with the requirements and regulations of the Argentine Central Bank (the main aspects of which are described below).

On June 9, 2005, by means of Decree No. 616/2005, the Argentine government established that (1) all inflows of funds into the FX Market arising from foreign debts incurred by Argentine residents, both individuals or legal entities of the private financial and non-financial sector, excluding export-import financings, and primary issues of debt securities sold through public offering and traded in authorized markets; (2) currency remittances made by non-Argentine-residents into the domestic foreign exchange market for the following purposes: holdings of Argentine currency, purchases of any kind of financial assets or liabilities of the financial or non-financial private sector, excluding direct foreign investments and primary issues of debt securities and shares sold through public offering and traded in self-regulated markets; and investments in public sector securities purchased in secondary markets, shall meet the following requirements: (a) currency remittances into the domestic foreign currency market shall only be transferred abroad upon the lapse of 365 calendar days computed as from the date of settlement of such funds into Argentine pesos (the “Minimum Stay Period”); (b) the proceeds of the exchange of the funds so remitted shall be deposited into an account in the local banking system; (c) an amount equal to 30.0% of the relevant amount shall be deposited in a registered, non-transferable and non-interest bearing account for a period of 365 calendar days, under the conditions established in the applicable regulations; and (d) such deposit shall be made in dollars with Argentine financial institutions, it shall not accrue any interest or other profit and shall not be used as security or collateral for any kind of credit transaction.

56
Any breach of the provisions of Executive Decree No. 616/05 or any other foreign exchange regulation is subject to criminal sanctions.

However, to date, the requirements set forth in (a), (c) and (d) above have been mitigated through resolutions issued by the Ministry of Treasury and Public Finance. On December 18, 2015, through Resolution No. 3/2015, the Ministry of Treasury and Public Finance amended Executive Decree No. 616/2005, reducing (i) the deposit percentage to zero and (ii) reducing the Minimum Stay Period from 365 to 120 calendar days. On January 5, 2017, through Resolution No. 1/2017, the Ministry of Treasury reduced the Minimum Stay Period to zero. In addition, on August 8, 2016, the Argentine Central Bank, by means of Communication “A” 6037, introduced material changes to the foreign exchange regime in force, which significantly eased access to the FX Market.

Furthermore, on May 19, 2017, the Argentine Central Bank issued Communication “A” 6244, which entered into effect on July 1, 2017, and pursuant to which new regulations regarding access to the foreign exchange market were established, essentially abrogating all prior regulations on the matter. Pursuant to these new regulations:

• The principle of a free foreign exchange market is set. In accordance with section 1.1 of the communication, “All human or legal persons, assets and other universals may freely operate in the exchange market.”
• The obligation to carry out any exchange operation through an authorized entity (section 1.2) is maintained.
• Restrictions regarding hours to operate in the MULC are eliminated.
• The obligation of Argentine residents to comply with the “Survey of foreign liabilities and debt issuances” (Communication “A” 3602 as supplemented) and the survey of direct investment (Communication “A” 4237 and complementary) are maintained, even if there has been no inflow of funds to the MULC and/or no future access to the MULC for operations to be declared.
• The obligation of Argentine residents to transfer to Argentina and sell in the FX Market the proceeds of their exports of goods within the applicable deadline remains in force.
SELECTED FINANCIAL DATA

The following selected historical consolidated financial data of our predecessor, Decolar.com Inc., and its consolidated subsidiaries should be read together with “Summary—Summary Financial and Operating Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements included elsewhere in this prospectus.

We derived the selected income statement, balance sheet and cash flow data as of and for the years ended December 31, 2016 and 2015 from our audited consolidated financial statements which are included elsewhere in this prospectus. We derived the summary income statement, balance sheet and cash flow data as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 from our unaudited consolidated financial statements, which are included elsewhere in this prospectus and have included all adjustments, consisting only of normal recurring adjustments that, in our opinion, are necessary to state fairly the financial information set forth in those statements. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP in dollars. Our historical results do not necessarily indicate results expected for any future period, and the results of operations for the six months ended June 30, 2017 are not necessarily indicative of the results to be expected for the full fiscal year or any other period.

Selected Income Statement Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(unaudited)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>$116,653</td>
<td>$92,149</td>
<td>$205,721</td>
<td>$219,817</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>131,808</td>
<td>101,763</td>
<td>205,441</td>
<td>201,894</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>248,461</td>
<td>193,912</td>
<td>411,162</td>
<td>421,711</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>182,234</td>
<td>126,666</td>
<td>284,487</td>
<td>267,498</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>78,835</td>
<td>57,710</td>
<td>121,466</td>
<td>170,149</td>
</tr>
<tr>
<td>General and administrative</td>
<td>37,487</td>
<td>29,146</td>
<td>64,683</td>
<td>78,181</td>
</tr>
<tr>
<td>Technology and product development</td>
<td>33,052</td>
<td>31,503</td>
<td>63,251</td>
<td>73,535</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>149,374</td>
<td>118,359</td>
<td>249,400</td>
<td>321,865</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>32,860</td>
<td>8,307</td>
<td>35,087</td>
<td>(54,367)</td>
</tr>
<tr>
<td>Financial income</td>
<td>915</td>
<td>3,923</td>
<td>8,327</td>
<td>10,797</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(8,682)</td>
<td>(7,962)</td>
<td>(15,079)</td>
<td>(23,702)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income taxes</strong></td>
<td>25,093</td>
<td>4,268</td>
<td>28,335</td>
<td>(67,272)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6,292</td>
<td>4,824</td>
<td>10,538</td>
<td>18,004</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>$18,801</td>
<td>$(556)</td>
<td>$17,797</td>
<td>$(85,276)</td>
</tr>
<tr>
<td>Earnings / (loss) per share:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>0.32</td>
<td>(0.01)</td>
<td>0.30</td>
<td>(1.49)</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.32</td>
<td>(0.01)</td>
<td>0.30</td>
<td>(1.49)</td>
</tr>
</tbody>
</table>

**Weighted average shares outstanding:**

<table>
<thead>
<tr>
<th></th>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>58,518</td>
<td>58,518</td>
</tr>
<tr>
<td></td>
<td>58,609</td>
<td>58,609</td>
</tr>
<tr>
<td></td>
<td>57,078</td>
<td>57,186</td>
</tr>
</tbody>
</table>
Selected Balance Sheet Data

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017 (unaudited)</th>
<th>As of December 31, 2016 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents (1)</td>
<td>$92,107</td>
<td>$75,968</td>
</tr>
<tr>
<td>Total assets</td>
<td>418,163</td>
<td>353,710</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>479,350</td>
<td>435,973</td>
</tr>
<tr>
<td>Total shareholders’ deficit attributable to Decolar.com, Inc.</td>
<td>(61,187)</td>
<td>(82,263)</td>
</tr>
</tbody>
</table>

(1) Excludes restricted cash and cash equivalents. See note 3 of our audited consolidated financial statements.
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the “Selected Historical Consolidated Financial Data” and our consolidated financial statements and related notes thereto included elsewhere in this prospectus. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties and assumptions that could cause actual results to differ materially from management’s expectations. Factors that could cause such differences are discussed in “Forward-Looking Statements” and “Risk Factors.”

Overview

We are the leading online travel company in Latin America, known by our two brands, Despegar, our global brand, and Decolar, our Brazilian brand. We have a comprehensive product offering, including airline tickets, packages, hotels and other travel-related products, which enables consumers to find, compare, plan and purchase travel products easily through our marketplace. We provide our network of travel suppliers a technology platform for managing the distribution of their products and access to our users. We believe that our focus on the underpenetrated Latin American online travel market, our knowledge of the consumer and supplier landscape and our ability to manage the business successfully through economic cycles will allow us to continue our industry leadership. In the six months ended June 30, 2017 and the year ended December 31, 2016, we had approximately 2.5 million and 4.0 million customers, generating $248.5 million and $411.2 million in revenue, respectively. Our gross bookings were $2.1 billion and $3.3 billion in the six month ended June 30, 2017 and the year ended December 31, 2016, respectively.

The Latin American travel industry, comprised of air, hotels, car rentals and attractions within Latin America and inbound to the region, including corporate travel, is projected to reach approximately $97.5 billion in travel bookings in 2016, and is expected to grow to approximately $130.9 billion in 2020, according to Euromonitor International. Total Latin America online travel bookings are projected to be approximately $29.7 billion in 2016 and are expected to grow to approximately $47.6 billion by 2020, representing an estimated CAGR of 12.5%, according to Euromonitor International. According to our estimates, based on Euromonitor International market data, we had a market share of approximately 11% of the Latin American online travel market, as measured by gross bookings projected for 2016. Online travel penetration in Latin America, measured as online bookings as a percentage of total travel bookings, is expected to increase based on projections from approximately 31% in 2016 to approximately 36% in 2020, according to Euromonitor International. Factors driving the growth in online travel bookings include the increase of internet penetration, further adoption of smartphones, tablets and other mobile devices and a growing middle class with greater access to banking services and credit products, together enabling a larger segment of the growing population to transact online or on mobile devices. We believe that our business will continue benefitting from these market trends, although we cannot assure you that our business will grow at the same rates as historic or forecasted market growth.

We organize our business into two segments: (1) Air, which consists of the sale of airline tickets, and (2) Packages, Hotels and Other Travel Products, which consists of travel packages (which can include airline tickets and hotel rooms), as well as stand-alone sales of hotel rooms (including vacation rentals), car rentals, bus tickets, cruise tickets, travel insurance and destination services. In the six months ended June 30, 2017, we derived 47.0% and 53.0% of our total revenue from our Air and our Packages, Hotels and Other Travel Products segments, respectively. In the six months ended June 30, 2016, we derived approximately 47.5% and 52.5% of our total revenue from our Air and our Packages, Hotels and Other Travel Products segments, respectively. In 2016, we derived 50.0% and 50.0% of our total revenue from our Air and our Packages, Hotels and Other Travel Products segments, respectively. In 2015, we derived 52.1% and 47.9% of our total revenue from our Air and our Packages, Hotels and Other Travel Products segments, respectively.

We report our revenue on a net basis, deducting cancellations and amounts that we collect as sales taxes. We derive most of our revenue from commissions and other incentive payments paid by our suppliers and service
fees paid by our customers. In our Air segment, we recognize revenue for certain up-front incentive commissions and service fees at the time of sale. In our Packages, Hotels and Other Travel Products segment, we generally recognize revenue at the time of travel, except for non-reimbursable transactions, for which we recognize revenue at the time of booking.

For the six months ended June 30, 2017 and 2016:

• revenue was $248.5 million and $193.9 million, respectively;
• operating income was $32.9 million and $8.3 million, respectively; and
• net income / (loss) was $18.8 million and $(0.6) million, respectively.

For the years ended December 31, 2016 and 2015:

• revenue was $411.2 million and $421.7 million, respectively;
• operating income / (loss) was $35.1 million and $(54.4) million, respectively; and
• net income / (loss) was $17.8 million and $(85.3) million, respectively.

In May 2017, the stockholders of our predecessor, Decolar.com, Inc., a Delaware corporation, exchanged their shares for ordinary shares of Despegar.com, Corp., a business company incorporated in the British Virgin Islands to create a new BVI holding company. Following the exchange, our existing shareholders own shares of Despegar.com, Corp. and Decolar.com, Inc. is a subsidiary of Despegar.com, Corp. The audited consolidated financial statements as of and for the years ended December 31, 2016 and 2015, and the unaudited condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2017 and 2016 to the extent related to the events and periods prior to May 3, 2017, are the consolidated financial statements of Decolar.com, Inc., which is our predecessor for accounting purposes.

Key Trends and Factors Affecting Our Business

We believe that our results of operations and financial performance will be driven primarily by the following trends and factors:

• **Growth in and Retention of our Customer Base**: A key driver of our revenue will be the number of customer transactions and the growth in our customer base. We have grown our customer base from 2.7 million distinct customers booking travel with us in 2012 to 4.0 million in the year ended December 31, 2016 and 2.5 million in the six months ended June 30, 2017. One important driver of growth in our customer base is consumer awareness of our brand which we foster via our online and offline marketing throughout our target markets in Latin America. We also benefit from network effects, in that a larger customer base helps us to attract additional suppliers and, in turn, a larger network of suppliers helps us to attract new customers as well as drive retention and repeat purchases. We focus on maintaining strong customer satisfaction to build long-term customer relationships. In the six months ended June 30, 2017 and in the year ended December 31, 2016, approximately 65% and 60%, respectively, of our transactions were with repeat customers who had previously purchased other travel products through our platform.

• **Cross-Selling**: Our financial results are also driven by our ability to cross-sell and increase the number of products that we are able to sell in connection with each trip, which allows us to increase our revenue from each transaction without incurring the costs of acquiring additional customers.

• **Changes in Product Mix and New Product Offerings**: In addition to the total volume of transactions, our operating results also vary depending on product mix. In particular, packages and hotels tend to have higher margins than air travel. In addition, we continually seek to expand our product offerings,
whether by adding new product categories, such as our introduction of our bus, local concierge and vacation rentals products, which may have higher or lower margins than our overall business, or by the ongoing expansion of our supplier base.

•  **Shift to Mobile Transactions**: As smart phone penetration in Latin America continues to increase, Latin American consumers have begun to make greater use of mobile devices to transact online. Mobile is an increasingly important part of our business, as consumers are quickly able to access and browse our real-time travel offerings, compare prices and make purchases through their mobile devices. During the six months ended June 30, 2017 and the year ended December 31, 2016, mobile accounted for approximately 55% and 50%, respectively, of all of our user visits, and approximately 27% and 23%, respectively, of our transactions were completed on our mobile platform, complementing our desktop website traffic. In addition, transactions via mobile increased by approximately 57% from the six months ended June 30, 2016 compared to the six months ended June 30, 2017. Our strategic focus on mobile enables us to remain connected to customers and provides the opportunity for customers to access our platform after they have arrived at their destination to purchase additional products, such as rental cars, destination services and travel insurance, or make last-minute hotel or air travel bookings.

•  **Selling and Marketing Expenditures**: Our number of transactions and gross bookings, and consequently our revenue and results of operations, are impacted by the level of our selling and marketing expenditures. We monitor our selling and marketing expenditures and their impact on our revenue in many cases virtually in real-time, as a significant amount of our selling and marketing expenditures relate to online advertising for which we can obtain real-time click-through data. As a result, we are able to adjust our selling and marketing expenditures to respond rapidly to changing market conditions. During 2016, our selling and marketing expenditures decreased 28.6% compared to 2015 due to the following: (1) we responded to adverse macroeconomic conditions particularly in Brazil and Argentina, (2) currency depreciations, particularly in Argentina in December 2015, reduced our expenditures in dollar terms, (3) we reduced expenditures during the imposition of our more restrictive anti-fraud protocol at the beginning of 2016, and (4) we adjusted our customer acquisition strategy to balance market share and customer profitability. During 2016, our number of transactions declined 6.5% and gross bookings declined 9.2%, in both cases compared to 2015. Our selling and marketing expenditures increased by 36.6% from the six months ended June 30, 2016 to the six months ended June 30, 2017. During the six months ended June 30, 2017, our number of transactions increased by 30.0% and gross bookings increased by 46.3%, in both cases compared to the six months ended June 30, 2016. For the full year of 2017, we currently expect to increase our selling and marketing expenditures in absolute terms in line with the expected growth in our business as a result of what we believe to be improving macroeconomic conditions in our markets; however, market conditions can change rapidly and affect our levels of expenditures on selling and marketing.

•  **Macroeconomic and Political Environment Conditions in the Countries in which We Operate**: Our customers are primarily located in Latin America, particularly in Brazil and Argentina, and to a lesser extent in Mexico and other countries in the region. Our results of operations and financial condition are significantly influenced by political and economic developments in the countries in which our customers reside and, to a lesser extent, in the countries to which our customers may travel, and the effect that these factors may have on the availability of credit, employment rates, disposable income, average wages and demand for travel in those countries. In the mid- to long-term, we believe that macroeconomic changes in the region will generally benefit us due to an expanding middle class, increasing disposable income, reduced unemployment and lower interest rates, among other factors.

  •  **Currency Exchange Rates**: We report our financial results in dollars, but most of our revenue and expenses are denominated in local currencies. Any changes in the exchange rates of any such currencies against the dollar will affect our reported financial results as translated into dollars. Furthermore, many of our customers travel internationally and any changes in the exchange rate between their home currency and the currency of their destination may influence their travel purchases.
Inflation: Historically, certain countries in Latin America, such as Argentina, have experienced high rates of inflation. Changes in inflation rates can affect our pricing as well as our expenses, including employee salaries, and the inflation rates in the countries where we generate revenue in any period may be higher or lower than the inflation rates in the countries where we incur expenses. In addition, higher inflation may lead our customers to make more purchases using installments or other financing options, which may result in an increase in the costs associated with offering such financing options to our customers. We currently believe that our overhead expenses will continue to increase for the remainder of 2017 as a result of continued high inflation expected in Argentina, the rate of which may exceed devaluation. Inflation can lead to frequent wage negotiations with our workforce.

Below is a summary of certain macroeconomic data for Brazil and Argentina, our two largest markets, for 2016 and 2015:

<table>
<thead>
<tr>
<th>Brazil</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth (decline) (1)</td>
<td>(3.6)%</td>
<td>(3.8)%</td>
</tr>
<tr>
<td>Nominal GDP per capita (in $) (2)</td>
<td>9,300</td>
<td>7,490</td>
</tr>
<tr>
<td>Population (in millions) (1)</td>
<td>207</td>
<td>205</td>
</tr>
<tr>
<td>Inflation (1)(3)</td>
<td>6.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Exchange rate (4)</td>
<td>3.2591</td>
<td>3.9048</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Argentina</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real GDP growth (decline) (1)</td>
<td>(2.2)%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Nominal GDP per capita ($) (2)</td>
<td>11,472</td>
<td>10,205</td>
</tr>
<tr>
<td>Population (in millions) (1)</td>
<td>43.59</td>
<td>43.13</td>
</tr>
<tr>
<td>Inflation (1)(3)</td>
<td>41%</td>
<td>27%</td>
</tr>
<tr>
<td>Exchange rate (4)</td>
<td>16.10</td>
<td>13.30</td>
</tr>
</tbody>
</table>

(1) Source: Instituto Brasileiro de Geografia e Estatistica (IBGE), measured in local currency.
(2) Calculated based on Central Bank nominal GDP and IBGE Population, using end of period foreign exchange rate.
(3) Inflation for the first six months of 2017 was 1.18%.
(4) Source: Banco Central do Brasil. Data as of December 31 of each year. As of July 31, 2017, the exchange rate was R$3.13 per $1.00.

(1) Source: Instituto Nacional de Estadistica y Censos (INDEC), measured in local currency.
(2) Calculated based on INDEC GDP in USD and INDEC Population.
(3) Inflation for the first six months of 2017 was 11.8%.
(4) Source: Banco de la Nacion Argentina. Data as of December 31 of each year. As of July 31, 2017, the exchange rate was AR$17.85 per $1.00.
Key Business Metrics

We regularly review the following key metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions.

<table>
<thead>
<tr>
<th>Operational</th>
<th>Six Months Ended June 30, (in thousands)</th>
<th>Year Ended December 31, (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of transactions</td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>By country</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brazil</td>
<td>1,784</td>
<td>1,375</td>
</tr>
<tr>
<td>Argentina</td>
<td>1,069</td>
<td>833</td>
</tr>
<tr>
<td>Other</td>
<td>1,486</td>
<td>1,130</td>
</tr>
<tr>
<td>Total</td>
<td>4,339</td>
<td>3,338</td>
</tr>
<tr>
<td>By segment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>2,570</td>
<td>1,936</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>1,769</td>
<td>1,402</td>
</tr>
<tr>
<td>Total</td>
<td>4,339</td>
<td>3,338</td>
</tr>
<tr>
<td>Gross bookings</td>
<td>$2,080,128</td>
<td>$1,416,990</td>
</tr>
<tr>
<td>Financial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA (unaudited)</td>
<td>$41,227</td>
<td>$14,581</td>
</tr>
</tbody>
</table>

Note: “NM” denotes not meaningful.

Number of Transactions

The number of transactions for a period is an operating measure that represents the total number of customer orders completed on our platform in such period. We monitor the total number of transactions, as well as the number of transactions in each of our segments and the number of transactions with customers in each of Brazil, Argentina and the other countries in which we operate. The number of transactions is an important metric because it is an indicator of the level of engagement with our customers and the scale of our business from period to period but, unlike gross bookings and our financial metrics, the number of transactions is independent of the average selling price of each transaction, which can be significantly influenced by fluctuations in currency exchange rates.

Gross Bookings

Gross bookings is an operating measure that represents the aggregate purchase price of all travel products booked by our customers through our platform during a given period. We generate substantially all of our revenue from commissions and other incentive payments paid by our suppliers and service fees paid by our customers for transactions through our platform, and, as a result, we monitor gross bookings as an important indicator of our ability to generate revenue.

Adjusted EBITDA

We define Adjusted EBITDA as net income / (loss) exclusive of financial income / (expense), income tax, depreciation, amortization and share-based compensation.

We believe that Adjusted EBITDA, a non-GAAP financial measure, provides useful supplemental information to investors about us and our results. Adjusted EBITDA is among the measures used by our management team to evaluate our financial and operating performance and make day-to-day financial and operating decisions. In addition, Adjusted EBITDA is frequently used by securities analysts, investors and other
Table of Contents

parties to evaluate companies in the online travel industry. We also believe that Adjusted EBITDA is helpful to investors because it provides additional information about trends in our core operating performance prior to considering the impact of capital structure, depreciation, amortization, and taxation on our results.

Adjusted EBITDA should not be considered in isolation or as a substitute for other measures of financial performance reported in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, including:

- Adjusted EBITDA does not reflect changes in, including cash requirements for, our working capital needs or contractual commitments;
- Adjusted EBITDA does not reflect our financial expenses, or the cash requirements to service interest or principal payments on our indebtedness, or interest income or other financial income;
- Adjusted EBITDA does not reflect our income tax expense or the cash requirements to pay our income taxes;
- although depreciation and amortization are non-cash charges, the assets being depreciated or amortized often will need to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for these replacements;
- although share-based compensation is a non-cash charge, Adjusted EBITDA does not consider the potentially dilutive impact of share-based compensation; and
- other companies may calculate Adjusted EBITDA differently, limiting its usefulness as a comparative measure.

We compensate for the inherent limitations associated with using Adjusted EBITDA through disclosure of these limitations, presentation of our consolidated financial statements in accordance with U.S. GAAP and reconciliation of Adjusted EBITDA to the most directly comparable U.S. GAAP measure, net income / (loss).

The table below provides a reconciliation of our net income / (loss) to Adjusted EBITDA:

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30</th>
<th>Year Ended December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Net income / (loss)</td>
<td>$18,801</td>
<td>($556)</td>
</tr>
<tr>
<td>Financial income</td>
<td>(915)</td>
<td>(3,923)</td>
</tr>
<tr>
<td>Financial expense</td>
<td>8,682</td>
<td>7,962</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6,292</td>
<td>4,824</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>2,705</td>
<td>2,528</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>3,556</td>
<td>3,646</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>2,106</td>
<td>100</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$41,227</td>
<td>$14,581</td>
</tr>
</tbody>
</table>

Components of Results of Operations

Revenue

We report our revenue on a net basis, deducting cancellations and amounts that we collect as sales taxes. We derive substantially all of our revenue from commissions and other incentive payments paid by our suppliers and service fees paid by our customers for transactions through our platform. To a lesser extent, we also derive revenue from the sale of third-party advertisements on our websites and from certain suppliers when their brands appears in our advertisements in mass media, which in the six months ended June 30, 2017, the year ended December 31, 2016 and the year ended December 31, 2015 amounted to 2.6%, 1.8% and 1.8%, respectively, of total revenue.
The structure of our fees and commissions varies significantly by product. Supplier incentives take several forms, including up-front commissions, which we recognize at the time of booking or upon check-in; back-end commissions and other bonuses based on satisfying volume targets for certain suppliers; as well as certain payments from our GDS suppliers and other suppliers. We also receive certain service fees from our customers, which vary based on a number of factors, including the type of product, destination and point of sale.

In our Air segment, we recognize revenue for certain up-front incentives commissions and service fees at the time of sale. In our Packages, Hotels and Other Travel Products segment, in most cases we recognize revenue at the time of travel, or, in the case of non-reimbursable transactions, at the time of booking. In our merchant, or pre-pay, model transactions, our supplier agreements allow us to receive full payment at the time of booking from the customer while the supplier is paid after check-out. In our agency, or pay-at-destination, model, we may either record the booking without taking payment from the customer or collect an amount equal to the commission from the customer while the customer pays the supplier only at check-out.

We seek to develop and maintain long-term relationships with travel suppliers, GDSs and other intermediaries. Our travel supplier management personnel work directly with travel suppliers to optimize access to their travel products for visitors to our platform, including through promotional activity, and maximize our revenue. In most cases, we enter into non-exclusive contracts with our travel suppliers, although in the case of some travel suppliers we may have informal arrangements without written contracts. Typically, supplier payment terms are negotiated on a regular basis. We have an exclusive contract with Expedia and its affiliates to offer through our platform hotel and other lodging products for all countries outside of Latin America. The contract establishes agreed payment terms. In the six months ended June 30, 2017 and in the year ended December 31, 2016, 10.0% and 9.3% of our gross bookings, respectively, were attributable to supply provided by affiliates of Expedia. For more information about our relationships with Expedia, see “Business—Material Agreements,” “Principal and Selling Shareholders” and “Certain Relationships and Related Person Transactions.” Given the fragmentation in travel suppliers in our markets, the frequency of negotiations of payment terms and competitive conditions, we have experienced what we consider to be limited volatility related to our arrangements with suppliers; however, we cannot assure you that we will not experience more volatility in the future.

Cost of Revenue

Cost of revenue consists of (1) credit card processing fees, (2) fees that we pay to banks relating to the installment plans that we offer, (3) the costs of operating our fulfillment center, customer service and risk management, (4) costs borne by us as a result of credit card chargebacks, including those related to fraud, (5) claims against us under consumer protection laws, (6) certain transaction-based taxes, other than income taxes (which are included under income tax expense) and sales taxes (which are deducted from our revenue) and (7) a portion of overhead expenses distributed based on the percentage of our employees attributable to cost of revenue.

Selling and Marketing

Selling and marketing expense is comprised of direct costs, including online marketing such as search engine and social media marketing, and offline marketing, such as television and print advertising. It also includes expenses of our selling and marketing personnel and related overhead usually distributed based on the percentage of our employees attributable to selling and marketing (for example, rent, facilities, depreciation etc.) Lastly, selling and marketing expense also includes commissions paid to certain third-party affiliates for sales that they generate through our systems.

General and Administrative

General and administrative expense consists primarily of personnel expenses for management, including both senior management and local managers, and employees involved in general corporate functions, including
finance, accounting, tax, legal, human resources and commercial analysts, our share-based compensation expenses for grants to members of our management team and professional and consulting fees. General and administrative expense also includes a portion of the overhead distributed based on the percentage of our employees attributable to general and administrative (for example, rent, facilities, depreciation etc.) General and administrative expense also includes bad debt expense that we recognize relating to the risk that we are unable to collect receivables from certain suppliers.

**Technology and Product Development**

Technology and product development expense includes the costs of developing our platform, as well as information technology costs to support our infrastructure, back-office operations and overall monitoring and security of our networks. This expense is principally comprised of personnel and depreciation and amortization of technology assets, including hardware, and purchased and internally-developed software. Technology and product development expense also includes a portion of the overhead expense for our facilities, based on the percentage of our employees attributable to technology and product development. During the six months ended June 30, 2017 and 2016 and the years ended December 31, 2016 and 2015, we capitalized $6.2 million, $5.7 million, $12.2 million and $13.6 million, respectively, for internal-use software and website development costs.

We classify our supplier relationships as a component of the products that we offer to our customers and, accordingly, our costs of acquiring and maintaining supplier relationships, including the costs of our personnel engaged in supplier relationships, are included as a component of technology and product development expense.

**Financial Income / (Expense)**

The functional currency of Despegar.com, Corp. and the functional currency of certain of our subsidiaries, including our U.S., Ecuador and Venezuela subsidiaries, as well as one of our Uruguay subsidiaries, is the dollar. Each of our other subsidiaries uses its local currency as its functional currency. Gains and losses resulting from transactions by each entity in non-functional currency are included in financial income / (expense). Financial income / (expense) also includes gains and losses on certain derivative financial instruments that we use to manage our exposure to foreign exchange volatility.

In addition, our assets and liabilities are translated from local currencies into dollars at the end of each period. However, any gains and losses resulting from such translations are reflected in our consolidated statement of comprehensive income / (loss) and are not reflected in our consolidated statements of operations. See also “—Quantitative and Qualitative Disclosures about Market Risk—Foreign Exchange Risk.”

Many of our customers finance their purchases from us using installment plans offered by third-party financial institutions. When customers make purchases using installment plans, the third-party financial institution bears the risk that the customer will make the required installment payments. In all markets except Brazil, we typically receive payment in full in less than one month after booking. However, our agreements with financing providers in Brazil allow for a significant delay between the initial transaction and the payment of the purchase price to us. In Brazil, we generally receive payment from the installment financing provider only after each scheduled payment due date from the customer. In the interim, the payment obligation is recognized as a receivable on our balance sheet. In some cases, we elect to factor or discount these Brazilian installment receivables, allowing us to receive the payment of the purchase price more quickly. The difference between the book value of the receivable and the amount that we receive for factoring such receivable is recognized as financial expense.

We also maintain revolving credit facilities in certain jurisdictions, and the associated interest expense is also included in financial income / (expense). As of June 30, 2017, we had outstanding borrowings of $13.9 million under these facilities.
Table of Contents

Income Tax Expense

As a Delaware corporation, our predecessor and subsidiary Decolar.com, Inc. is subject to taxation in the United States. In May 2017, the stockholders of Decolar.com, Inc. exchanged their shares for newly issued shares of Despegar.com, Corp. Although Despegar.com, Corp. is organized in the BVI, as a result of the exchange, under the “anti-inversion” rules of Section 7874 of the U.S. Internal Revenue Code, Despegar.com, Corp. is treated for U.S. federal tax purposes as a U.S. corporation and, accordingly, Despegar.com, Corp. is subject to U.S. federal income tax on its worldwide income, currently at a maximum rate of 35%.

We are subject to foreign taxes in the multiple jurisdictions in which we operate. In Brazil and Argentina, the income tax statutory rates are 34% and 35%, respectively.

In certain jurisdictions, we have outstanding net operating losses from prior periods. Deferred taxes related to these loss carryforwards are fully reserved.

Results of Operations

Six Month Period Ended June 30, 2017 Compared to the Six Month Period Ended June 30, 2016

<table>
<thead>
<tr>
<th>Six Months Ended June 30,</th>
<th></th>
<th></th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(in thousands)</td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>% of</td>
<td>% of</td>
<td>% of</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>Revenue</td>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>$116,653</td>
<td>47.0</td>
<td>$ 92,149</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>131,808</td>
<td>53.0</td>
<td>101,763</td>
</tr>
<tr>
<td>Total revenue</td>
<td><strong>248,461</strong></td>
<td><strong>100.0</strong></td>
<td><strong>193,912</strong></td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>66,227</td>
<td>26.7</td>
<td>67,246</td>
</tr>
<tr>
<td>Gross profit</td>
<td>182,234</td>
<td>73.3</td>
<td>126,666</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>78,835</td>
<td>31.7</td>
<td>57,710</td>
</tr>
<tr>
<td>General and administrative</td>
<td>37,487</td>
<td>15.1</td>
<td>29,146</td>
</tr>
<tr>
<td>Technology and product development</td>
<td>33,052</td>
<td>13.3</td>
<td>31,503</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>149,374</td>
<td>60.1</td>
<td>118,359</td>
</tr>
<tr>
<td>Operating income</td>
<td>32,860</td>
<td>13.2</td>
<td>8,307</td>
</tr>
<tr>
<td>Financial income / (expense)</td>
<td>(7,767)</td>
<td>(3.1)</td>
<td>(4,039)</td>
</tr>
<tr>
<td>Net income before income taxes</td>
<td>25,093</td>
<td>10.1</td>
<td>4,268</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>6,292</td>
<td>2.5</td>
<td>4,824</td>
</tr>
<tr>
<td>Net income / (loss)</td>
<td><strong>$ 18,801</strong></td>
<td><strong>7.6</strong></td>
<td><strong>(556)</strong></td>
</tr>
</tbody>
</table>

Note: “NM” denotes not meaningful.

Revenue

Revenue increased by 28.1%, from $193.9 million in the six months ended June 30, 2016 to $248.5 million in the six months ended June 30, 2017. This increase in revenue was primarily as a result of a 30.0% increase in the number of transactions from 3.3 million in the six months ended June 30, 2016 to 4.3 million in the six months ended June 30, 2017, and a 46.3% increase in gross bookings from $1,417.0 million during the six months ended June 30, 2016 to $2,080.1 million in the six months ended June 30, 2017 compared to the six months ended June 30, 2016. The increase in number of transactions and gross bookings was primarily due to
stabilizing macroeconomic conditions in Brazil and Argentina, an increase in our selling and marketing activities, changes in product mix with an increase in the proportion of international travel that typically results in higher revenue per transaction, and the real appreciation of local currencies in Brazil and Argentina.

The following is a discussion of our revenue broken down by our two business segments: Air; and Packages, Hotels and Other Travel Products.

**Air Segment.** The revenue in our Air segment increased by 26.6%, from $92.1 million in the six months ended June 30, 2016 to $116.7 million in the six months ended June 30, 2017, primarily due to an increase of 32.8% in the number of Air transactions. This increase was partially offset by a decrease of 4.7% in the average revenue per transaction for the segment, resulting primarily from a decrease in our rate of commissions, incentives and fees.

**Packages, Hotels and Other Travel Products Segment.** The revenue in our Packages, Hotels and Other Travel Products segment increased by 29.5%, from $101.8 million in the six months ended June 30, 2016 to $131.8 million in the six months ended June 30, 2017. This was primarily due to an increase of 26.2% in the number of transactions in this segment, as well as an increase of 2.7% in the revenue per transaction, resulting primarily from a greater product mix of international travel.

The following presents a breakdown of our revenue by: commissions, incentives and fees; advertising; commissions for the release of aged payables; and deferred revenue.

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2017 (in thousands)</th>
<th>2016 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions, incentives and fees (1)</td>
<td>$ 237,949</td>
<td>$ 177,608</td>
</tr>
<tr>
<td>Advertising (1)</td>
<td>6,375</td>
<td>2,587</td>
</tr>
<tr>
<td>Commissions for release of aged payables</td>
<td>3,537</td>
<td>7,205</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>600</td>
<td>6,512</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>$ 248,461</td>
<td>$ 193,912</td>
</tr>
</tbody>
</table>

(1) Net of revenue tax.

In the six months ended June 30, 2016, we instituted a new clause in our contracts with suppliers of prepaid products, imposing a 12-month time limit from the check-out date for our travel suppliers to invoice us for payment. As a result of that change, we were able to recognize $7.2 million in commissions for release of aged payables during the six months ended June 30, 2016. Although we may incur higher commissions for the release of aged payables in the future as a result of this new 12-month time limit, we did not have a similar magnitude of impact during the six months ended June 30, 2017 and we do not anticipate such a large effect on our revenue going forward because we recognized the effects of the new policy for prior years in 2016.

In addition, in the six months ended June 30, 2016, our deferred revenue was $5.9 million higher than in the six months ended June 30, 2017 primarily due to increased booking activity in the fourth quarter of 2015 in Argentina in anticipation of an expected significant devaluation in the peso with a new president and administration taking office in December 2015. Consistent with our accounting policies, we deferred the related revenue of refundable transactions for 2015 from these bookings until the check-outs took place in the six months ended June 30, 2016.
The following table presents a breakdown of our revenue for commissions, incentives and fees by: pre-pay model; pay-at-destination model; and other.

<table>
<thead>
<tr>
<th></th>
<th>Six Months Ended June 30, 2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Pre-pay model</td>
<td>$ 190,734</td>
<td>$ 140,573</td>
</tr>
<tr>
<td>Pay-at-destination model</td>
<td>11,738</td>
<td>11,238</td>
</tr>
<tr>
<td>Other (1)</td>
<td>35,477</td>
<td>25,797</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 237,949</strong></td>
<td><strong>$ 177,608</strong></td>
</tr>
</tbody>
</table>

(1) Includes incentives from our travel suppliers, primarily airlines and GDSs.

Our revenue from our pre-pay model increased 35.7% in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, while our revenue from our pay-at-destination model increased 4.4% in the same period. Higher growth in pre-pay model was partially due to our increased promotional activity to take advantage of higher demand for sales in installments. Other revenue increased 37.5%, mainly due to the growth in revenue from our Air segment and the negotiation of more favorable terms with GDSs.

**Cost of Revenue**

Cost of revenue declined from $67.2 million in the six months ended June 30, 2016 to $66.2 million in the six months ended June 30, 2017, or a decline of 1.5%. The decline was primarily a result of lower fraud expense recognized in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016, which we believe was due in part to our implementation of more restrictive anti-fraud protocol at the beginning of 2016.

**Gross Profit**

Gross profit increased from $126.7 million in the six months ended June 30, 2016 to $182.2 million in the six months ended June 30, 2017, or an increase of 43.9%. As a percentage of revenue, gross profit increased from 65.3% in the six months ended June 30, 2016 to 73.3% in the six months ended June 30, 2017.

**Selling and Marketing**

Selling and marketing expense increased from $57.7 million in the six months ended June 30, 2016 to $78.8 million in the six months ended June 30, 2017, or an increase of 36.6%. This increase in selling and marketing expense was primarily due to our response to stabilizing macroeconomic conditions as well as our reduction in selling and marketing spending during the six months ended June 20, 2016 in response to an increase in fraud activity at the end of 2015. As a percentage of revenue, selling and marketing expense increased from 29.8% in the six months ended June 30, 2016 to 31.7% in the six months ended June 30, 2017.

**General and Administrative**

General and administrative expense increased from $29.1 million in the six months ended June 30, 2016 to $37.5 million in the six months ended June 30, 2017, or an increase of 28.6%. This increase in general and administrative was primarily related to higher share-based compensation and higher bonus accrual resulting from our improved performance, as well as an increase in personnel costs and consulting expenses. As a percentage of revenue, general and administrative expense increased slightly from 15.0% in the six months ended June 30, 2016 to 15.1% in the six months ended June 30, 2017.

**Technology and Product Development**

Technology and product development expense increased from $31.5 million in the six months ended June 30, 2016 to $33.1 million in the six months ended June 30, 2017, or an increase of 4.9%. This increase in
technology and product development was primarily due higher personnel costs. As a percentage of revenue, technology and product development expense declined from 16.2% in the six months ended June 30, 2016 to 13.3% in the six months ended June 30, 2017.

**Operating Income**

Operating income increased from $8.3 million in the six months ended June 30, 2016 to $32.9 million in the six months ended June 30, 2017, or an increase of 295.6% as a result of the increase in our gross profit in excess of the increase in our operating expenses. As a percentage of revenue, our operating income increased from 4.3% in the six months ended June 30, 2016 to 13.2% in the six months ended June 30, 2017.

The following table presents a breakdown of our operating income / (loss) by our two business segments:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017 (in thousands)</th>
<th>As of June 30, 2016 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air</td>
<td>$26,533</td>
<td>$(2,684)</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>16,169</td>
<td>11,213</td>
</tr>
<tr>
<td>Unallocated corporate expenses</td>
<td>(9,842)</td>
<td>(222)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$32,860</strong></td>
<td>$8,307</td>
</tr>
</tbody>
</table>

Finance personnel and expenses are not allocated. Corporate expense allocation is based on the expenses planned in the annual budget, and variances to the budget are also recorded in unallocated corporate expenses. Unallocated corporate expenses increased in the six months ending June 30, 2017 due to increases in stock compensation expense, consulting expenses, management bonus accrual and management personnel expense as compared to the annual budget.

**Air Segment.** Our operating income / (loss) from our Air segment increased from a loss of $(2.7) million in the six months ended June 30, 2016 to income of $26.5 million in the six months ended June 30, 2017, primarily due to an increase in Air revenue and decrease in fraud expenses.

**Packages, Hotels and Other Travel Products Segment.** Our operating income from our Packages, Hotels and Other Travel Products segment increased by 44.2%, from $11.2 million in the six months ended June 30, 2016 to $16.2 million in the six months ended June 30, 2017, primarily due to an increase in Packages, Hotels and Other Travel Products revenue partially offset by higher deferred revenue during the six months ended June 30, 2016.

**Financial Income / (Expense)**

Financial expense increased from $4.0 million in the six months ended June 30, 2016 to $7.8 million in the six months ended June 30, 2017. This increase in financial expense was primarily a result of higher factoring activity in Brazil related to the increase in number of transactions and gross bookings as well as lower foreign exchange gain due to the lower rates of depreciation in the local currencies. As a percentage of revenue, financial expense increased from 2.1% in the six months ended June 30, 2016 to 3.1% in the six months ended June 30, 2017.

**Income Tax Expense**

We are subject to taxes in the multiple jurisdictions where we operate. Our tax obligations consist of current and deferred income taxes (or, in certain jurisdictions, taxes based on our assets rather than our taxable income) and withholding taxes incurred in these jurisdictions. Income tax expense increased from $4.8 million in the six months ended June 30, 2016 to $6.3 million in the six months ended June 30, 2017, primarily as a result of higher pre-tax income.
### Table of Contents

**Year Ended December 31, 2016 Compared to Year Ended December 31, 2015**

#### Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>% of Revenue</th>
<th>2015</th>
<th>% of Revenue</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>$205,721</td>
<td>50.0</td>
<td>$219,817</td>
<td>52.1</td>
<td>(6.4)</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>205,441</td>
<td>50.0</td>
<td>201,894</td>
<td>47.9</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>411,162</strong></td>
<td><strong>100.0</strong></td>
<td><strong>421,711</strong></td>
<td><strong>100.0</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
<tr>
<td><strong>Cost of revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$126,675</td>
<td>30.8</td>
<td>$154,213</td>
<td>36.6</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>411,162</strong></td>
<td><strong>100.0</strong></td>
<td><strong>421,711</strong></td>
<td><strong>100.0</strong></td>
<td><strong>(2.5)</strong></td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td><strong>284,487</strong></td>
<td><strong>69.2</strong></td>
<td><strong>267,498</strong></td>
<td><strong>63.4</strong></td>
<td><strong>6.4</strong></td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>121,466</td>
<td>29.5</td>
<td>170,149</td>
<td>40.3</td>
<td>(28.6)</td>
</tr>
<tr>
<td>General and administrative</td>
<td>64,683</td>
<td>15.7</td>
<td>78,181</td>
<td>18.5</td>
<td>(17.3)</td>
</tr>
<tr>
<td>Technology and product development</td>
<td>63,251</td>
<td>15.4</td>
<td>73,535</td>
<td>17.4</td>
<td>(14.0)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td><strong>249,400</strong></td>
<td><strong>60.7</strong></td>
<td><strong>321,865</strong></td>
<td><strong>76.3</strong></td>
<td><strong>(22.5)</strong></td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>35,087</td>
<td>8.5</td>
<td>(54,367)</td>
<td>(12.9)</td>
<td>NM</td>
</tr>
<tr>
<td>Financial income / (expense)</td>
<td>(6,752)</td>
<td>(1.6)</td>
<td>(12,905)</td>
<td>(3.1)</td>
<td>(47.7)</td>
</tr>
<tr>
<td><strong>Net income / (loss) before income taxes</strong></td>
<td>28,335</td>
<td>6.9</td>
<td>(67,272)</td>
<td>(16.0)</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>10,538</td>
<td>2.6</td>
<td>18,004</td>
<td>4.3</td>
<td>NM</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>$17,797</td>
<td>4.3</td>
<td>$(85,276)</td>
<td>(20.2)</td>
<td>NM</td>
</tr>
</tbody>
</table>

*Note: “NM” denotes not meaningful.*

**Revenue**

Revenue declined by 2.5%, from $421.7 million in 2015 to $411.2 million in 2016. The decline in revenue was primarily a result of a lower number of transactions, which declined by 6.5% from 7.7 million in 2015 to 7.2 million in 2016, and lower gross bookings, which declined by 9.2% from $3,596 million in 2015 to $3,260 million in 2016. The reduction in number of transactions and gross bookings was partially a result of economic weakness in our largest markets of Brazil and Argentina, including a decline in the value of the Brazilian real and the Argentine peso, which contributed to a decrease of almost 20% in the number of transactions in Brazil as travel became more expensive for our customers, as well as a decrease in the revenue per transaction expressed in dollars.

We imposed a more restrictive anti-fraud protocol in 2016 as a response to an increase in attempted fraudulent transactions, which resulted in an increased rate of rejection of legitimate transactions, also reducing gross bookings. Our anti-fraud protocols were further refined in late 2016, and we believe that we are now better able to identify fraudulent transactions while rejecting fewer legitimate transactions.

In addition, our revenue for 2016 was positively affected by $9.4 million in commissions for the release of aged payables resulting primarily from our institution of a new clause in our contracts with suppliers, as well as $6.4 million in lower deferred revenue relating to the anticipation of the currency devaluation in Argentina in December 2015, both as described below, which partially offset the decline in revenue from 2015.

The following is a discussion of our revenue broken down by our two business segments: Air; and Packages, Hotels and Other Travel Products.

**Air Segment.** The revenue in our Air segment declined by 6.4%, to $205.7 million in 2016 from $219.8 million in 2015, primarily due to (i) a decrease of 3% in the volume of Air transactions and (ii) a decrease of 3.5% in the average revenue per transaction for the segment, resulting from a similar decrease in our average selling price for the segment.
Packages, Hotels and Other Travel Products Segment. The revenue in our Packages, Hotels and Other Travel Products segment increased by 1.8%, to $205.4 million in 2016 from $201.9 million in 2015. Excluding the effects of commissions for the release of aged payables and deferred revenue, as discussed below, segment revenue would have decreased 5.4% primarily due to (i) a decrease of 11.1% in the volume of Packages, Hotels and Other Travel Products transactions, net of (ii) an increase of 6.7% in the average revenue per transaction for the segment. This increase in the revenue per transaction was due to higher revenue margins and a change in product mix with an increase in the share of packages, which have the highest average revenue per transaction in the segment.

The following presents a breakdown of our revenue by: commissions, incentives and fees; advertising; commissions for the release of aged payables; and deferred revenue.

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2016 (in thousands)</th>
<th>Year ended December 31, 2015 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissions, incentives and fees (1)</td>
<td>$396,892</td>
<td>$422,554</td>
</tr>
<tr>
<td>Advertising (1)</td>
<td>7,375</td>
<td>7,274</td>
</tr>
<tr>
<td>Commissions for release of aged payables</td>
<td>9,378</td>
<td>722</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(2,483)</td>
<td>(8,839)</td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>$411,162</strong></td>
<td><strong>$421,711</strong></td>
</tr>
</tbody>
</table>

(1) Net of sales tax.

In 2016, we instituted a new clause in our contracts with suppliers of prepaid products, imposing a 12-month time limit from the check-out date for our travel suppliers to invoice us for payment. As a result of that change, we were able to recognize approximately $9.4 million in commissions for release of aged payables. Although we may incur higher commissions for the release of aged payables in the future as a result of this new 12-month time limit, we do not anticipate such a large effect on our revenue in any period going forward because we recognized the effects of the new policy for prior years in 2016.

In addition, in 2016 we had a decrease of $6.4 million in deferred revenue primarily due to increased booking activity in the fourth quarter of 2015 in Argentina in anticipation of an expected significant devaluation in the peso with a new president and administration taking office in December 2015. Consistent with our accounting policies, we deferred the related revenue of refundable transactions for 2015 from these bookings until the check-outs took place in 2016.

The following table presents a breakdown of our revenue for commissions, incentives and fees by: pre-pay model; pay-at-destination model; and other.

<table>
<thead>
<tr>
<th></th>
<th>Year ended December 31, 2016 (in thousands)</th>
<th>Year ended December 31, 2015 (in thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-pay model</td>
<td>$321,990</td>
<td>$332,277</td>
</tr>
<tr>
<td>Pay-at-destination model</td>
<td>22,907</td>
<td>35,495</td>
</tr>
<tr>
<td>Other (1)</td>
<td>51,995</td>
<td>54,782</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$396,892</strong></td>
<td><strong>$422,554</strong></td>
</tr>
</tbody>
</table>

(1) Includes incentives from our travel suppliers, primarily airlines and GDSs.

Our revenue from our pre-pay model decreased by 3.1% in 2016, which is consistent with our decline in total revenue, as explained above. Our revenue from our pay-at-destination model declined by 35.5% in 2016, mainly because in 2016 we were more selective in the hotels for which we offered pay-at-destination rates, in an
effort to decrease the level of bad debt, which is higher in this model. Other revenue decreased 5.1% in 2016, mainly due to the impact of lower Air revenue in connection with incentives provided by GDS partners.

Cost of Revenue

Cost of revenue declined from $154.2 million in 2015 to $126.7 million in 2016, or a decline of 17.9%. The decline was partially a result of lower fraud expense recognized in 2016 as compared to 2015, which we believe was due in part to our implementation of more restrictive anti-fraud protocol. Although the chargebacks that we experienced due to the heightened fraud attempts from late 2015 through 2016 were more prominent in 2016, we were able to identify the trend in fraud attempts in 2015 and we created a reserve for increased fraud expense in 2015. The decline in cost of revenue was also partially a result of improved efficiency as we were able to reduce headcount at our fulfillment center by 23% from mid-2015 to the end of 2016, and a result of the decline in revenue and gross bookings. As a percentage of revenue, cost of revenue declined from 36.6% in 2015 to 30.8% in 2016.

Gross Profit

Gross profit increased from $267.5 million in 2015 to $284.5 million in 2016, or an increase of 6.4%, as our reduction in cost of revenue more than offset our decline in revenue. As a percentage of revenue, gross profit increased from 63.4% in 2015 to 69.2% in 2016.

Selling and Marketing

Selling and marketing expense declined from $170.1 million in 2015 to $121.5 million in 2016, or a decline of 28.6%. The decline was partially a result of a reduction of marketing activities, totaling approximately $47.0 million, mostly in Brazil and Argentina, as we adjusted our customer acquisition strategy to balance the expansion of market share and customer profitability. The decline was also partially a result of currency depreciation, particularly the Argentine peso, relative to our reporting currency of the dollar. As a percentage of revenue, selling and marketing expense declined from 40.3% in 2015 to 29.5% in 2016.

General and Administrative

General and administrative expense declined from $78.2 million in 2015 to $64.7 million in 2016, or a decline of 17.3%. The decline was primarily a result of a reduction in compensation costs as a result of currency depreciation, particularly the Argentine peso, relative to our reporting currency of the dollar, as many of our general and administrative functions are located in Argentina as well as a reduction in headcount of administrative personnel, partially as a result of our use of ERP processes for certain finance and accounting functions. The decline was also partially a result of a $9.8 million tax contingency recorded in 2015. As a percentage of revenue, general and administrative expense declined from 18.5% in 2015 to 15.7% in 2016.

Technology and Product Development

Technology and product development expense declined from $73.5 million in 2015 to $63.3 million in 2016, or a decline of 14.0%. The decline was primarily a result of a reduction in compensation costs. The decline in compensation costs was a result of currency depreciation, particularly in the Argentine peso, as compared to our reporting currency of the dollar, as well as reductions in headcount of our travel supplier management personnel, partially as a result of automation, and of our operations and customer service personnel, primarily due to outsourcing. As a percentage of revenue, technology and product development expense declined from 17.4% in 2015 to 15.4% in 2016.

Operating Income / (Loss)

In 2015, we had an operating loss of $54.4 million as compared to operating income of $35.1 million in 2016, or an increase in operating income of $89.5 million. This increase was a result of declines in cost of
revenue and in each component of our operating expenses, partially as a result of currency depreciation, particularly in the Argentine peso, as compared to our reporting currency of the dollar. These declines in expenses were partially offset by a decline in revenue. As a percentage of revenue, our operating income / (loss) increased from (12.9)% in 2015 to 8.5% in 2016.

The following table presents a breakdown of our operating income / (loss) by our two business segments.

<table>
<thead>
<tr>
<th>Year ended December 31</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(in thousands)</td>
<td></td>
</tr>
<tr>
<td>Air</td>
<td>$23,841</td>
<td>$1,909</td>
</tr>
<tr>
<td>Packages, Hotels and Other Travel Products</td>
<td>16,801</td>
<td>(36,255)</td>
</tr>
<tr>
<td>Unallocated corporate expenses</td>
<td>(5,555)</td>
<td>(20,021)</td>
</tr>
<tr>
<td>Total</td>
<td>$35,087</td>
<td>$(54,367)</td>
</tr>
</tbody>
</table>

Finance personnel and expenses are not allocated. Corporate expense allocation is based on the expenses planned in the annual budget, and variances to the budget are also recorded in unallocated corporate expenses. Unallocated corporate expenses in both 2016 and 2015 were less than expected as compared to the annual budget which is used as the basis of allocation. Expenses were less than budgeted due to reductions in headcount and cost reduction initiatives.

**Air Segment.** Our operating income from our Air segment increased from $1.9 million in 2015 to $23.8 million in 2016, primarily due to (i) the recognition in 2015 of a Brazilian tax authority claim, as discussed in Note 13 to the consolidated financial statements, (ii) lower marketing and IT expenses, and (iii) lower fraud charges. As a percentage of revenue from our Air segment, our operating income from our Air segment increased from 0.9% in 2015 to 11.6% in 2016.

**Packages, Hotels and Other Travel Products Segment.** Our operating income / (loss) from our Packages, Hotels and Other Travel Products segment increased from a $(36.3) million loss in 2015 to $16.8 million of income in 2016, primarily due to the reasons described above, which caused the variation in the Air segment, plus the effects of commissions for the release of aged payables and deferred revenue. As a percentage of revenue from our Packages, Hotels and Other Travel Products segment, our operating income / (loss) from our Packages, Hotels and Other Travel Products segment increased from (18.0)% in 2015 to 8.2% in 2016.

**Financial Income / (Expense)**

Financial expense declined by 47.7%, from $12.9 million in 2015 to $6.8 million in 2016. The decline was primarily a result of our election to reduce our factoring of receivables for outstanding payments from third-party financial institutions relating to customer purchases using installment plans in Brazil. We reduced our use of factoring in 2016 in part to increase the total amount of our receivables denominated in Brazilian reais in order to reduce our net currency exposure to the Brazilian real. Increasing our receivables denominated in Brazilian reais reduced our net currency exposure to the Brazilian real because we also carry an accounts payable balance due to suppliers in Brazil that is also denominated in Brazilian reais. We also were able to reduce our use of factoring in part because our stronger operating cash flows in 2016 reduced our financing needs. As a percentage of revenue, financial expense declined from 3.1% in 2015 to 1.6% in 2016.

**Income Tax Expense**

We are subject to taxes in the multiple jurisdictions where we operate. Our tax obligations consist of current and deferred income taxes (or, in certain jurisdictions, taxes based on our assets rather than our taxable income) and withholding taxes incurred in these jurisdictions. Income tax expense decreased from $18.0 million to $10.5 million, primarily as a result of (1) lower non-deductible expenses and (2) an increase in non-taxable income.
Seasonality

We generally experience seasonal fluctuations in our financial results. Latin American travelers, particularly leisure travelers who are our primary customers, tend to travel most frequently at the end of the fourth quarter and during the first quarter of each year. Leisure travel is more common in Latin America at that time because those quarters include the summer months in the southern hemisphere, along with many school holidays and the Christmas holiday season. We typically experience a higher volume of transactions in the fourth quarter relating to travel in that period. However, many of the transactions booked in the fourth quarter relate to travel dates in the first quarter of the following fiscal year and, as a result, much of the revenue associated with those transactions is not recognized until the first quarter of the following year.

Our financial results experience fluctuations due to seasonal variations in demand for travel services. Bookings for vacation and leisure travel are generally higher during the fourth quarter, although we have recognized more revenue associated with those bookings in the first quarter of each year. The decrease in our results of operations from the first quarter of 2017 to the second quarter of 2017 is primarily the result of this seasonality. For 2015 and 2016, the effects of seasonality were negated by macroeconomic conditions and other factors that impacted our results.
The following table sets forth our unaudited quarterly results and certain key business metrics for each fiscal quarter in the six months ended June 30, 2017 and in the years ended December 31, 2016 and 2015. The unaudited quarterly results set forth below have been prepared on a basis consistent with our audited consolidated financial statements, and we believe they include all normal recurring adjustments necessary for a fair statement of the financial information presented below. The following table should be read in conjunction with our audited consolidated financial statements included elsewhere in this prospectus.

### Key Business Metrics:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,061,026</td>
<td>$1,019,102</td>
<td>$942,343</td>
<td>$971,329</td>
</tr>
<tr>
<td>Gross bookings</td>
<td>$96,777</td>
<td>$102,509</td>
<td>$108,367</td>
<td>$114,058</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>$56,828</td>
<td>$56,625</td>
<td>$51,384</td>
<td>$79,038</td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>(45,178)</td>
<td>(46,591)</td>
<td>(36,185)</td>
<td>(28,668)</td>
</tr>
<tr>
<td>General and administrative</td>
<td>(19,606)</td>
<td>(16,991)</td>
<td>(13,360)</td>
<td>(15,186)</td>
</tr>
<tr>
<td>Technology and content</td>
<td>(19,070)</td>
<td>(20,055)</td>
<td>(15,262)</td>
<td>(19,148)</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>(83,854)</td>
<td>(89,939)</td>
<td>(82,265)</td>
<td>(90,955)</td>
</tr>
<tr>
<td>Operating income / (loss)</td>
<td>(16,325)</td>
<td>(15,040)</td>
<td>(8,979)</td>
<td>(7,076)</td>
</tr>
<tr>
<td>Financial income / (expense)</td>
<td>(621)</td>
<td>(4,622)</td>
<td>(2,178)</td>
<td>(1,157)</td>
</tr>
<tr>
<td>Net income / (loss) before income taxes</td>
<td>$21,877</td>
<td>(14,169)</td>
<td>(35,283)</td>
<td>1,708</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(4,344)</td>
<td>(5,909)</td>
<td>(6,166)</td>
<td>(2,706)</td>
</tr>
<tr>
<td>Financial income / (loss)</td>
<td>$26,221</td>
<td>$15,954</td>
<td>$(1,652)</td>
<td>$(41,449)</td>
</tr>
</tbody>
</table>

### Adjusted EBITDA (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$971,329</td>
<td>$942,343</td>
<td>$84,133</td>
<td>$88,923</td>
</tr>
<tr>
<td>Gross bookings</td>
<td>$813,009</td>
<td>$869,569</td>
<td>$942,343</td>
<td>$971,329</td>
</tr>
</tbody>
</table>

(1) The table below provides a reconciliation of our net income/loss to Adjusted EBITDA.

### Adjusted EBITDA (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>$12,370</td>
<td>$10,924</td>
<td>$12,895</td>
<td>$26,221</td>
</tr>
</tbody>
</table>

### Financial Information

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income / (loss)</td>
<td>$(12,895)</td>
<td>$15,954</td>
<td>$(1,652)</td>
<td>$(41,449)</td>
</tr>
<tr>
<td>Financial Income</td>
<td>86</td>
<td>5,562</td>
<td>2,517</td>
<td>2,692</td>
</tr>
<tr>
<td>Financial Expense</td>
<td>(5,638)</td>
<td>(4,931)</td>
<td>(7,139)</td>
<td>(6,094)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(4,344)</td>
<td>(1,585)</td>
<td>(5,999)</td>
<td>(6,166)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(1,267)</td>
<td>(1,371)</td>
<td>(1,253)</td>
<td>(1,281)</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>(2,367)</td>
<td>(2,371)</td>
<td>(2,389)</td>
<td>(2,160)</td>
</tr>
<tr>
<td>Share-based compensation expense</td>
<td>(321)</td>
<td>(374)</td>
<td>(374)</td>
<td>(208)</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$(12,370)</td>
<td>$(10,924)</td>
<td>$12,895</td>
<td>$(26,221)</td>
</tr>
</tbody>
</table>
Liquidity and Capital Resources

As described under “Use of Proceeds,” we intend to use the net proceeds from this offering for general corporate purposes, including potential acquisitions or other strategic opportunities in the future. In addition, we do not currently expect to pay any cash dividends to our shareholders in the foreseeable future.

We believe, based on our current operating plan, that our existing cash and cash equivalents, together with other sources of financing and cash flows from operating activities, will be sufficient to meet our anticipated cash needs for working capital, financial liabilities, capital expenditures and business expansion for at least the next twelve months. Although we believe that upon the completion of this offering we will have a sufficient level of cash and cash equivalents to cover our working capital needs in the ordinary course of business and to continue to expand our business, we may, from time to time, explore additional financing sources to lower our cost of capital, which could include equity, equity-linked and debt financing. In addition, from time to time, we may evaluate acquisitions and other strategic opportunities. If we elect to pursue any such investments, we may fund them with internally generated funds, proceeds from this offering, bank financing, the issuance of debt or equity or a combination thereof. In addition, our payment terms with our customers and suppliers often allow us to receive payment from customers before we are required to make payments to our suppliers, which also reduces our need to use external sources of financing.

The ability of certain of our subsidiaries to pay dividends to us is subject to their having satisfied requirements under local law to set aside a portion of their net income in each year to legal reserves, as described below. In accordance with Argentine and Uruguayan companies law, our subsidiaries incorporated in Argentina and in Uruguay must set aside at least 5% of their net profit (determined on the basis of their statutory accounts) in each year to legal reserves, until such reserves equal 20% of their respective issued share capital. As of June 30, 2017, no legal reserves were required at our Argentine subsidiary because it had accumulated losses. As of that date, our Uruguayan subsidiary was required to set aside a legal reserve of $0.8 million, which was fully constituted.

Restricted and Unrestricted Cash and Cash Equivalents

As of June 30, 2017 and 2016, we had unrestricted cash and cash equivalents of $92.1 million and $85.6 million. As of December 31, 2016 and 2015, we had unrestricted cash and cash equivalents of $76.0 million and $102.1 million, respectively. In addition, as of December 31, 2015 we had short-term investments of $40.0 million, with a maturity greater than three months. After December 31, 2015, those funds were reinvested in short-term investments with a maturity shorter than three months and, as a result, the amounts were classified as cash and cash equivalents rather than short-term investments as of December 31, 2016.

Additionally, as of June 30, 2017 and 2016, we had restricted cash and cash equivalents of $49.2 million and $35.1 million. As of December 31, 2016 and 2015, we had restricted cash and cash equivalents of $43.2 million and $33.8 million, respectively, which primarily consisted of amounts held in restricted accounts to secure our obligations to various suppliers.

Positive Cash Cycle

The cash cycle in our business presents a source of working capital for our company. Our pre-pay model allows us to collect cash amounts from transactions with our customers well before we are required to make payments to our travel suppliers, which allows us to use the cash for other business purposes in the interim. Under our pre-pay model, we receive cash payments through credit card companies used by customers at or near the time of booking, and we are required to make payments related to the booking to the relevant suppliers generally two to three months afterwards, typically after the customer uses the reservation and the supplier invoices us. As of June 30, 2017, June 30, 2016, December 31, 2016 and 2015, we had deferred merchant bookings of $85.0 million, $46.6 million, $84.5 million and $90.6 million, respectively.
If our pre-pay model declines relative to our pay-at-destination, model or our overall business, or if there are changes to the pre-pay model such as changes in booking patterns or customer or supplier payment terms, our overall working capital benefits could be reduced. In such event, we could be required to obtain additional working capital financing, including using factoring, which would increase our financial expense. In addition, in the event of a significantly contracting market or a prolonged market disruption, or a prolonged disruption to our platform, we could face liquidity constraints if we have used cash received from customers in our business and are not able to obtain cash through our operations or from financing to make subsequent payments to travel suppliers. In addition, a significant change in currency values could affect our payment obligations to travel suppliers, although we believe that our hedging policies mitigate our exposure to currency fluctuations.

Cash Flows


The following table sets forth certain consolidated cash flow information for the six months ended June 30, 2017 and 2016:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash flows provided by (used in) operating activities</strong></td>
<td>$25,281</td>
<td>$(47,652)</td>
</tr>
<tr>
<td><strong>Net cash flows (used in) / from investing activities</strong></td>
<td>$(15,990)</td>
<td>31,997</td>
</tr>
<tr>
<td><strong>Net cash flows provided by financing activities</strong></td>
<td>6,676</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Effect of exchange rate changes on cash and cash equivalents</strong></td>
<td>172</td>
<td>$(1,892)</td>
</tr>
<tr>
<td><strong>Net (decrease) / increase in cash and cash equivalents</strong></td>
<td>16,139</td>
<td>$(16,547)</td>
</tr>
</tbody>
</table>

Net Cash Flows Provided by / (Used in) Operating Activities

Operating activities provided net cash of $25.3 million in the six months ended June 30, 2017 and used $47.7 million in the six months ended June 30, 2016. While in the six months ended June 30, 2016 net cash used in operating activities was impacted by the payment of the heightened fraud attempts from late 2015, net cash in the six months ended June 30, 2017 was benefitted by the increase of $24.6 million in operating income.

Net Cash Flows (Used in) / From Investing Activities

Investing activities used net cash of $16.0 million in the six months ended June 30, 2017 and provided net cash of $32.0 million in the six months ended June 30, 2016. While in the six months ended June 30, 2016 cash provided by investing activities was primarily the result of the realization of a short term investment made in 2015, in the six months ended June 30, 2017 cash was impacted mainly by an increase of restricted cash caused by the increase in business volume.

Net Cash Flows Provided by Financing Activities

Net cash flows provided by financing activities were $6.7 million in the six months ended June 30, 2017 and $1.0 million in the six months ended June 30, 2016.

Currency Exchange Rates

The translation effect of converting cash held in local currencies to dollars impacted our cash and cash equivalents by $1.9 million and $0.2 million in the six months ended June 30, 2016 and 2017, respectively.
Cash Flows for the Year Ended December 31, 2016 Compared to Year Ended December 31, 2015

The following table sets forth certain consolidated cash flow information for the years ended December 31, 2016 and 2015:

<p>| (in thousands) | Year Ended December 31, |</p>
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flows used in operating activities</td>
<td>$(43,292)</td>
<td>$(24,249)</td>
</tr>
<tr>
<td>Net cash flows provided by / (used in) investing activities</td>
<td>14,384</td>
<td>(80,986)</td>
</tr>
<tr>
<td>Net cash flows provided by financing activities</td>
<td>5,142</td>
<td>198,793</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(2,382)</td>
<td>(12,478)</td>
</tr>
<tr>
<td>Net (decrease) / increase in cash and cash equivalents</td>
<td>(26,148)</td>
<td>81,080</td>
</tr>
</tbody>
</table>

**Net Cash Flows Used in Operating Activities**

Operating activities used net cash of $43.3 million in 2016 and $24.2 million in 2015. The increase in net cash used in operating activities was primarily the result of an increase in receivables, which was primarily a result of our decision to allow our receivables from third-party financial institutions relating to installment plan purchases in Brazil to remain outstanding for a longer period instead of factoring such receivables to receive payment more quickly. We reduced our use of factoring in 2016 in part to increase the total amount of our receivables denominated in Brazilian reais to reduce our currency risk with respect to our balance of accounts payable to suppliers in Brazil that are denominated in Brazilian reais. We also were able to reduce our use of factoring in part because our otherwise stronger operating cash flows in 2016 reduced our financing needs. The increase in cash used in operating activities was partially offset by an increase in net income in 2016.

**Net Cash Flows Provided by / (Used in) Investing Activities**

Investing activities provided net cash of $14.4 million in 2016 and used net cash of $81.0 million in 2015. The increase in net cash provided by investing activities was primarily the result of holding $40.0 million in short-term investments with a maturity longer than three months in 2015, which was classified as a short-term investment, and then reinvesting that $40.0 million in investments with a maturity shorter than three months in 2016, which was classified as cash and cash equivalents. The increase in net cash flows from investing activities was partially offset by an increase in investment in intangible assets in 2016. In addition, in 2015 we pledged $10.0 million of cash to Expedia, which was then classified as restricted cash (see note 12 to our audited consolidated financial statements).

**Net Cash Flows Provided by Financing Activities**

Net cash flows provided by financing activities were $198.8 million in 2015 and $5.1 million in 2016. The net cash flows provided by financing activities in 2015 were primarily a result of Expedia’s investment in the common stock of Decolar.com, Inc. (our predecessor), which provided us with $270.0 million, of which $45.0 million was used to repurchase shares from other stockholders and $50.0 million was used to repay a portion of our indebtedness. The net cash flows provided by financing activities in 2016 were primarily a result of increased borrowings under our revolving credit facilities.

**Currency Exchange Rates**

The translation effect of converting cash held in local currencies to dollars reduced our cash and cash equivalents by $12.5 million and $2.4 million in 2015 and 2016, respectively.
## Contractual Obligations and Other Commitments

The following table represents our contractual commitments as of December 31, 2016:

<table>
<thead>
<tr>
<th>Payments Due by Period</th>
<th>Total</th>
<th>Within 1 Year</th>
<th>2-3 Years</th>
<th>4-5 Years</th>
<th>After 5 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating lease obligations</td>
<td>$13,526</td>
<td>$3,720</td>
<td>$6,262</td>
<td>$3,434</td>
<td>$110</td>
</tr>
<tr>
<td>Other long-term liabilities (1)</td>
<td>125,000</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>125,000</td>
</tr>
<tr>
<td>Total contractual obligations</td>
<td>$138,526</td>
<td>$3,720</td>
<td>$6,262</td>
<td>$3,434</td>
<td>$125,110</td>
</tr>
</tbody>
</table>

(1) We may be required to make a termination payment of $125.0 million to Expedia if, among other things, we elect to terminate the Expedia Outsourcing Agreement on or after March 6, 2022 or the marketing fee threshold of $5.0 million over a rolling six-month period is not achieved. Such amount is reflected as a long-term liability on our balance sheet. For more information on our relationship with Expedia, see “Business—Material Agreements,” “Principal and Selling Shareholders” and “Certain Relationships and Related Person Transactions.” Since we entered into the Expedia Outsourcing Agreement in March 2015, we have not failed to meet the required threshold. Our average margin from March 2015 through June 2017 has been 188% of the threshold, with our lowest margin being 151% of the threshold during the six-month period ended April 2015 and our highest margin being 27% of the threshold during the six-month period ended June 2017. Although we are significantly above the required threshold and believe that we have sufficient flexibility to continue to meet the threshold on a going forward basis, our ability to do so could be impaired by a significant and prolonged disruption in the global travel industry or our platform. For more information, see “Risk Factors.”

There have been no material changes to our contractual obligations since December 31, 2016.

## Off-Balance Sheet Arrangements

As of June 30, 2017, except for operating lease obligations as described above, we did not have any material off-balance sheet arrangements.

## Technology and Product Development

Our technology and product development activities are primarily focused on the development of software, which we view as an important element of the investments we make in our technology and our business. Our primary software development activities have been focused on providing an effective and engaging platform for our customers and on collecting and using data to better customize the user experience, pricing and marketing efforts for our customers. In the six months ended June 30, 2017 and June 30, 2016 and in the years ended December 31, 2016 and 2015, we spent $33.1 million, $31.5 million, $63.3 million and $73.5 million, respectively, on software development and other technology and product development activities.

## Certain Relationships and Related Party Transactions

We have engaged in a number of related party transactions. See the notes to our consolidated financial statements, as well as “Certain Relationships and Related Person Transactions,” included elsewhere in this prospectus.

## Recent Accounting Pronouncements

For a discussion of new accounting pronouncements, see note 3 in our audited consolidated financial statements and unaudited condensed consolidated financial statements included elsewhere in this prospectus.
Critical Accounting Policies and Use of Estimates

Critical accounting policies and estimates are those that we believe are important in the preparation of our consolidated financial statements because they require that we use judgment and estimates in applying those policies. We prepare our consolidated financial statements and accompanying notes in accordance with U.S. GAAP.

Preparation of the consolidated financial statements included elsewhere in this prospectus requires that we make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements as well as revenue and expenses during the periods reported. We base our estimates on historical experience, where applicable, and other assumptions that we believe are reasonable under the circumstances. Actual results may differ from our estimates under different assumptions or conditions.

An accounting policy is considered to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could materially impact the consolidated financial statements. We believe that the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements. You should read the following descriptions of critical accounting policies, judgments and estimates in conjunction with our audited consolidated financial statements and the notes thereto included elsewhere in this prospectus.

There are certain critical estimates that we believe require significant judgment in the preparation of our consolidated financial statements. We consider an accounting estimate to be critical if:

- it requires us to make an assumption because information was not available at the time or it included matters that were highly uncertain at the time we were making the estimate; and
- changes in the estimate or different estimates that we could have selected may have had a material impact on our financial condition or results of operations.

For more information on each of these policies, see note 3—Summary of Significant Accounting Policies, in the notes to our audited consolidated financial statements included elsewhere in this prospectus. We discuss information about the nature and rationale for our critical accounting estimates below.

Accounting for Certain Pre-pay Revenue

We accrue the cost of certain pre-pay revenue based on the amount we expect to be billed by suppliers. In certain instances when a supplier invoices us for less than the cost we accrued, we generally recognize those amounts as revenue twelve months in arrears, when we determine it is not probable that we will be required to pay the supplier, based on historical experience and contract terms. Actual revenue could be greater or less than the amounts estimated due to changes in hotel billing practices or changes in traveler behavior.

Recoverability of Goodwill and Indefinite and Definite-Lived Intangible Assets

Goodwill. We assess goodwill for impairment annually as of December 31, if events and circumstances indicate impairment may have occurred. In the evaluation of goodwill for impairment, we typically first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than the carrying amount. If so, we perform a quantitative assessment and compare the fair value of the reporting unit to the carrying value. If the carrying value of a reporting unit exceeds its fair value, the goodwill of that reporting unit is potentially impaired and we proceed to step two of the impairment analysis. In step two of
the analysis, we will record an impairment loss equal to the excess of the carrying value of the reporting unit’s goodwill over its implied fair value should such a circumstance arise. Periodically, we may choose to forgo the initial qualitative assessment and perform quantitative analysis to assist in our annual evaluation.

We generally base our measurement of fair value of reporting units on an analysis of the present value of future discounted cash flows. The discounted cash flows model indicates the fair value of the reporting units based on the present value of the cash flows that we expect the reporting units to generate in the future. Our significant estimates in the discounted cash flows model include: our weighted average cost of capital, long-term rate of growth and profitability of our business and working capital effects.

We believe the weighted use of discounted cash flows is the best method for determining the fair value of our reporting units because these are the most common valuation methodology used within the travel and internet industries.

**Indefinite-Lived Intangible Assets**. We base our measurement of fair value of indefinite-lived intangible assets, which primarily consist of brands and domains, using the relief-from-royalty method. This method assumes that the brands and domains have value to the extent that their owner is relieved of the obligation to pay royalties for the benefits received from them. This method requires us to estimate the future revenue for the related brands, the appropriate royalty rate and the weighted average cost of capital.

**Definite-Lived Intangible Assets**. We review the carrying value of long-lived assets or asset groups to be used in operations whenever events or changes in circumstances indicate that the carrying amount of the assets might not be recoverable. Factors that would necessitate an impairment assessment include a significant adverse change in the extent or manner in which an asset is used, a significant adverse change in legal factors or the business climate that could affect the value of the asset, or a significant decline in the observable market value of an asset, among others. If such facts indicate a potential impairment, we would assess the recoverability of an asset group by determining if the carrying value of the asset group exceeds the sum of the projected undiscounted cash flows expected to result from the use and eventual disposition of the assets over the remaining economic life of the primary asset in the asset group. If the recoverability test indicates that the carrying value of the asset group is not recoverable, we will estimate the fair value of the asset group using appropriate valuation methodologies, which would typically include an estimate of discounted cash flows. Any impairment would be measured as the difference between the asset groups carrying amount and its estimated fair value.

The use of different estimates or assumptions in determining the fair value of our goodwill, indefinite-lived and definite-lived intangible assets may result in different values for these assets, which could result in an impairment or, in the period in which an impairment is recognized, could result in a materially different impairment charge.

**Income Taxes**

We record income taxes under the liability method. Deferred tax assets and liabilities reflect our estimation of the future tax consequences of temporary differences between the carrying amounts of assets and liabilities for book and tax purposes. We determine deferred income taxes based on the differences in accounting methods and timing between financial statement and income tax reporting. Accordingly, we determine the deferred tax asset or liability for each temporary difference based on the enacted tax rates expected to be in effect when we realize the underlying items of income and expense. We consider many factors when assessing the likelihood of future realization of our deferred tax assets, including our recent earnings experience by jurisdiction, expectations of future taxable income, and the carryforward periods available to us for tax reporting purposes, as well as other relevant factors. We may establish a valuation allowance to reduce deferred tax assets to the amount we believe is more likely than not to be realized. Due to inherent complexities arising from the nature of our businesses, future changes in income tax law, tax sharing agreements or variances between our actual and anticipated operating results, we make certain judgments and estimates. Therefore, actual income taxes could materially vary from these estimates.
Other Long-Term Liabilities

Various Legal and Tax Contingencies. We record liabilities to address potential exposures related to business and tax positions we have taken that have been or could be challenged by taxing authorities. In addition, we record liabilities associated with legal proceedings and lawsuits. These liabilities are recorded when the likelihood of payment is probable and the amounts can be reasonably estimated. The determination for required liabilities is based upon analysis of each individual tax issue, or legal proceeding, taking into consideration the likelihood of adverse judgments and the range of possible loss. In addition, our analysis may be based on discussions with outside legal counsel. The ultimate resolution of these potential tax exposures and legal proceedings may be greater or less than the liabilities recorded.

Stock-Based Compensation

Our primary form of employee stock-based compensation is stock option awards. We measure the value of stock option awards on the date of grant at fair value using the appropriate valuation techniques, including the Black-Scholes and Monte Carlo option-pricing models. We amortize the fair value over the remaining term on a straight-line basis. We account for forfeitures as they occur. The pricing models require various highly judgmental assumptions including volatility and expected option term. If any of the assumptions used in the models change significantly, stock-based compensation expense may differ materially in the future from that recorded in the current period.

Public Company Cost

Upon consummation of our initial public offering, we will become a public company, and our ordinary shares will be publicly traded on the New York Stock Exchange. As a result, we will need to comply with new laws, regulations and requirements that we did not need to comply with as a private company, including provisions of the Sarbanes-Oxley Act, other applicable SEC regulations and the requirements of the New York Stock Exchange. Compliance with the requirements of being a public company will require us to increase our general and administrative expenses in order to pay our employees, legal counsel and independent registered public accountants to assist us in, among other things, instituting and monitoring a more comprehensive compliance and board governance function, establishing and maintaining internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act and preparing and distributing periodic public reports in compliance with our obligations under the federal securities laws. In addition, as a public company, it will be more expensive for us to obtain directors’ and officers’ liability insurance.

Jumpstart Our Business Startups Act of 2012

The JOBS Act permits an EGC such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected not to take advantage of the extended transition period to comply with new or revised accounting standards; however, we have elected to adopt certain of the reduced disclosure requirements available to EGCs.

Quantitative and Qualitative Disclosures About Market Risk

Foreign Exchange Risk

We report our financial results in dollars, but most of our revenue and expenses are denominated in other currencies, particularly the Argentine peso and the Brazilian real. Any changes in the exchange rates of any such currencies against the dollar will affect our reported financial results as translated into dollars. Furthermore, many of our customers travel internationally and any changes in the exchange rate between their home currency and the currency of their intended destination may influence their travel purchases. We also use derivative financial instruments in some cases to manage our foreign exchange risk.
Our supplier arrangements often result in significant balances of both accounts payable and accounts receivable denominated in various currencies. To the extent that the timing of such payments are within our control, we often attempt to accelerate or delay such payments to minimize the disparity between our accounts payable and accounts receivable denominated in each currency, which reduces the effect of exchange rate fluctuations on our reported financial results. For example, we reduced our factoring of Brazilian installment receivables in 2016 in part to increase the total amount of our receivables denominated in Brazilian reais to partially offset our larger balance of accounts payable to suppliers in Brazil that are denominated in Brazilian reais. In addition, we can be exposed to foreign exchange risk with respect to international travel if we accept upfront payment at the time of booking in a customer’s home currency and are later required to pay the supplier in the supplier’s home currency.

**Inflation and Interest Rate Risk**

Brazil, Argentina and many other countries in Latin America have historically experienced high rates of inflation. Inflationary pressures persist, and actions taken in an effort to curb inflation, coupled with public speculation about possible future governmental actions, have in the past contributed to economic uncertainty in Brazil, Argentina and other Latin America countries and heightened volatility in the Latin America financial markets. Changes in inflation rates can affect our pricing as well as our expenses, and the inflation rates in the countries where we generate revenue in any period may be higher or lower than the inflation rates in the countries where we incur expenses. In addition, higher inflation may lead our customers to make more purchases using installment or other financing options, and may make such financing options more expensive for us.

The inflation rate in Brazil, as reflected by the IPCA index, was 10.7% in 2015, 6.3% in 2016 and 1.2% in the first half of 2017. The inflation rate in Argentina, as measured by the City of Buenos Aires Consumer Price Index, was 26.9% in 2015 and 41.0% in 2016. According to measurements from INDEC of the Consumer Price Index, inflation for the first nine months of 2015 was 10.7%, for the period from May to December 2016 was 16.9% and for the first half of 2017 was 11.8%, respectively. National statistical data was not available in Argentina from October 2015 to April 2016.

Interest rates are highly sensitive to many factors, including fiscal and monetary policies to combat inflation and economic and political and other factors beyond our control. From time to time, we factor our receivables to receive cash more quickly. The costs of factoring are driven primarily by interest rates which, in turn, are influenced significantly by inflation and expectations for future inflation. In addition, we maintain revolving credit facilities in certain countries, and the interest rates payable with respect to those facilities also vary based on local market interest rates.
BUSINESS

Overview

We are the leading online travel company in Latin America, known by our two brands, Despegar, our global brand, and Decolar, our Brazilian brand. We have a comprehensive product offering, including airline tickets, packages, hotels and other travel-related products, which enables consumers to find, compare, plan and purchase travel products easily through our marketplace. We provide our network of travel suppliers a technology platform for managing the distribution of their products and access to our users. We believe that our focus on the underpenetrated Latin American online travel market, our knowledge of the consumer and supplier landscape in the region and our ability to manage the business successfully through economic cycles will allow us to continue our industry leadership. In the six months ended June 30, 2017 and the year ended December 31, 2016, we had approximately 2.5 million and 4.0 million customers, generating $248.5 million and $411.2 million in revenue, respectively. Our gross bookings were $2.1 billion and $3.3 billion in the six month ended June 30, 2017 and the year ended December 31, 2016, respectively.

Total Latin America online travel bookings are projected to be approximately $29.7 billion in 2016 and are expected to grow to approximately $47.6 billion by 2020, representing an estimated CAGR of 12.5%, according to Euromonitor International, with projected penetration of online travel bookings expected to increase from approximately 31% in 2016 to approximately 36% in 2020. Factors driving the growth in online travel bookings include the increase of internet penetration, further adoption of smartphones, tablets and other mobile devices and a growing middle class with greater access to banking services and credit products, together enabling a larger segment of the growing population to transact online or on mobile devices.

The Latin American travel industry is characterized by significant fragmentation in suppliers across airlines, hotels and other travel products. This fragmentation is compounded by regional complexities, including differences in language, local customs, travel preferences, currencies and regulatory regimes across the more than 40 countries in the region. These factors create challenges for suppliers to reach customers directly and, consequently, create a significant market opportunity for us.

We believe we have the broadest travel portfolio among OTAs in Latin America, with inventory from global suppliers, including over 250 airlines and over 300,000 hotels, as well as approximately 900 car rental agencies and approximately 250 destination services suppliers with more than 7,000 activities. Additionally, we have accumulated approximately nine million user-generated reviews, of which 1.1 million and 1.9 million were submitted in the six months ended June 30, 2017 and in the year ended December 31, 2016, respectively, which we believe drive user engagement. Our business benefits from network effects: our large customer base helps us to attract additional travel suppliers and, in turn, a larger network of travel suppliers helps us to attract new customers by enhancing our product offering. Additionally, as we continue to grow our marketplace, we are increasingly able to offer more competitive pricing and product availability to our customers as well as enhance the effectiveness of our marketing strategy.

We launched our award-winning mobile travel app in 2012 and it is an increasingly important part of our business, as it allows consumers to access and browse our real-time inventory, compare prices and transact through their mobile devices quickly. As of June 30, 2017, our apps have more than 33 million cumulative downloads from the iOS App Store and Google Play (22 million of which were downloaded in the last two years ended June 30, 2017) and we believe they are the most downloaded OTA apps in Latin America. During the six months ended June 30, 2017 and in the year ended December 31, 2016, mobile accounted for approximately 55% and 50%, respectively, of all of our user visits, and approximately 27% and 23%, respectively, of our transactions were purchased on our mobile platform, complementing our desktop website traffic. In addition, transactions via mobile increased by approximately 57% from the six months ended June 30, 2016 compared to the six months ended June 30, 2017. As internet, smartphone and other mobile device penetration continue to increase, we believe that our strength in mobile will continue to be a strategic advantage.
We view our brand recognition among Latin America travelers as one of our key competitive advantages. We believe that our brands, Despegar and Decolar, have the highest brand awareness in online travel across Latin America, with approximately 140 million unique visitors to our platform in the last twelve months ended June 30, 2017, based on our internal estimates. According to data from Google Adwords, Despegar and Decolar had the highest brand recognition among OTAs in Latin America. In the six months ended June 30, 2017 and in the year ended December 31, 2016, approximately 52% and 50%, respectively, of the traffic on our platform was from visitors coming to our platform directly, or through other free channels, rather than through paid channels, largely due to the strength of our brand. To date, we have invested more than $1.0 billion in marketing and branding initiatives promoting our brand, which we believe, combined with the quality of the service we have delivered over the years, has made us a trusted brand with our customers. Based on our own customer surveys, we had an NPS of 63 in the six months ended June 30, 2017, which reflects our favorable brand affinity among our customers. In addition, our leading web and mobile platform and comprehensive product offering enable us to retain current customers. In 2016, 60% of our transactions were with repeat customers.

Travel Market Opportunity in Latin America

Latin America is one of the largest and most diverse regions in the world. Comprised of over 40 countries with a total population of over 600 million, the region encompasses multiple languages, currencies and regulatory regimes. The travel market serving Latin American consumers presents a significant opportunity for us due to its large market size, highly fragmented base of travel suppliers and rapid growth in the adoption of technology-based solutions for consumers and travel suppliers. The following charts show certain statistics for the Latin American region.

(1) According to Euromonitor International.
(2) In dollars.
The Latin American travel industry, comprised of air, hotel, car rentals and attractions within Latin America and inbound to the region, including corporate travel, represented an estimated $97.5 billion market as projected for 2016 and is expected to grow to approximately $130.9 billion by 2020, according to Euromonitor International. This represents an estimated CAGR of 7.6% from 2016 to 2020. In 2016, airline bookings in Latin America are projected to be approximately $43.3 billion, hotel bookings are projected to be approximately $46.0 billion and together car rentals and attractions are projected to be approximately $8.2 billion, according to Euromonitor International.

Long-term favorable macroeconomic trends in the region have contributed to the expansion of the middle class and increased consumption in the region. According to the World Bank, the middle class (defined as per capita income of $3,650 to $18,250 per year) comprised approximately 35% of the Latin American population in 2014, compared to less than 25% a decade prior. This amounted to an additional 108 million people moving into the middle class. The growth in the middle class and the expansion of GDP per capita have increased disposable income available for discretionary purchases, including travel.

The Latin American travel industry is characterized by significant supplier fragmentation across airlines, hotels and other travel products. Regional complexities, including differences in language, local customs, travel preferences, currencies and regulatory regimes across the more than 40 countries in the region create challenges for suppliers to reach customers directly, at scale and across the region.

The airline industry in the region is highly fragmented, as evidenced by the fact that the largest four airlines in Latin America by bookings accounted for approximately 40% of total bookings per year in 2015 in comparison to 68% in the United States during the same period, according to Euromonitor International. Further driving this fragmentation is the growing number of smaller airlines, including low-cost airlines that have been commencing operation in recent years. According to CAPA Center for Aviation, 11 new airlines commenced operations in Latin America in 2016 and a further 11 are expected to do so in 2017. Today, travel agencies are the leading distribution channel in the region for airlines, due to their ability to provide greater selection and scale across the region.

Additionally, Latin America’s hotel industry is characterized by higher fragmentation and lower occupancy rates than that of other developed markets. These factors increases our importance to hotels. In Latin America, the top ten hotel chains had an estimated 15.3% market share in 2015, compared to 51.8% in the United States during the same period, according to Euromonitor International. Furthermore, a large portion of the room capacity in Latin America is provided by independent hotels, with major chains accounting for only approximately 46% of total capacity, compared to 72% in the United States, according to Skift and SiteMinder. The hotel occupancy rate in South America was approximately 55% in 2016, compared to 65% in North America and 70% in Europe, according to STR Global. As such, we have a broad supplier base, with approximately 7,000 hotels generating approximately 90% of our hotel revenue. We believe that due to a lack of scale or unified brand, other travel services in Latin America tend to be even more fragmented, operating in specific cities or countries.

An expanding and evolving travel market, coupled with greater internet, smartphone and other mobile device penetration, is expected to drive robust growth in online travel bookings in Latin America. Total Latin America online travel bookings were approximately $13.7 billion in 2010 and projected to be approximately $29.7 billion in 2016, and are expected to further increase to approximately $47.6 billion by 2020, according to Euromonitor International. This represents an estimated CAGR of 12.5% from 2016 to 2020. According to our
estimates, based on Euromonitor International market data, we had a market share of approximately 11% of the Latin American online travel market, as measured by gross bookings projected by Euromonitor International for 2016. We believe that our business will continue benefiting from these market trends, although we cannot assure you that our business will grow at the same rates as historic or forecasted market growth.

According to Euromonitor International, online travel penetration in Latin America, measured as online bookings as a percentage of total travel bookings, increased from approximately 16% in 2010 to approximately 31% projected for 2016 and is expected to climb to approximately 36% by 2020. By comparison, in the United States, Western Europe and Asia, online booking penetration is projected to be 49%, 52% and 36%, respectively, in 2016. As consumers shift to researching and booking travel online, travel suppliers have adapted their offerings and deepened their relationships with online marketing and booking channels, such as OTAs, to generate revenue. OTAs provide travel suppliers with scale and distribution into new and existing markets and 24/7 customer service and localization services, including language and payment capabilities. Factors driving the growth in online travel include:

- **Increasing internet penetration**. In 2015, internet penetration in Latin America was approximately 50%, and is expected to increase to approximately 66% by 2020, according to Euromonitor International. By comparison, North America and Western Europe had demonstrated internet penetration of 71% and 74%, respectively, in 2015 and, are expected to increase to 81% and 82%, respectively, in 2020. As such, while internet penetration in Latin America has increased, we believe it has substantial room for growth. As internet penetration increases, Latin American consumers are increasingly using the internet to research and purchase products, including travel.

- **Increasing adoption of mobile devices**. The number of unique mobile subscribers, in Latin America is expected to grow by approximately 110 million new unique subscribers, according to the GSM Association, bringing the total to approximately 524 million in the region by 2020. With the proliferation of smartphones and tablets, mobile has become a prominent tool for travelers to search, discover and purchase travel services.

- **Superior user experience**. Online travel booking channels, which include websites and mobile apps, empower travelers to search products and user-generated reviews and easily compare real-time availability and pricing options from multiple travel providers simultaneously, which we believe leads to higher user engagement and customer conversion.

- **Growth in banked consumers and proliferation of credit products**. With the continued development of the Latin American economy, a larger portion of the population has opened bank accounts, enabling access to new forms of payments including credit cards and other financial products. With the increased number of consumers with bank and credit card accounts, more people have the ability to make purchases online. According to Euromonitor International, the number of credit cards outstanding
in Latin America (measured in millions of credit cards) has grown at a CAGR of approximately 6.9% between 2006 and projections for 2016. Access to bank accounts and credit cards also gives consumers access to additional financing options from banks, such as payment by installments.

As the leading OTA in Latin America, we believe we are well positioned to succeed as consumers’ destination of choice for fast, easily searchable and more transparent travel research and shopping. As our market share grows, we are increasingly able to capture significant amounts of customer data including travel history and preferences and serve personalized recommendations to drive higher customer conversion. Additionally, we are able to provide better pricing through scale and by bundling multiple travel products together in a single offer.

**Our Competitive Strengths**

We are the leading OTA in Latin America, offering our customers a broad and diversified selection of travel products at attractive prices. Our leadership position is a result of our following core strengths:

**Industry Leader in Latin America**

With our launch in 1999, we have benefited from an early mover advantage in Latin America, which has allowed us to achieve significant scale and brand awareness, with approximately 140 million unique visitors to our platform in the last twelve months ended June 30, 2017, based on our internal estimates. In the six months ended June 30, 2017 and in the year ended December 31, 2016, we had approximately 2.5 million and 4.0 million customers primarily in Latin America, generating $248.5 million and $411.2 million in revenue and approximately $2.1 billion and $3.3 billion, respectively, in gross bookings. In 2016, we held the #1 ranking of all OTAs in Latin America by desktop traffic, according to SimilarWeb.

We have established relationships with a large and growing network of travel suppliers in Latin America and we have become the leading online air ticketing provider in Latin America, having sold approximately 15% of all airline tickets purchased through GDS in the region during 2016, according to Amadeus. Additionally, we believe we provide our customers with the largest travel portfolio among Latin American OTAs, with access to over 250 global airlines and over 300,000 hotels globally as well as approximately 900 car rental agencies and approximately 250 destination services suppliers with more than 7,000 activities. Additionally, we have accumulated approximately nine million user-generated reviews in total as of June 30, 2017, of which 1.9 million were submitted in the year ended December 31, 2016 and 1.1 million in the first half of 2017, which we believe drive user engagement. Our platform is also of increasing importance to airlines based outside of Latin America, which generally have a limited local presence in the region, and which account for over 70% of the outbound international travel booked on our platform. Such international travel is more attractive because of its price point and higher commission structure.
Our technology platform allows us to offer our customers the ability to create custom packages of two or more products, such as a combination of airfare and a hotel booking for a particular trip, allowing us to offer customers lower combined prices that may not be available for individual products. We are also able to better cross-sell multiple travel products and provide customers with a comprehensive solution for their travel needs.

We benefit from network effects: our large customer base helps us to attract additional travel suppliers and, in turn, a larger network of travel suppliers helps us to attract new customers by enhancing our product offering. Furthermore, by growing our user base and aggregating different products from our supplier base, we are able to offer attractive pricing and availability of travel products to our customers as well as enhance the effectiveness of our marketing strategy.

**Strong Brand Recognition and Awareness**

Despegar, our global brand, and Decolar, our Brazilian brand, have leading brand awareness in online travel in key markets, including Brazil and Argentina. According to search engine trend data that is based on the relative number of searches of brand related keywords on Google during the six months ended June 30, 2017, we had a 27% share (in each case, as compared with what we believe to be the next five largest competitors in the market) in Latin America, 24% in Brazil, 37% in Argentina, 37% in Chile and 25% in Colombia, which represented the strongest brand awareness (as compared with the next five largest competitors in the market) in each of these markets, and a 20% share in Mexico, where we had the second strongest brand awareness. We have dedicated significant efforts and resources to building our brands throughout our 18-year history, including more than $1.0 billion in lifetime investment in marketing and branding activities. Based on our own customer surveys, we had an NPS of 63 in the six months ended June 30, 2017, which we believe represents a strong willingness of our customers to recommend our offerings to others. In the six months ended June 30, 2017 and the year ended December 31, 2016, approximately 52% and approximately 50%, respectively, of the traffic on our platform was from visitors coming to our platform, or through other free channels, rather than visitors coming to our platform through paid channels, largely due to the strength of our brand.

**Local Market Expertise and Leadership**

We have a strong track record in Latin America, with a point of sale in 20 markets, representing 95% of the region’s population, and with a leading OTA presence in key markets such as Brazil, Argentina, Mexico, Chile, and Colombia. In our two largest markets, Brazil and Argentina, we have operated for 17 and 18 years, respectively. Our knowledge of local consumers, and their buying patterns and travel preferences, as well as our ability to offer financing through our relationships with financial institutions, have enabled us to serve our customers more effectively than global competitors from outside the region. Furthermore, our extensive supplier relationships allow us to offer a greater scale and breadth of offerings than smaller, local competitors. We understand the objectives of, and challenges faced by, Latin American travel suppliers and we are well-positioned to address those challenges by helping the suppliers grow their businesses, all to the benefit of consumers who receive more choice at attractive pricing.

As the leading Latin American OTA, we have developed long-standing relationships with a wide range of local banks to offer installment payment plans to their credit card holders as an alternative purchase option. We believe that local banks look to partner with us because of our scale, access to our online audience and high transaction volume. We believe this differentiates us from other local and global travel agencies as those agencies either do not offer installment plans or offer installment plans from a more limited selection of financing providers or in a more limited selection of countries. We believe our portfolio of installment plans is a meaningful driver of traffic to our platform as well as conversion. Approximately 54% of our transactions in both the six months ended June 30, 2017 and 2016, and approximately 55% and 53% of our transactions in the years ended December 31, 2016 and 2015, respectively, were paid by installment. Our agreements with local banks allow us to offer installment plans without assuming collection risk from the customer.
Leading Mobile Offering

Mobile is an increasingly important part of our business, as consumers are quickly able to access and browse our real-time travel offerings, compare prices and make purchases through their mobile devices. We launched our leading mobile travel apps in 2012. As of June 30, 2017, our mobile apps have more than 33 million cumulative downloads from the iOS App Store and Google Play (22 million of which were downloaded in the last two years ended June 30, 2017) and we believe they are the most downloaded OTA apps in Latin America 2012 to 2016. In addition, our iOS App Store and Google Play apps received ratings of 4.5 and 4.4 stars as of June. During the six months ended June 30, 2017 and the year ended December 31, 2016, mobile, which includes both mobile web and our mobile apps, accounted for approximately 55% and approximately 50%, respectively, of all of our user visits, and approximately 27% and 23%, respectively, of our transactions. In addition, transactions via mobile increased by approximately 57% from the six months ended June 30, 2016 compared to the six months ended June 30, 2017. We continue to provide innovative features and functionality to consumers through our mobile apps, including push notifications, dynamic updates, inventory alerts and personalized promotions as well as in-app customer service. Our customers using mobile devices have historically made more repeat transactions than customers using desktop computers. Additionally, our mobile presence allows in-destination marketing, which facilitates cross-selling of additional travel products, such as rental cars and destination services to customers, after they have arrived at their destination.

Many of our customers use their mobile device to search for travel products but complete their transactions on their desktop. However, as mobile purchasing becomes increasingly prevalent in the region, we believe our award-winning mobile platform, coupled with the widespread adoption of our apps, positions us well for an increasingly mobile future.

Powerful Data and Analytics Platform

Our large web and mobile audience and transaction volume generate a significant amount of data that allows us to better understand our customers and provide personalized travel offerings and also helps us to drive our sales, marketing and operational strategy. To offer the most effective content and products for each customer, we extensively analyze the data we collect to identify and highlight the most valuable products and destinations in each customer interaction. By gathering and analyzing data in real-time, we are quickly able to assess and react to changes in customer behavior, market pricing and other market dynamics. Currently, the majority of visitors to our platform see a personalized landing page based on such factors as user account information, past search and purchasing history and geolocation. We believe that this personalization of the user experience increases engagement and likelihood of purchase.

Effective Marketing Capabilities

We have invested significant resources in our marketing team, which we believe is a significant driver of our business. Through our vertically-integrated, in-house marketing team, we are able to control all aspects of our budget, marketing campaigns and market analytics, without the need for agencies or external consultants. Our marketing team’s local knowledge and expertise in our key markets have allowed us to develop direct relationships with a broad range of local and regional media providers and purchase media directly, avoiding more costly intermediaries. We have invested in our own creative, production and media execution teams, composed of approximately 122 employees, who are quickly able to adapt our marketing strategy, while also leveraging our extensive data and analytics capabilities for more precise audience targeting. Furthermore, we have developed our own software platform for managing our search optimization capabilities, allowing us to tailor messages effectively for specific target markets and customers.

Proven and Experienced Team

Our management team has significant experience in the travel sector and across a variety of industries in Latin America. Members of our management team have worked at organizations such as Expedia, Kimberly-Clark, LATAM Airlines, McKinsey, Morgan Stanley, PwC and Thales, among others. In addition to our
management team, we have an extensive technology team including more than 800 developers and technology professionals. By fostering a distinctive, collaborative and high-performance working culture, we attract software developers with world-class talent and offer an engaging working environment for ongoing career development. We believe we are perceived as a top talent recruiter for IT professionals in Latin America, allowing us to attract the highest quality professionals and specialists dedicated to the enhancement of our platform.

Our Strategy

Our goal is to further expand our leading position, continue to innovate by better serving customer and supplier needs and increase our profitability with the following key strategies:

Continue to Grow and Develop Our Customer Base in Latin America

We believe there are significant opportunities to expand further our customer base in the region and, at the same time, increase our share of total travel spend by our customers. During the six months ended June 30, 2017, approximately 2.5 million customers transacted on our platform and approximately 65% of our transactions were with repeat customers, and during 2016, approximately 4.0 million customers transacted on our platform and approximately 60% of our transactions were with repeat customers. Furthermore, we believe that our personalized customer experience, comprehensive product offering and high-impact marketing, such as online advertising, television, radio and print media will allow us to continue to drive repeat purchases and attract new customers to our platform.

Continue to Enhance Our Product Offerings

We believe that we can grow our business by further tailoring and expanding our product offering to address the needs of new and existing customers. For example, in recent years, we have launched new products, including travel insurance, bus trips, vacation rentals, and our local concierge product, in several of our existing markets. We believe this strategy can also be replicated in additional markets. We are continuing to expand our installment payments plan and add other payment options, such as debit cards and acceptance of multiple credit cards in a single transaction, as well as several market-specific localized payment options, to attract more customers to our platform and improve purchase conversion at checkout.

Increase Cross-Selling

We plan to grow our revenue by further capitalizing on our large scale, high volume traffic and technology to continue to increase cross-selling. We believe there is significant room to grow our packages, hotels and other travel products businesses through focused marketing and cross-selling initiatives, such as offering exclusive discounts on related products upon checkout, targeted post-sale emails and personalized in-destination mobile marketing with offers for additional travel products that may be relevant to customers’ initial purchase.

Expand and Deepen Supplier Relationships

We plan to expand our supplier base as well as deepen our relationships with suppliers. We intend to continue to provide access to our broad customer base and offer multiple rate plans and package deals, to drive demand for our suppliers’ products and help them grow their businesses. We will also continue to invest in our software to offer our suppliers tools to better manage their inventory.

Continue to Invest in Our Mobile Offering

We will continue to invest in our mobile platform by launching new mobile features and functionality. Additionally, we will continue to invest in mobile-focused marketing in order to augment our app downloads and mobile conversion, which we believe represents a significant growth opportunity for our business. Through
mobile-only rates, personalized packaged products and in-destination targeted marketing through our mobile apps, we offer our customers an attractive range of travel products in an efficient manner. We believe that by taking a mobile first approach and providing customers with the ability to use the latest mobile technology, such as account recognition, in-app customer service, automated payment options, location-based targeting and highly-targeted push and in-app notifications, will allow us to continue to accelerate our mobile growth.

**Focus on Operational Efficiency**

We have invested aggressively over the years to scale our operations and support the growth of our business. We intend to continue enhancing the infrastructure and technology that support our platform in order to facilitate the best product offering, provide reliable site performance and ensure high quality customer service by promptly processing requests and frequently monitoring performance.

We also plan to invest in initiatives to promote further automation and improve efficiency, which will simplify our operations and reduce costs. We will continue to define and implement fraud-prevention strategies, and invest in tools to minimize both fraud exposure and legitimate sales rejections. Moreover, we will continue our focus on minimizing fulfillment leakage and costs by improving internal processes and supplier inventory integration, as we believe there is significant opportunity to capture additional growth in these areas.

**Opportunistically Pursue Strategic Acquisitions**

We may expand our business through opportunistic acquisitions that enable us to enhance our customer offerings, build our marketplace, enter new geographies or enhance our operational infrastructure. We may also consider acquiring additional technology capabilities through alliances and partnerships. We believe our industry and operational experience and our open and collaborative culture will help us to integrate acquired businesses.
## Table of Contents

### Our History and Development

Our business has grown substantially in revenue, products and geographic scope since launching in 1999. The following table shows the timeline of key milestones:

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestones</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>• Launched site in Argentina</td>
</tr>
<tr>
<td>2000</td>
<td>• Launched sites in Brazil, Chile, Colombia, Mexico and Uruguay</td>
</tr>
<tr>
<td>2001</td>
<td>• Launched sites in the United States and Venezuela</td>
</tr>
<tr>
<td>2007</td>
<td>• Launched site in Peru</td>
</tr>
</tbody>
</table>
| 2009 | • Expanded our offering to include hotels  
• Launched sites in Bolivia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Nicaragua, Panama, Paraguay and Puerto Rico |
| 2010 | • Launched sites in El Salvador and Honduras, reaching our 20th market  
• Cumulative one million customers served |
| 2012 | • Launched our mobile apps on Android and iOS  
• Expanded offering to include packages, rental cars and cruise products |
| 2013 | • Reached one million downloads of our mobile app  
• Expanded our offering to include destination services  
• Expanded hotel offering to include vacation rentals |
| 2014 | • Cumulative 10 million customers served  
• Our mobile app is included in the iTunes Store’s “Best of 2014”  
• Launched travel affiliates program  
• Expanded our offering to include travel insurance |
| 2015 | • Reached 10 million downloads of our mobile app  
• Completed migration from call center sales to fully online model  
• Deepened strategic partnership with Expedia, including its equity investment in our Company |
| 2016 | • Awarded “E-commerce Leader in the Tourism Industry in LATAM” by the Latin American E-Commerce Institute  
• Expanded our offering to include our bus product  
• Expanded our destination services offering to include our local concierge product |

### Our Customers

In the six months ended June 30, 2017 and in the year ended December 31, 2016 we had approximately 2.5 million and 4.0 million customers, respectively, primarily in Latin America. Our customers are primarily from Latin America traveling domestically within their own country of origin, to other countries in the Latin American region, and outside of Latin America. Most of our customers are traveling for leisure, although we do have some independent business travelers as well.

### Our Products

We offer a wide range of travel and travel-related products catering to the needs of Latin Americans traveling domestically within their own country of origin, to other countries in the Latin American region and...
outside of Latin America. We provide these travelers with the comprehensive tools and information, in multiple languages, that they need to research, plan, book and purchase travel products efficiently. That information includes approximately nine million user-generated reviews in total, 1.1 million of which were submitted in the six months ended June 30, 2017 and 1.9 million of which were submitted in the year ended December 31, 2016. We organize our business into two segments: (1) Air, which consists of the sale of airline tickets, and (2) Packages, Hotels and Other Travel Products, which consists of travel packages (which can include airline tickets and hotel rooms), as well as stand-alone sales of hotel rooms (including vacation rentals), car rentals, bus tickets, cruise tickets, travel insurance and destination services. We offer our products online through our website and mobile apps, and use data and analytics to personalize the customer experience on our platform, which we believe increases engagement and likelihood of purchase. Currently, approximately 93% of visitors to our platform see a personalized landing page based on geolocation, past search and purchasing history and social network interactions.

The images below provide a sample of our product offering, including search results for different products through our website and through our mobile apps in iOS and Android devices.

**Air**

Through our Air segment, we offer airline tickets, primarily targeted at leisure travelers in Latin America, including travel domestically, to other countries in the region and outside of Latin America. Our Air segment includes airline tickets purchased on a stand-alone basis but excludes airline tickets that are packaged with other non-airline flight products. Our customers booked approximately 2.6 million and 1.9 million transactions in our Air segment using our platform in the six months ended June 30, 2017 and 2016, respectively. Our customers booked approximately 4.3 million and 4.4 million transactions in our Air segment using our platform in the years ended December 31, 2016 and 2015, respectively.

We provide our customers with access to over 250 full service and low-cost airlines, which account for 97% of the market based on tickets sold. We obtain inventory from these airlines either through a GDS or, primarily in the case of low cost airlines, via direct connections to the airlines’ booking systems. We believe our platform provides comprehensive information to our customers in a time efficient and transparent manner. Customers are quickly and easily able to evaluate a broad range of fares and airline combinations. Customers may search for flights based on their preferred travel dates, destinations, number of passengers, number of stops and class of travel, or they may use our more advanced search tool and include additional search parameters. Customers can also filter and sort the results of their search easily according to their preferences.

**Packages, Hotels and Other Travel Products**

The total number of transactions in our Packages, Hotels and Other Travel Products segment was 1.8 million and 1.4 million in the six months ended June 30, 2017 and 2016, respectively. The total number of
transactions in this segment was 3.0 million and 3.3 million in the years ended December 31, 2016 and 2015, respectively.

Packages

We offer travelers the opportunity to create custom packages by combining two or more travel products, such as airline tickets and hotel, airline tickets and car rental or hotel and car rental, and booking them in a single transaction. Combining multiple products into a package with a single quoted price allows us to offer customers lower prices than are available for individual products and also helps us to cross-sell multiple products in a single transaction.

Hotels

Through our platform, customers can search, compare and book reservations at more than 300,000 hotels globally through our direct network and third-party inventory. In addition, since 2013 our hotels offering includes vacation rentals.

Customers may search for hotels based on their destination and preferred dates for check-in and checkout, and may filter and sort our search results easily by selecting star ratings, specific hotel chains and location. Customers can also indicate amenity preferences such as business services, internet access, fitness centers, swimming pools and more. Customers can also view hotel pictures and read hotel reviews from other Despegar customers on our platform. Our platform features approximately nine million user-generated reviews in total as of June 30, 2017, 1.1 million and 1.9 million of which were generated in the six months ended June 30, 2017 and in the year ended December 31, 2016.

As of June 30, 2017, approximately 23,000 of our hotel suppliers in Latin America were directly connected to our booking system. Through these direct connections, our hotel suppliers allocate rooms to us either by managing their room inventory directly on an extranet supported by us, or on an extranet supported by one of our more than 35 third-party channel managers.

In the six months ended June 30, 2017 and the year ended December 31, 2016, 9.5% and 9.6%, respectively, of our gross bookings for hotels were attributable to supply provided to us by affiliates of Expedia. Expedia, the beneficial owner of 16.4% of our ordinary shares outstanding as of August 31, 2017, holds certain rights in its capacity as a shareholder. For more information on our relationships with Expedia, see “—Material Agreements,” “Principal and Selling Shareholders” and “Certain Relationships and Related Person Transactions” for more information.

We typically do not assume inventory risk as we do not pre-purchase hotel room inventory from our hotel suppliers. Hotel suppliers are paid by one of two methods: “pre-pay” and “pay at destination.” Under the pre-pay model, the customer pays us at the time of booking and we pay the hotel after the customer checks out. Under the pay-at-destination model, the customer pays the hotel directly at checkout and we either receive our commission from the hotel or from the customer, separate from the amount payable to the hotel, at the time of booking.

Other Travel Products

We also offer other travel products on our platform. We provide our customers access to approximately 900 car rental agencies, more than 200 bus carriers, six cruise carriers, approximately 250 destination services suppliers with more than 7,000 activities, and two travel insurance suppliers. While we offer both pre-pay and pay-at-destination options for car rentals, the other travel products that we offer must be prepaid.

Destination Services: We introduced the sale of destination services in 2013. We offer in-destination services as an opportunity for us to offer attractions, tickets, tours and activities and local concierge services to package with other products and as a way to encourage in-destination transactions. The wide array of
options offered is intended to suit varying budgets and preferences of potential customers. We booked approximately 185,000 transactions for destination services in the six months ended June 30, 2017 and approximately 275,000 in the year ended December 31, 2016.

Car Rentals: We introduced car rentals in 2012. Currently, we offer car rentals worldwide, with a focus in Latin America and the United States. We booked approximately 185,000 transactions for car rentals in the six months ended June 30, 2017 and approximately 300,000 in the year ended December 31, 2016.

Cruise Tickets: We introduced the sale of cruise tickets in 2012. Currently, cruise tickets are available to customers in Argentina, Brazil, Chile, Colombia and Mexico. We currently have relationships with six cruise carriers. We booked approximately 5,100 transactions for cruise tickets in the six months ended June 30, 2017 and 12,000 transactions for cruise tickets in the year ended December 31, 2016.

Travel Insurance: We introduced travel insurance products in 2014. We offer travel insurance products in all of our markets except Venezuela and Costa Rica through two third-party providers in Latin America, Assist Card and Travel Ace Assistance. Customers can choose from a range of coverage options depending on their particular needs, such as medical insurance and lost or damaged baggage. Typically, this product is requested in conjunction with a flight and hotel booking. Prior to confirming and proceeding with the reservation of and payment for a flight or hotel booking or a package booking, our customers are offered the opportunity to purchase travel insurance.

Bus Tickets: We introduced the sale of bus tickets within Latin America in January 2016. Currently, bus tickets are available only in Brazil and Argentina, and we intend to expand our coverage further to major cities in Latin America. We currently have relationships with three suppliers that give us access to more than 130 bus carriers. We booked approximately 24,000 transactions for bus tickets in the six months ended June 30, 2017 and approximately 26,000 transactions for bus tickets in the year ended December 31, 2016.

In addition, we sell digital advertising on our platform.

Payment Options

Credit cards are the primary means of payment for products on our platform. We allow for the use of more than one credit card in a single transaction, permitting customers with lower credit limits to make larger purchases. We also offer other payment alternatives including debit cards as well as several localized payment options by market.

In addition, we have established agreements with a wide range of local and regional banks that allow their credit card holders to purchase our travel products via installment purchase plans, which we believe differentiates us from other global travel agencies which either do not offer installment plans or offer installment plans from a more limited selection of financing providers or in a more limited selection of countries. Local banks look to partner with us because of our scale, access to our online audience and high transaction volume. Credit card customers may choose from a range of installment plan offerings and terms from different financial institutions with which the customer holds or obtains a credit card. Many of these installment plan offerings are interest-free to the customer. Installment plans allow our customers to make larger purchases than they may otherwise be able to make in a single payment. Our agreements with local banks allow us to offer installment payment plans without assuming collection risk from the customer and receive payment in full (provided we choose not to factor such installment payments). When customers make purchases using installment plans, the facilitating bank bears the risk that the customer will make the required installment payments. In all markets except Brazil, we typically receive payment in less than one month after booking. In Brazil, we generally receive payment from the installment financing bank only after each scheduled payment due date from the customer (whether or not the customer makes the scheduled payments to the bank). In some cases, we elect to factor or discount these longer-term Brazilian installment receivables, allowing us to receive the payment of the purchase price more quickly. Approximately 54% and 55% of our transactions in the six months ended June 30, 2017 and the year ended December 31, 2016, respectively, were completed using an installment plan.
Marketing and Affiliates

Marketing

We execute a multi-channel marketing strategy. Through this effort, we have created a long-standing brand that is associated with superior travel products, high quality services and competitive prices in Latin America. We have an experienced in-house marketing team composed of 122 people dedicated to delivering efficient allocation of time and resources across media channels, without relying on outside agencies or consultants. Key elements of our marketing strategy include:

**In-house Teams.** We have teams dedicated to: audiovisual content generation across online and offline channels; negotiation with media and agencies to control budget; performance trends and market analysis through strong data analytics; and targeted campaign monitoring.

**Buy Direct.** Through our direct relationships with key media suppliers throughout Latin America, we believe we are able to secure highly competitive rates across the region, without unnecessary interaction with intermediaries.

**“Always On” Strategy.** We have 24/7 continuity of marketing campaigns through a combination of online, television, radio, print and other channels tailored for every country and market. We run campaigns to drive maximum awareness, and we use a multi-channel approach in our top markets.

**Cross-Device Insights and Custom Attribution Model and Bidding Tools.** We measure marketing success across all media channels and devices by reconstructing the user’s marketing path across devices and applying our custom attribution model that feeds our optimization strategy. We have also developed proprietary tools to optimize our investment in search engine marketing (“SEM”) campaigns for Google Adwords by tracking sources of traffic and attributing a percentage of conversions to each event in a user’s marketing path.

**Focus on Efficient Use of Media.** We continuously analyze the minimum frequency needed on each media channel to deliver targeted marketing messages, events and promotions to customers based on the specific demographics of each market.

**Promotions and Sales.** We focus aggressively on promotions including discounts, holiday campaigns and financing options. Our technology-driven marketing allows us to dynamically optimize promotions on a daily basis. Some of our recurring promotions are included below:

![Promotions](image1.png)

Affiliates

We have relationships with a network of 8,100 affiliates, including travel agents, airlines, websites and other third parties such as online and offline retailers, in seven countries across Latin America. Our agreements with these affiliates allows them to access our product inventory directly through our platform or through our application program interface (“API”). In the six months ended June 30, 2017 and in the year ended December 31, 2016, transactions executed through affiliates accounted for approximately 2% and 3% of our total transactions, respectively. We believe our affiliate program is attractive because we provide access to a range of travel products that our affiliates otherwise may not be able to access cost-effectively or at all. Our affiliates earn commissions from us depending on country and type of products sold. Furthermore, our affiliate program allows us to expand our footprint in Latin America and distribution network in a cost-effective manner.
Customer Service

Customer experience is a key focus for our business and we believe this is reflected in our strong brand recognition and loyalty throughout Latin America. We emphasize providing personalized support throughout the customer purchase cycle, including automated web-based support and support from live customer service representatives.

The first point of contact for customer service inquiries is our self-service digital platform. Our “My Account” feature works 24/7 and our customers are able to resolve more than 50% of inquiries through our self-service digital platform. We have a team of over 100 IT staff members developing after-sale software to strengthen our digital customer service platform.

In addition to our customer service centers in Brazil and Colombia, we rely on outsourced services to provide 24/7 support to our customers for issues that cannot be resolved through our platform. Our customer service facilities in Brazil are dedicated to our Portuguese-speaking customers, while our customer service facilities in Colombia serve Spanish-speaking customers. Many of our customer service staff at these facilities speak English in addition to Portuguese and/or Spanish. We also have a team of customer service staff dedicated specifically to addressing urgent customer needs, primarily those of customers that are in-destination.

To control expenditures related to customer support, we also outsource certain functions to international call center service providers. These outsourced customer service providers support our internal call center operations and improve our ability to support customers around the world.

We also have implemented comprehensive performance measures to monitor our calls to ensure that our customers receive quality service. In addition, as a part of our customer experience we maintain a database containing customer transactions and user preferences for each customer who has booked services through us in order to provide customized support and offerings in the future. We believe that the design of our existing systems can scale to meet further increases in call volume.

Technology and Data

We use our technology platform to improve the customer experience and optimize the efficiency of our business operations. We have successfully built an innovative technology culture that we believe is unique in Latin America and enables us to attract and retain some of the best talent in the region. We employ more than 800 dedicated technology professionals. We actively recruit and train these highly-skilled technology professionals and many of our current technology managers started in our training program.

We own our technology platform, which is comprised of applications that we develop in-house using primarily open source software. Our technology team has adopted a continuous improvement, high-frequency testing approach to our business, aimed at improving both traffic and conversion rates, while maintaining reliability. During a period of approximately three months in the first half of 2017, our platform was able to process approximately four million price calculations per hour and was updated approximately once every three minutes.

Our platform is engineered to provide a personalized and secure experience to our customers. During the six months ended June 30, 2017, approximately 85% of customer requests were initiated in a self-service manner through our technology platform, while approximately 57% of customer requests were resolved automatically by our technology platform. We invest heavily in understanding our customers’ behavior and intentions through a combination of detailed behavioral data collection and machine learning algorithms. Our machine learning algorithms also help us detect fraud attempts. We collect, maintain and analyze behavioral data from all the devices our customers are using to interact with our platform. The insights derived from the analysis of this data form the basis of our enhanced conversion strategies. We use email, social media marketing and retargeting campaigns to remind customers of their searches.
We believe our technology can scale to accommodate significantly higher volumes of site traffic, customers, bookings and the overall growth in our business. We routinely test and expand the capacity of our servers so we are prepared to provide our customers with uninterrupted access to our sites during periods with high levels of user traffic, such as when we are offering promotions. Our information technology platform employs a horizontal architecture, which allows us to increase our processing capacity by adding more hardware in parallel with our existing servers. With this structure, we can grow our platform to accommodate the growth of our business with minimal disruption to the operation of our customer-facing platform and without having to replace our existing equipment.

Our system has been designed around an open architecture with a focus on robust reliability to reduce downtime in the event of outages or catastrophic occurrences. Our platform provides 24/7 availability, except during twice-monthly planned maintenance periods. Our system hardware, which we own, is hosted by a third-party data center in Miami, Florida, which also provides redundant communications lines and emergency power backup.

We believe our technology infrastructure is an important asset due to its robustness, cost-effectiveness and scalability. We continuously evaluate, research and develop new services, platforms infrastructure, and software to improve and solidify our technological systems further and provide a reliable, personalized, fast and secure experience to our customers.

For more information, see “—Intellectual Property” and “Risk Factors—Risks Related to Our Business—We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.”

Security, Privacy and Anti-Fraud

We are committed to operating a secure online business. We use various security methods in an effort to protect the integrity of our networks and the confidential data collected and stored on our servers. For example, we use firewalls to protect access to our networks and to the servers and databases on which we store confidential data; we restrict access to our network by virtual private network (“VPN”) with two-factor authentication and conduct periodic audits of data access and modifications of our network; and we use password-protected encryption technology to protect our communication channels and sensitive customer data. In addition, we have developed and use internal policies and procedures to protect the personal information of our customers, and we comply with the Payment Card Industry Data Security Standard (“PCI DSS”). To enforce our security framework we have a dedicated cybersecurity team that conducts penetration testing and application security analysis, develops policies and standards, and ensures compliance with those policies and standards.

We believe that issues relating to privacy and the use of personally identifiable information are becoming increasingly important as the internet and its commercial use continue to grow. We have adopted what we believe is a detailed privacy policy that complies with local legal requirements in each of the Latin American countries in which we operate and outlines the information that we collect concerning our users and how we use it. Users must acknowledge and expressly agree to this policy when registering with our platform, signing up for our newsletters, or making a purchase.

Although we send marketing communications to our users periodically, we use our best efforts to ensure that we respect users’ communication preferences. For example, when users register with us, they can opt out of receiving marketing e-mails from us. Users can modify their communication preferences at any time in the “My Account” section of our sites.

We use information about our users for internal purposes in order to improve marketing and promotional efforts and in order to improve our content, product offerings and site layout. We may also disclose information about our users in response to legal requirements. All information is stored on our servers located in Miami, Florida.
Moreover, we are committed to detecting and deterring possible instances of fraudulent transactions before they are completed. The key components of our fraud-prevention strategy include: (1) a dedicated and specialized fraud prevention team that works closely with our IT staff; (2) engagement with key actors in the online travel industry, such as banks and airlines, which strengthens our early-detection capabilities, thereby reducing the exposure period to potential fraud events; and (3) machine learning systems that analyze multiple factors, including intelligence gathered from our industry relationships, to help us adapt better to changing market conditions and detect and address fraudulent transactions. Our in-house team works with third-party vendors, allowing us to leverage best practices and scale quickly.

**Competition**

We operate in a highly competitive and evolving market. Travelers have a range of options, both online and offline, to research, find, compare, plan and book air, packages, hotels and other travel products.

Our competitors include:

- global OTAs with presence in Latin America, such as Booking.com and Expedia and travel metasearch sites;
- search websites and apps, such as Google and its travel businesses, and e-commerce and group buying websites and apps;
- alternative accommodation and vacation rental businesses, such as Airbnb;
- local offline travel agency chains and tour operators, such as CVC Brasil Operadora e Agência de Viagens; and
- smaller online travel agencies lacking a pan-regional presence.

In addition, our customers have the option to book travel directly with travel suppliers, including airlines, hotels and other travel service providers via online and offline channels. See “Risk Factors—Risks Related to Our Business—We operate in a highly competitive and evolving market, and pressure from existing and new companies may adversely affect our business and results of operations” for more information.

We believe that the primary competitive factors in the travel industry, in particular as consumers increasingly research, plan and book travel online, are, among other things, brand recognition, price, availability and breadth of choice of travel services and products, customer service, ease of use, fees charged to travelers, accessibility and reliability. We believe our brands, scale, operational and technological capabilities, including our local knowledge and marketing expertise, provide us with a sustainable competitive advantage.

**Material Agreements**

**Expedia Outsourcing Agreement**

The hotel and other lodging products that we offer through our platform for all the countries outside Latin America are provided to us exclusively by affiliates of Expedia, Inc. (“Expedia”) pursuant to a lodging outsourcing agreement entered into with Expedia on March 6, 2015 (the “Expedia Outsourcing Agreement”). Under the agreement, Expedia is also the preferred provider to us of hotel and other lodging products in Latin America. Expedia is also one of our shareholders and holds certain rights in that capacity. For further information on our relationships with Expedia, see “Principal and Selling Shareholders” and “Certain Relationships and Related Persons Transactions.”

Expedia makes its hotel products available to us. We are required to reach a threshold of marketing fees (which are defined in the Expedia Outsourcing Agreement as a specified percentage of gross profit received by Expedia from travel bookings made through our platform) equal to $5.0 million in any rolling six month period, or else Expedia may require us to pay a $125.0 million termination fee. Since we entered into the Expedia...
Outsourcing Agreement in March 2015, we have not failed to meet the required threshold. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Other Commitments.”

**Despegar Outsourcing Agreement**

Pursuant to a lodging outsourcing agreement dated August 17, 2016 (the “Despegar Outsourcing Agreement”), Expedia began to offer through its platform our hotel products, on a non-exclusive basis.

Under the Despegar Outsourcing Agreement, we make our hotel products available to certain affiliates of Expedia (each an “Expedia Affiliate” and, together with Expedia, the “Expedia Parties”) and the relevant Expedia Affiliate receives compensation equal to a percentage of the revenue earned by us from the property owner.

**Intellectual Property**

We regard our intellectual property as critical to our future success and rely on a combination of trademark laws and contractual restrictions to establish and protect our proprietary rights in our products. Our intellectual property includes trademarks and domain names associated with the names “Despegar.com” and “Decolar.com.” To protect our platform and technology, we have entered into confidentiality and invention assignment agreements with our employees and certain contractors and suppliers. We own our technology platform, which is comprised of applications that we develop in-house using primarily open source software. We have not registered our technology, however, because we believe it would be difficult to replicate and that it is adequately protected by the agreements we have in place. Additionally, our technology is constantly evolving and any registration may run the risk of protecting outdated technology. We cannot assure you that all our intellectual property is fully protected and enforceable vis-à-vis third parties under all applicable laws in Latin America. For more information, see “Risk Factors—Risks Related to our Business—We may not be able to adequately protect and enforce our intellectual property rights; and we could potentially face claims alleging that our technologies infringe the property rights of others.”

In addition, we are the registrar for certain generic Top-Level Domains (“gTLDs”), namely “.hoteles”, “.vuelos” and “.passagens”. The gTLDs “.hoteles” and “.vuelos” have already completed the sunrise period, while “.passagens” is yet to begin the process.

**Employees**

As of June 30, 2017, we had 2,781 employees. We also contracted with certain third-party providers to support our call center employees. As of June 30, 2017, we contracted hours equivalent to approximately 400 outsourced employees. The following tables show a breakdown of our employees as of June 30, 2017 and December 31, 2016 and 2015 by category of activity.

<table>
<thead>
<tr>
<th>Division/Function</th>
<th>June 30, 2017</th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations and customer service</td>
<td>1,061</td>
<td>1,161</td>
<td>1,493</td>
</tr>
<tr>
<td>Sales and marketing</td>
<td>183</td>
<td>177</td>
<td>194</td>
</tr>
<tr>
<td>Technology and content</td>
<td>1,004</td>
<td>1,010</td>
<td>1,053</td>
</tr>
<tr>
<td>General and administrative (1)</td>
<td>533</td>
<td>550</td>
<td>662</td>
</tr>
<tr>
<td>Total</td>
<td>2,781</td>
<td>2,898</td>
<td>3,402</td>
</tr>
</tbody>
</table>

(1) Includes business development, administration, finance and accounting, legal and human resources.

As of June 30, 2017, 334 of our employees in Argentina, all of our employees in Brazil and all of our employees in Mexico were represented by labor unions. We believe that our relations with our employees are
good and we implement a variety of human resources practices, programs and policies that are designed to hire, retain, develop and compensate our employees.

We believe that our employees are among the most knowledgeable in the Latin American internet industry, and they have developed a deep understanding of our business and e-commerce in general.

Our development of IT talent begins with recruiting qualified recent university graduates to our “Despegar University High-flying Youth—School of Development,” a three-month training program where we provide young people the opportunity to be trained for a career in the IT field with the best tools and technologies available. At the end of the program, we offer the best candidates a position with our permanent IT staff. We develop our IT talent based on what we refer to as a “70/20/10 methodology”, comprised of 70% work experience, 20% coaching, networks and collaborative working, and 10% “classroom” training through courses and programs. We are committed to promoting from within and, as a result, a significant portion of our personnel has been with the company for several years.

We have attracted and retained outstanding individuals over the years and we strive to bring more talent by hiring individuals with internet-related experience. We believe our future success will depend on our ability to attract and retain capable professionals.

Facilities

The following table shows the location of our significant leased offices and customer service centers, and the term of the leases under which they operate.

<table>
<thead>
<tr>
<th>City, Country</th>
<th>Facility</th>
<th>Address</th>
<th>Approximate Square Meters</th>
<th>Agreement Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buenos Aires, Argentina</td>
<td>Argentina operation and regional functions</td>
<td>Avenida Corrientes 746</td>
<td>2,040</td>
<td>03/31/2020</td>
</tr>
<tr>
<td>Buenos Aires, Argentina</td>
<td>Argentina operation and regional functions</td>
<td>Juana Manso 999</td>
<td>4,422</td>
<td>8/31/2021</td>
</tr>
<tr>
<td>La Plata, Buenos Aires, Argentina</td>
<td>Argentina operation</td>
<td>Calle 532, Nbr. 1211</td>
<td>1,500</td>
<td>9/14/2020</td>
</tr>
<tr>
<td>São Paulo, Guarulhos, Brazil</td>
<td>Brazil operation</td>
<td>Avenida Timóteo Penteado Nbr. 1578</td>
<td>2,792</td>
<td>8/10/2019</td>
</tr>
<tr>
<td>Bogotá, Colombia</td>
<td>Colombia operation and customer service center</td>
<td>Interior 101, Manzana 15, Carretera 106 Nbr. 15A-25, Free Trade Zone</td>
<td>1,754</td>
<td>2/15/2018(1)</td>
</tr>
<tr>
<td>Montevideo, Uruguay</td>
<td>International Hotels, Packages and Other Travel Products operations and Shared service center</td>
<td>Ruta 8 Km. 17,500, local 318, edificio 300, Zonamerica</td>
<td>2,092</td>
<td>9/14/2020</td>
</tr>
</tbody>
</table>

(1) Renew automatically for one-year periods.

We also own two properties: (1) an approximately 2,077 square meter facility at Jujuy 2013 in the Parque Patricios tech district of Buenos Aires, Argentina, which houses part of our Argentina operations including IT support, and (2) an approximately 223 square meter facility on Avenida Francisco de Miranda in Caracas, Venezuela, which houses our Venezuela operations.
Legal and Regulatory

Regulatory

Regulations Related to the Travel Industry

The laws and regulations applicable to the travel industry affect us and our travel suppliers in the jurisdictions in which we operate, the jurisdictions in which our customers reside and the jurisdictions of their destinations. We are also required to be accredited by the International Air Transport Association (“IATA”) in order to promote and sell tickets for airlines connected to IATA.

Brazil

In addition to the standard licenses and permits required for all companies to operate in the travel industry in Brazil, we are subject to a specific registration of tourism providers with the Ministry of Tourism (“CADASTUR”). In Brazil, there are four main norms that govern the activities related to tourism, as well as the enrollment of services providers in the tourism industry: (i) Law No. 11,771/2008, which regulates the National Tourism Policy and defines the responsibilities of the federal government in planning, developing and stimulating the tourism sector; (ii) Decree No. 7,381/2010, which regulates Law No. 11,771/2008; (iii) Ordinance No. 130/2011 from the Ministry of Tourism, which establishes the CADASTUR, the CADASTUR’s consulting committee and regulates other measures; and (iv) Law No. 12,974/2014, which regulates the activities of tourism agencies.

Argentina

As a travel agency in Argentina, Despegar.com.ar must be registered with the Registry of Travel Agents (Registro de Agentes de Viajes) created by Section 5 of Decree No. 2,182/72. The local regulation on commercial tourism activities is comprised of: (i) Law 25,997 and its applicable regulation which governs the development and promotion of tourism in Argentina; (ii) Law 18,829 which defines the regulations applicable to travel agents; (iii) the resolutions issued by the Secretariat of Tourism; and (iv) Law 24,240 as amended, which sets forth the provisions for the protection of consumers.

Regulations that apply to the E-Commerce Industry

We are also subject to a variety of laws, decrees and regulations that affect companies conducting business on the internet in the countries where we operate related to e-commerce, electronic or mobile payments; data collection; data protection; privacy; information requirements for internet providers; taxation (including value added taxes (“VAT”) or sales tax collection obligations); obligations to provide information to certain authorities; and other legislation which also applies to other companies conducting business in general. It is not clear how existing laws in Latin America governing issues such as general commercial activities, property ownership, copyrights and other intellectual property issues, taxation, consumer protection, digital signatures and personal privacy, apply to online businesses. Some of these laws were adopted before the internet was available and, as a result, do not contemplate or address the unique issues of the internet. Due to these areas of legal uncertainty, and the increasing popularity and use of the internet and other online services in our markets, it is possible that new laws and regulations will be adopted with respect to the internet or other online services. These regulations could cover a wide variety of issues, including e-commerce; internet service providers’ responsibility for third-party content hosted in their servers; user privacy; electronic or mobile payments; pricing, content and quality of products and services; taxation (including VAT or sales tax collection obligations, obligation to provide certain information about transactions that occurred through our platform, or about our users); advertising; intellectual property rights; consumer protection and information security. See “Risk Factors—Risks Related to our Business—We process, store and use personal information, card payment information and other consumer data, which subjects us to risks stemming from possible failure to comply with governmental regulation and other legal obligations” and “Risk Factors—Risks Related to our Business—Internet regulation in the countries where we operate is scarce, and several legal issues related to the internet are uncertain” for more information.
Brazil

On July 27, 2017, the Central Bank of Brazil issued the resolution (Circular) No. 3,842 which establishes that, as of September 28, 2018 (“Marketplace Rule”) all entities that keep any amounts received from customers in their bank accounts before transferring them to the suppliers, including marketplaces, are required to join a regulated payment arrangement (“arranjo de pagamento”) with credit card companies and as a result, will be required to perform online credit-card based payments to their suppliers through a settlement system called “CIP” (Câmara Interbancária de Pagamentos), an entity formed by banks that guarantees the safety and liquidity of the payment transactions. The main purpose of the Marketplace Rule is to reduce default risks with Brazilian credit card transactions where the customer has paid the intermediary, but the funds have not reached the supplier due to a default of the intermediary.

Accordingly, beginning on September 28, 2018, Brazilian entities that operate in a marketplace platform, such as our Brazilian subsidiary, are expected to have of their commercial transactions with certain suppliers (i.e., airlines, hotels, car rental companies, etc.) settle simultaneously with the receipt of funds from their customers, whenever the purchase made by the customer is paid with a credit card issued in Brazil. In such event, our Brazilian subsidiary would receive only the commission in respect of transactions where the payment due to the supplier is directly transferred to the supplier through the CIP.

We are currently assessing the potential impact of this new rule on our business in Brazil. However, as the rule has only recently been adopted, and as its implementation is still unclear, we are not currently able to predict the effects, if any.

Regulations Related to Consumer and Data Protection

We are subject to consumer and data protection laws in every country where we have a website.

Brazil

There are several laws in Brazil dealing with privacy and data protection, including: (i) the Brazilian Federal Constitution, which provides for the protection of individuals’ fundamental and inviolable rights of intimacy/privacy, private life and image; (ii) the Brazilian Civil Code (Law No. 10,406/2002), which reaffirms the Federal Constitution’s provision of fundamental rights, and provides for the right to act against violators in order to cease the violation and seek compensation for suffered damage; (iii) the Consumer Protection and Defense Code (Law No. 8,078/1990), which provides for consumer-related databases, data collection and penalties related therewith; (iv) the Brazilian Internet Act (Law No. 12,965/2014), which establishes principles, guarantees, rights and obligations related to the use of the internet in Brazil; and (v) the Brazilian Internet Act Regulation (Decree No. 8,771/2016), which sets forth security standards to be complied with by internet connection and application providers (online platform operators) when storing personal data.

Brazilian consumer protection authorities and courts take the view that the express consent of the consumer must be obtained before the collection, treatment, sharing and transmission of personal data. With regard to data collection, the Brazilian Internet Act provides that personal data collection, use, storage, sharing, transmission and treatment must be authorized previously and expressly by the individual, consistent with the general privacy principle set forth by the Federal Constitution and Consumer Defense Code. For the purposes of the Brazilian Internet Act and its regulation, personal data is deemed any data related to an identified or identifiable individual, including identifying numbers, location data or electronic identifiers, when related to an individual.

In addition, Law No. 9,507/1997 regulates privacy requirements and the habeas data process, by which individual citizens can ask a court to issue an order to protect, correct or remove their personal data, and recognizes consumers’ rights to access, correct and update their personal information stored in governmental or public databases. For the purposes of this law, a public database is composed by information that either: (i) is and/or may be transmitted to third parties; or (ii) is not exclusively used by the governmental agency or legal entity generating or managing the information.
As an internet-based retailer, we are also subject to several laws and regulations designed to protect consumer rights—most importantly the Consumer Protection and Defense Code, which regulates commercial practices, product and service liability, strict liability of the supplier of products or services, reversal of the burden of proof to the benefit of consumers, joint and several liability of all companies within the supply chain, abuse of rights in contractual clauses, and advertising and information on products and services offered to the public. The Consumer Protection and Defense Code establishes the legal framework for the protection of consumers, setting out certain basic rights, including the right to clear and accurate information about products and services offered in the consumer market, with correct specification of characteristics, structure, quality and price and the risks they pose. In addition, Executive Decree No. 7.962/13 applies with regards to retaining of service in an online environment. This legislation describes, among others, the rules on disclosure of information, consumer service, payment protection and other procedures for the rendering of online services.

Argentina

In Argentina, we are subject to e-commerce laws such as Resolution No. 104/05 adopted by the Ministry of Economy and the Argentine Consumer Protection Agency, which establishes certain information requirements for internet providers, and Law No. 25,326, as amended, and its corresponding regulations, which mandate the registration of databases with the Data Protection Agency and regulate, among other things, the type of information that can be collected, and how such information can be used.

Moreover, Law No. 24,240, as amended (the “Consumer Protection Law”), sets forth certain rules and principles designed to protect consumers. The Consumer Protection Law was amended on March 12, 2008 by Law No. 26,361 in several respects, including: (i) an increase in the size of the overall group of persons deemed to be consumers, or recipients of the protections of the Consumer Protection Law; (ii) an increase in the maximum penalties applicable to providers that breach the law to AR$5 million, as discussed below, and the granting of power to the administrative authority to require the payment of direct damages by any provider; (iii) requirements that providers pay punitive damages to consumers (which may not exceed AR$5 million); and (iv) regulations regarding the possibility for consumer associations to initiate class actions on behalf of consumer groups. The Argentine Secretary of Commerce, which is part of the Argentine Ministry of Economy, is the national enforcement authority of the Consumer Protection Law, while the Autonomous City of Buenos Aires and the provinces act as local enforcement authorities.

Regulations Related to Taxation

Brazil

In Brazil, between 2011 and 2015, our Brazilian subsidiary was exempt from collection of withholding income tax (“WHT”) on remittances to cover travel expenses of Brazilian individuals abroad, within the parameters established by applicable law. From January 1, 2016 to March 1, 2016, the applicable WHT for payments, credits, delivery, use by or remittance of these amounts to foreign persons was 25%. In February 2016, our Brazilian subsidiary filed a writ of mandamus (a judicial complaint) against the federal tax authority claiming that WHT should not be applicable due to a provision of “non-imposition” contained in the Income Tax Regulations. In March 2016, the court granted our Brazilian subsidiary a preliminary injunction on the writ of mandamus, which allowed our Brazilian subsidiary to make remittances free of WHT while the preliminary injunction was in place. In December 2016, the court published a decision on the merits of the case, against our Brazilian subsidiary (which terminated the effects of the preliminary injunction). Also in December 2016, our Brazilian subsidiary filed a Motion for Clarification, in an attempt to request the court to issue an opinion on the possible application of tax treaties to allow our Brazilian subsidiary to not collect WHT on the basis of their provisions.

Since March 2, 2016, the former WHT exemption was converted into a WHT imposition of 6% on remittances to cover travel expenses of Brazilian individuals abroad, within the parameters established by applicable law. This reduced WHT rate is effective until December 31, 2019 and we cannot assure you that it will
be extended in the future. Our Brazilian subsidiary is currently depositing the relevant amounts before the court in order to guarantee that (i) if the company is not successful in the plea before the court, the applicable WHT will be converted into income of the federal revenue, without the imposition of any fines or interest and (ii) if the company is successful in its plea, the amount corresponding to the WHT will be returned to our Brazilian subsidiary with monetary adjustments.

Argentina

Since 2013 we have been the beneficiary of a tax exemption, applicable until January 30th, 2019, under Buenos Aires Municipal Law No. 2,972, which includes, among others, the turnover tax exemption. This law exempts from the turnover tax (as described below) any revenue directly connected to services performed through software applied to e-commerce that are performed within the designated IT district located in Parque Patricios in the city of Buenos Aires, only when: (i) said entity/person is registered under the Information and Communications Technologies Registry; and (ii) the entity/person keeps or increases the number of employees hired at the time of registration. Agreements executed by registered individuals in order to develop any of the activities promoted will also be exempt from stamp tax when the activities are carried out within or from the district. Because we perform e-commerce activity within and outside the IT district, these exemptions are partially applied. Revenue must be attributed to the IT district (and, thus, considered exempt) using a reasonable parameter.

On August 18, 2017, the Argentine National Ministry of Production issued Disposition 82-E/2017, accepting the registration of our Argentine subsidiary in the National Registry of Software Producers, created by Decree 1315/13. As a result of this registration and pursuant to Argentine National Law No. 25,922, as amended, and its corresponding regulations (the “Software Promotion Law”), our Argentine subsidiary has been granted several tax benefits through December 31, 2019. These benefits include (i) a fixed national tax rate, (ii) a fiscal bond equivalent to 70% of the value of 91.05% of the company’s social security tax contribution payments under Laws 19,032, 24,013 and 24,241, which can be used as a tax credit to offset national taxes; provided that not more than 13.83% of this tax credit may be used by the company to cancel Argentine corporate income tax; (iii) exemption from value-added tax withholding regimes; and (iv) a 60% reduction in the total amount of corporate income tax as applied to income from the activities of creation, design, development, production, implementation or adjustment (upgrade) of developed software systems and their associated documents.

Uruguay and Others

We operate as a free trade zone user of the Zonamerica Free Trade Zone in Montevideo, Uruguay (the “Free Trade Zone”), under Law No. 15,921 and its corresponding regulations. No domestic Uruguayan tax whatsoever applies in the Free Trade Zone, except for social security contributions for any Uruguayan employees. No social security contributions are required for non-Uruguayan employees, so long as they do not exceed 25% of the personnel working in the facility located in the Free Trade Zone. In addition, the inflow of goods and services to the Free Trade Zone, as well as their outflow abroad, are tax exempt. The movement of goods and services into a Free Trade Zone from non-Free Trade Zone Uruguayan territory is treated as an export and therefore also exempt from VAT and the Specific Internal Tax (Impuesto Específico Interno or “IEI”). On the other hand, if goods are introduced into non-free Uruguayan territory from a Free Trade Zone, the corresponding import tax will apply. Exporting services from a Free Trade Zone to non-Free Trade Zone Uruguayan territory is generally prohibited. However, in 2016, our Uruguay subsidiary located in the Free Trade Zone was authorized by the Ministry of Economy in Uruguay to have limited operations with a related party located in Uruguay. By law, the Uruguayan state is liable for damages if the tax exemptions, benefits and rights of users of Free Zones granted pursuant to the law are not fulfilled during the term of their contracts.

We also receive certain tax benefits, consisting primarily of a reduced income tax rate, as a free trade zone user in Bogotá, Colombia under Decree 2147.
Regulations Related to Foreign Currency and Exchange Rates

There are also laws and regulations that address foreign currency and exchange rates in many of the countries in which we operate. In certain countries where we operate, we need governmental authorization to pay invoices to a foreign supplier or send money abroad due to foreign exchange restrictions. See “Risk Factors—Risks Related to Latin America—We are subject to significant foreign currency exchange controls in certain countries in which we operate.”

Legal Proceedings

From time to time, we are involved in disputes and legal and administrative proceedings that arise in the ordinary course of our business. We are currently engaged in several legal proceedings, including consumer protection, tax, labor and other proceedings. Any claims against us, regardless of whether meritorious, can be time-consuming, result in costly litigation, require significant management time and result in the diversion of significant operational resources.

We have established provisions for such disputes and proceedings in an aggregate amount of $24.8 million as of June 30, 2017. We record a provision in our balance sheet for losses arising from litigation based on an evaluation of the likelihood of loss by our external and internal legal counsel, the progress of related proceedings, the history of losses in similar cases and the individual analysis of each contingency. We record provisions for contingencies based on probable loss or when so required under accounting rules. We do not reserve provisions for possible and remote losses.

We are currently not a party to any legal, arbitration or administrative proceedings that, in the opinion of our management, is likely to have a material and adverse effect on our business, financial condition or results of operations, other than as set forth below.

Brazil

On June 25, 2014, the National Association of Citizenship and Consumer Defense (“ANADEC”) filed a public civil action against our Brazilian subsidiary to (i) dispute the validity of cancellation clauses which establish a penalty in a percentage higher than 20% of the price paid by the consumer; and (ii) request the return of the amounts paid by all consumers above this percentage. We successfully defended this claim in the trial court and the ANADEC has appealed the decision, which is ongoing. We believe this claim is without merit.

On July 27, 2016, a Brazilian hotel sector association—Forum de Operadores Hoteleiros do Brasil—filed a complaint with the Brazilian Administrative Council for Economic Defence (“CADE”) against us, Booking.com, and Expedia, with respect to parity provisions in supply contracts. In September 2016, we submitted our response to the complaint to CADE. This administrative inquiry before CADE is still ongoing.

Between May and July 2016, Booking.com filed several complaints against us with various public offices: Public Prosecution Office of the State of Rio Grande do Sul, Public Prosecution Office of the State of São Paulo, Consumer Defense Office of the State of Rio de Janeiro, Consumer Defense Office of the State of São Paulo, Consumer Defense Office of the Department of Justice, Consumer Defense Committee of the Legislative Assembly of the State of Rio de Janeiro and the Public Prosecution Office of the State of Rio de Janeiro. Booking.com alleges that (i) we offered higher prices to Brazilian consumers than those offered to foreign consumers for the same accommodation during the same period of time (“geopricing”) and (ii) we made accommodations unavailable for Brazilian consumers whereas foreign consumers were allowed to book the same accommodations (“geoblocking”). Based on these allegations, Booking is requesting that the public prosecution offices order us to pay penalties and/or to initiate public civil actions against us in order to prevent the alleged practices. We have presented our administrative defenses to all claims and currently the public prosecution offices are collecting evidence. We believe these complaints are without merit.
On October 25, 2016, the National Federation of Hotels, Restaurants, Bars and Similar filed a public civil action against our Brazilian subsidiary with the main purpose of (1) preventing us from increasing the commission percentage charged from the hotels connected to the Federation; (2) requiring us to maintain the current 15% commission percentage with the possibility of adjustment according to an inflation index; (3) requiring us to pay an indemnification to be fixed by the judge and proportional to the alleged violation of rights of the consumers and of the business community; (4) requiring us to pay a penalty of at least 10% of our Brazilian subsidiary’s revenue, after taxes for the last fiscal year, for alleged violation of the economic order; (5) requiring that our directors and/or officers are jointly responsible to pay a fine equivalent to 5% of the penalty imposed on us; (6) preventing us from entering into agreements with public financial institutions or participating in public bids for at least 5 years; (7) obtaining a “recommendation” for the federal tax authority to not allow us to pay any federal taxes by installments or to cancel any tax incentive or public subsidy granted to us; (8) to publish the decision rendered in a newspaper to be determined by the judge for two consecutive days during a 1 to 3 week period; and (9) the offender’s registration under the consumer defense national registry (Cadastro Nacional de Defesa do Consumidor). This proceeding has been dismissed and was not appealed.

Argentina

On June 28, 2017, the Sindicato Empleados de Comercio de Capital Federal (Union for Employees of the Commercial Sector in the City of Buenos Aires, or “SECCF”) filed a lawsuit against our Argentine subsidiary, Despegar.com.ar, in which SECCF is demanding the application of its collective labor agreement to all of the employees of the subsidiary. According to SECCF’s claim, Despegar.com.ar should have withheld and transferred to SECCF an amount equal to 2% of the gross monthly salaries of all of its employees for the period from October 2011 through October 2016. As a result, SECCF is demanding payment of approximately AR$18 million. Certain of Despegar.com.ar’s employees are members of this union, however, we believe that other employees, such as senior management and IT personnel, are not required to be part of this union. Despegar.com.ar filed a response in a timely manner on July 13, 2017, rejecting all the claims. Although we believe Despegar.com.ar has meritorious defenses to this lawsuit, we cannot assure you what the ultimate outcome of this matter will be. The final resolution of these claims, which could take several years, is not likely to have a material effect on our financial position or results of operations.

Tax Proceedings

Brazil

In March 2013, São Paulo tax authorities have asserted Brazilian municipal taxes (“Imposto Sobre Serviço”) and fines against our Brazilian subsidiary relating to the period from 2008 to 2011 in an approximate amount of $21.5 million, including ordinary taxable services on commissions earned. On April 2, 2013, the Company’s Brazilian subsidiary filed an administrative defense against the authorities’ claim. In a decision published on August 30, 2014, the São Paulo tax authorities ruled against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed. An appeal to the São Paulo City Administrative Court was filed on September 30, 2014. On December 4, 2015, the Administrative Court ruled against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed.

On July 5, 2017, the Municipality of São Paulo, as was expected, published the terms of a special installment program called “Programa de Parcelamento Incentivado, PPI 2017”. This program offers two alternatives for paying this tax liability (adjusted by interest and penalties through the date the company applies to the program):

(i) a single installment with a 85% reduction in the interest due and 75% reduction in the penalties; or
(ii) payments in 120 monthly installments. Under this alternative, the interest and penalties through the date of application will be reduced by 60% and 50%, respectively. Each installment accrues interest at the monthly Sistema Especial de Liquidação e Custódia (Special Clearance and Escrow System or SELIC) interest rate plus 1%. 

110
We are currently evaluating whether to apply to this program and, if so, which alternative we would choose.

Argentina

In April 2013 the Argentine Tax authority ("AFIP") brought criminal charges against Despegar.com.ar SA’s directors on the grounds of an alleged infringement of Law No. 24,769 (as amended, the “Argentine Criminal Tax Law”) following several customers claims related to lack of invoicing and some assumptions generated on high amounts of intercompany balances on financials. AFIP alleged that Despegar.com.ar SA failed to pay certain amounts related to income tax for fiscal years 2009, 2010 and 2011. The criminal court requested AFIP to prepare and produce tax adjustments for the fiscal years included in the accusation. During the assessment process, AFIP determined a taxable base due to intercompany liabilities without supporting documentation and revenue connected to some functions not recognized according to transfer pricing rules. Despegar.com.ar SA amended the corresponding tax returns and paid the corresponding amounts due. In December 2014, the criminal court concluded that the amounts owed by Despegar.com.ar SA for income tax for the fiscal years under review did not reach the minimum threshold required by the Argentine Criminal Tax Law to allow a criminal prosecution. In March 2015, Despegar.com.ar SA was acquitted and the charges dismissed by the criminal court. Despegar.com.ar SA does not have an outstanding contingency relating to this case.
**Corporate Structure**

Despegar.com, Corp. is a holding company organized in the British Virgin Islands, which owns, directly or indirectly, all of our operating subsidiaries. The diagram below depicts the organizational structure of our key subsidiaries:

![Diagram of Despegar.com, Corp. (BVI) organizational structure]

**References:**
- Operating Company
- Holding Company

**Notes:** 1The remaining 1% of Despegar.com Mexico, S.A. de C.V. is owned by Viajero.com de Mexico
MANAGEMENT

Board of Directors

The business and affairs of the Company will be managed by, or under the direction or supervision of, our board of directors. Our board of directors has all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company and may exercise all the powers of the Company and do all such lawful acts and things as are not by applicable law or our IPO memorandum and articles of association required to be exercised or done by our shareholders. Accordingly, our board of directors will have significant discretion (and, regarding the vast majority of management and governance matters, exclusive discretion) in the management and control of our business and affairs.

Upon the consummation of our initial public offering, we expect our board of directors will consist of seven members. Our IPO memorandum and articles of association authorize us to have seven directors or such other number of directors as is from time to time fixed by resolution of the board.

Upon the consummation of our initial public offering, our board of directors will be divided into three classes designated as the “Class I Directors,” “Class II Directors” and “Class III Directors.” Pursuant to our IPO memorandum and articles of association, each of our directors will be appointed at an annual meeting of shareholders for a period of three years, with each director serving until the third annual meeting of shareholders following his or her election (except that the terms of the initial Class I Directors, Class II Directors and Class III Directors will expire at our annual meetings in 2018, 2019 and 2020, respectively). Upon the expiration of the term of a class of directors, candidates will be elected (or re-elected, as the case may be) as directors of that particular class for three-year terms at the annual meeting of shareholders in the year of such expiration. Our directors will be divided among the three classes as follows:

- the Class I Directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2018;
- the Class II Directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2019; and
- the Class III Directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2020.

Elections will take place by a plurality of the votes of the shares present in person or represented by proxy at the annual meeting and entitled to vote on the election of directors. No director may be elected or re-elected at any special meeting of our shareholders.

The following table presents the names and ages of the members of our board of directors as it will be constituted upon the closing of the initial public offering.

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jason Lenga</td>
<td>43</td>
<td>Chairman of the Board and Director</td>
</tr>
<tr>
<td>Damián Scokin</td>
<td>50</td>
<td>Chief Executive Officer and Director</td>
</tr>
<tr>
<td>Rodrigo Catunda</td>
<td>31</td>
<td>Director</td>
</tr>
<tr>
<td>Nilesh Lakhani</td>
<td>58</td>
<td>Director</td>
</tr>
<tr>
<td>Gary Morrison</td>
<td>49</td>
<td>Director</td>
</tr>
<tr>
<td>Martín Rastellino</td>
<td>47</td>
<td>Director</td>
</tr>
<tr>
<td>Mario Eduardo Vázquez</td>
<td>81</td>
<td>Director</td>
</tr>
</tbody>
</table>

Our board of directors has the exclusive power to fill any vacancy arising on the board from time to time and to increase the size of the board of directors from time to time and appoint additional directors in connection therewith. Our shareholders may not vote to fill any vacancy or to change the size of our board.
A director of the Company may only be removed: (i) with cause, by a resolution approved by shareholders holding not less than two-thirds of the voting rights at a meeting of shareholders called for the stated purpose of removing the director or for stated purposes including the removal of the director, or (ii) with cause, by a resolution approved by directors holding not less than two-thirds of the voting rights of all of those directors entitled to vote on the resolution at a meeting of directors or by way of unanimous written consent of those directors entitled to vote on the removal. See “Description of our Share Capital—Differences in Corporate Law—Removal of Directors” for further information.

The following is a brief summary of the business experience of our directors. The current business addresses for our directors is Juana Manso 999, Ciudad Autónoma de Buenos Aires, Argentina (C1107CBR).

**Jason Lenga** has served as a member of our board of directors and as chairman of our board since April 2015. Mr. Lenga is an Operating Partner at Tiger Global Australia Pty Ltd, which he joined in 2015. Prior to joining Tiger Global, Mr. Lenga was a senior executive at Australian Stock Exchange listed Seek Limited, a leading global online employment marketplace. From December 1999 to June 2015, Mr. Lenga worked at Seek Limited in a variety of senior roles developing Seek’s strategic direction as well as establishing and driving key parts of its business, including the development of the group’s significant international assets. Prior to joining Seek, Mr. Lenga was a solicitor in the mergers and acquisitions practice of Mallesons Stephen Jaques, an Australian commercial law firm. Mr. Lenga also serves on the board of directors of Zhaopin Limited (NYSE: ZPIN). Mr. Lenga received a Bachelor of Laws degree and a Bachelor of Commerce degree from the University of New South Wales in Australia.

**Damián Scokin** joined Despegar in December 2016 and has served as our Chief Executive Officer (“CEO”) since February 2017 and as a member of our board of directors since April 2017. From 2005 to 2015, prior to becoming our CEO, Mr. Scokin held several positions within the LATAM Airlines Group. From 2012 to 2015, Mr. Scokin served as CEO for LATAM’s International Business Unit, where he was in charge of leading the merger and integration process of LAN Airlines, LATAM Airlines Group’s predecessor and the biggest airline in Chile, and TAM Linhas Aéreas, one of Brazil leading airlines. Prior to the merger process, Mr. Scokin worked as CEO for the International Business Unit of Lan Airlines in Chile and as CEO for LAN Argentina before that, where he was in charge of the company’s startup and early development in Argentina. Mr. Scokin started his career in 1995 as an associate of McKinsey & Company in Boston, where he eventually became partner and manager of its Buenos Aires office in 2004. Mr. Scokin holds Bachelor degrees in Economics and Industrial Engineering from the University of Buenos Aires and an Masters in Business Administration from Harvard Business School.

**Rodrigo Catunda** has served as a member of our board of directors since January 2017. Mr. Catunda is a Vice President in General Atlantic’s Sao Paulo office, which he joined in September 2011, where he focuses on investments in a variety of industries in Latin America. Mr. Catunda is closely involved with General Atlantic’s investments in Despegar, Pague Menos, XP Investimentos, Smiles and Ourofino. From January 2007 to August 2011, Mr. Catunda was an investment banking associate at J.P. Morgan in São Paulo and New York, focused in Latin America. Mr. Catunda also serves on the board of XP Investimentos, a Brazilian financial institution. Mr. Catunda received a Bachelor degree in Business Administration from Fundação Getulio Vargas—FGV in Sao Paulo.

**Nilesh Lakhani** has served as a member of our board of directors since October 2012. Mr. Lakhani serves on the board of directors of Netshoes (Cayman) Limited (NYSE: NETS) and, from 2013 to 2014, served on the board of directors of QIWI plc (Nasdaq: QIWI). Mr. Lakhani has been an Operating Partner at Lumia Capital LLC, an emerging markets focused technology venture fund since 2015 and has also held key executive positions with growth companies in the technology, media and financial services industries. From 2010 to 2012, he was the Chief Financial Officer of oDesk Corporation. Prior to that, from 2007 to 2010, he was the Chief Financial Officer of Yandex N.V. (Nasdaq: YNDX). He also served as Chief Financial Officer of CTC Media, Inc. (Nasdaq: CTCM) from 2004 to 2007. Prior to that, Mr. Lakhani was the Chief Financial Officer of Pogo.com, and was Vice President of Global Operations at Electronic Arts after it acquired Pogo.com. Mr. Lakhani also
served as senior vice president with Transamerica Corporation from 1991 to 1997, and worked with GE Capital from 1984 to 1991. Mr. Lakhani received a Bachelor degree in Economics from the University of Manchester and a Masters in Business Administration in Finance from the University of San Francisco.

Gary Morrison has served as a member of our board of directors since April 2015. Mr. Morrison is Vice President and General Manager EMEA and Senior Vice President and Head of Retail Expedia Worldwide of Expedia, Inc., which he joined in 2011. From October 2008 to November 2009, Mr. Morrison served as the Head of Global Sales Operations for Google, Inc.’s Online Sales Channel. Prior to that, Mr. Morrison held several senior management positions at Motorola Solutions Inc. (NYSE: MSI) in its Mobile Devices division and consulting and engineering roles at General Electric Corporation (NYSE: GE), Booz Allen & Hamilton Inc. (NYSE: BAH) and Schlumberger SA. He also serves on the board of directors for Voyages-sncf.com, a distribution channel of SNCF, and AirAsiaExpedia, a division of Expedia, Inc. Mr. Morrison received a Masters in Business Administration from INSEAD and a Masters in Engineering (M. Eng. Distinction) from Leeds University U.K.

Martin Rastellino has served as a member of our board of directors since June 2017. Mr. Rastellino is a co-founder of the Company and has been extensively involved in the management of the Company from 1999 until June 2017. He has served as our Chief Operating Officer and Head of Hotels Business, among other key managerial positions. Prior to joining the Company, Mr. Rastellino served as a Manager for Teleglobe in the United States and has also worked as an auditor for Arthur Andersen in Argentina between 1993 and 1997. Mr. Rastellino received a Bachelor degree in Public Accounting from the University of Buenos Aires and a Masters in Business Administration from Duke University.

Mario Eduardo Vázquez has served as a member of our board of directors since August 2014. From June 2003 to November 2006, he served as the Chief Executive Officer of Grupo Telefónica in Argentina. Prior to that, Mr. Vázquez worked in auditing for Arthur Andersen for 33 years, including as a partner and general director covering Latin American markets, including Argentina, Chile, Uruguay, and Paraguay. Mr. Vázquez previously taught as a professor of Auditing at the Economics School of the Universidad de Buenos Aires. Mr. Vázquez also serves on the board of directors and is president of the Audit Committee of Globant S.A. (NYSE: GLOB) and MercadoLibre, Inc. (NYSE: MELI) He has also served as a member of the board of directors of Telefónica Argentina S.A., Telefónica Holding Argentina S.A., Telefónica S.A. (Spain), Banco Santander Rio S.A., Banco Supervielle Societe General S.A., and CMF Banco S.A., and as alternate member of the board of directors of Telefónica de Chile S.A. Mr. Vázquez also previously served as a member of the board of directors and as the president of the Audit Committee of YPF, S.A. (NYSE:YPF) Mr. Vázquez received a Bachelor degree in Public Accounting from the Universidad de Buenos Aires.

Executive Officers

The following table lists the current executive officers of our group:

<table>
<thead>
<tr>
<th>Name</th>
<th>Age</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Damián Scokin</td>
<td>50</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>Michael Doyle</td>
<td>47</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Juan Pablo Alvarado</td>
<td>47</td>
<td>General Counsel</td>
</tr>
<tr>
<td>Gonzalo Garcia Estebarea</td>
<td>37</td>
<td>Commercial Director</td>
</tr>
<tr>
<td>Sebastián Mackinnon</td>
<td>46</td>
<td>Head of Air</td>
</tr>
<tr>
<td>Martin Molinari</td>
<td>45</td>
<td>Head of Packages, Hotels and Other Travel Products</td>
</tr>
<tr>
<td>Pablo Montivero Araya</td>
<td>48</td>
<td>Head of Distribution</td>
</tr>
</tbody>
</table>

The following is a brief summary of the business experience of our executive officers who are not also directors. Unless otherwise indicated, the current business addresses for our executive officers is Juana Manso 999, Ciudad Autónoma de Buenos Aires, Argentina (C1107CBR).
Michael Doyle has served as our Chief Financial Officer (“CFO”) since June 2013. Prior to becoming our CFO, Mr. Doyle was the Chief Financial Officer of eLong, Inc, a formerly Nasdaq-listed, online travel company in China. Mr. Doyle was also the Chief Financial Officer of Expedia Asia Pacific, a division of Expedia, based in Hong Kong and Seattle. Prior to Expedia, Mr. Doyle worked as Chief Financial Officer of Teledesic, a Seattle-based broadband communications company founded by Craig McCaw and Bill Gates. Mr. Doyle started his career as an investment banker at Morgan Stanley & Company in New York and Singapore. While in Singapore, he also worked for the Government of Singapore Investment Corporation, structuring private equity investments in Southeast Asia.

Mr. Doyle holds a Bachelor degree in Finance from Southern Methodist University and a Masters in Business Administration from Harvard Business School.

Juan Pablo Alvarado has served as our General Counsel since August 2015. From December 2014 to July 2015, Mr. Alvarado served as Of Counsel at Estudio Beccar Varela. From 2006 to 2013, Mr. Alvarado served as General Counsel and member of the Executive Committee of El Tejar Limited. From 2001 to 2003, he served in various positions at Mondeléz International, most recently as the Legal Director for the Southern Cone Region in South America. Mr. Alvarado also serves as a member of the board of directors of Asociación Latinoamericana de Internet and served as President of Fundación para la Integración Social Oscar Alvarado, a not-for-profit organization. Mr. Alvarado received a high school diploma from Colegio Cardenal Newman, Law degree from the Universidad Católica Argentina de Derecho and a Master of Laws degree from Duke University.

Gonzalo García Estebarena will serve as our Commercial Director, overseeing Air and Packages, Hotels and Other Travel Products, beginning in September 2017. Prior to joining us, he held several positions at LATAM Airlines Group from 2011 to 2017, including Vice President of International Revenue Management and Global Head of Sales. Prior to that, Mr. García Estebarena was a management consultant with McKinsey & Company from 2003 to 2011. Mr. García Estebarena received a Bachelor degree in Electronic Engineering from the Instituto Tecnológico de Buenos Aires (ITBA) and a Masters in Business Administration with Distinction from Harvard Business School.

Sebastián Mackinnon has served as our Head of Air, with a regional scope, since December 2015. From October 2001 to December 2015, Mr. Mackinnon served in various positions at Diageo plc, an international alcoholic beverages company, mostly recently as General Manager covering Peru, Bolivia and Ecuador. Prior to that, Mr. Mackinnon held various positions at Mondeléz International and Kimberly-Clark Corporation. Mr. Mackinnon received a high school diploma from Colegio Cardenal Newman, a Bachelor degree in Business Administration from the Pontificia Universidad Católica Argentina and a Masters in Business Administration from the CEMA University in Buenos Aires.

Martin Molinari has served as our Head of Packages, Hotels and Other Travel Products since March 2017. Prior to that, Mr. Molinari served as our Head of Cross-Selling from March 2013 to March 2017 and as our Mexico Country Manager from August 2005 to February 2013. Prior to that, Mr. Molinari served as General Manager for Iberojet Internacional, a tour operator that is a division of Iberostar Group. Mr. Molinari received a Bachelor degree in Tourism Business Management from the Universidad de Morón. Mr. Molinari is based in Montevideo, Uruguay.

Pablo Montivero Araya has served as our Head of Distribution since February 2015 with responsibilities for overseeing all countries as well as distribution channels and loyalty programs. Prior to joining us, he served in various positions at PepsiCo, Inc., most recently as Senior Vice President and General Manager for PepsiCo Foods South Cone. Mr. Montivero Araya received a Bachelor degree in Industrial Engineering from the Universidad de Buenos Aires and a Masters in Business Administration in International Business from the Thunderbird School of Global Management at Arizona State University. Mr. Montivero Araya is based in Montevideo, Uruguay.

Family Relationships

There are no family relationships among any of our directors or executive officers.
Board Committees

Our board of directors may establish committees from time to time with such responsibilities as determined by our board. Members will serve on these committees until their resignation or until otherwise determined by our board. Our board of directors has established an audit committee, as described below.

Audit Committee

Our audit committee consists of Mario Eduardo Vázquez, Nilesh Lakhani and Martin Rastellino, with Mr. Vázquez serving as chair. Messrs. Vázquez and Lakhani satisfy the independence requirements of Rule 10A-3 under the Exchange Act. Our board of directors also has determined that Messrs. Vázquez, Lakhani and Rastellino qualify as audit committee financial experts within the meaning of the SEC rules. Our audit committee oversees our accounting and financial reporting processes and the audits of our consolidated financial statements. Our audit committee will be responsible for, among other things:

- selecting our independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by our independent auditors;
- regularly reviewing the independence of our independent auditors;
- reviewing all related party transactions on an ongoing basis;
- discussing the annual and quarterly audited consolidated financial statements with management and our independent auditors;
- periodically reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and our internal and independent auditors;
- reporting regularly to our full board of directors; and
- such other matters that are specifically delegated to our audit committee by our board of directors from time to time.

Equity Incentive Plans

Our board of directors has adopted two stock option plans, namely, the 2015 Stock Option Plan (the “2015 Plan”) and Amended and Restated 2016 Stock Incentive Plan (the “2016 Plan” and, together with the 2015 Plan, the “Plans”). The terms of the 2015 Plan and the 2016 Plan are substantially similar. The purpose of these plans is to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, outside directors and consultants, and to promote the success of our business. Our board of directors believes that our Company’s long term success is dependent upon our ability to attract and retain superior individuals who, by virtue of their ability and qualifications, make important contributions to our business.

On March 6, 2015, we granted 90,626 RSUs under the 2015 Plan. Each RSU represents the right to receive one ordinary share. We will not issue any additional awards under the 2015 Plan to our employees.

We have reserved an aggregate of 4,861,777 of our ordinary shares for issuance under the 2016 Plan, of which 3,775,000 were issuable upon the exercise of outstanding options as of August 31, 2017.

Administration. The Plans are administered by our board of directors or a committee designated by our board of directors constituted to comply with applicable laws. In each case, our board of directors or the committee it designates will determine the provisions, terms and conditions of each award.

Eligibility. Only employees, outside directors and consultants are eligible for the grant of non-incentive stock options (“NSOs”), and the direct award or sale of shares or RSUs or other share-based awards, in the case of the 2016 Plan. Only employees are eligible for the grant of incentive stock options (“ISOs”). The term “option” as used in this section refers to both NSOs and ISOs.
Moreover, a person who owns more than 10% of the total combined voting power of all classes of our outstanding share capital is not eligible for ISO grants unless (i) the exercise price is at least 110% of the fair market value of a share on the date of the grant and (ii) such ISO by its terms is not exercisable after the expiration of five years from the date of the grant.

Vesting Schedule. Options, other share-based awards and RSUs may be subject to vesting requirements, as set forth in the applicable award agreement. In the case of the currently outstanding RSUs, two vesting requirements must be satisfied on or before the expiration date in order for the ordinary shares subject to the award to vest: (i) a time-based service requirement where a portion of the RSUs vest in each of three years from the grant date, provided that the recipient remains in continuous service through each applicable date and (ii) a requirement that the Company completes an initial public offering or change of control event (the “Liquidity Event Requirement”). If the Liquidity Event Requirement is triggered by an initial public offering, it will be deemed satisfied upon the earliest of (i) the 181st day following the initial public offering; (ii) the March 15th following the year in which the initial public offering occurs, or (iii) the expiration date. The options granted under the 2016 Plan also feature both (i) a time-based service requirement, by which vesting occurs in installments over five years and (ii) a Liquidity Event Requirement. In the case of the options granted under the 2016 Plan, if the Liquidity Event Requirement is triggered by an initial public offering then it will be deemed satisfied upon the earliest of (i) the 181st day following the initial public offering and (ii) the day immediately preceding the expiration date. In addition, in the case of options granted under the 2016 Plan to our Chief Executive Officer and his direct reports, if the optionee is subject to an involuntary termination without cause within 12 months after a change of control event occurs, then his or her options immediately vest and become exercisable with respect to all then-unvested shares upon such termination, and the time-based service requirement is deemed to have been satisfied with respect to all shares subject to those options.

Award Agreement. Awards granted under the Plans are evidenced by an award agreement providing for the number of ordinary shares subject to the award, and the terms and conditions of the award.

Transfer Restrictions. Options, other share-based awards and RSUs may not be transferred other than by will or the laws of succession or by gift or domestic relations order to an immediate family member of the optionee or, in the case of options under the 2016 Plan, a trust established by the optionee for the benefit of the optionee and/or one or more of the optionee’s immediate family, and are exercisable during the lifetime of the optionee only by the optionee or by the optionee’s guardian or legal representative.

Exercise of Awards. The term of options may not exceed ten years from the date of grant. The consideration to be paid for our ordinary shares upon exercise of an option will be determined by the stock option plan administrator and may include cash or cash equivalents, a promissory note, ordinary shares, delivery of an irrevocable direction to a securities broker appointed by us to sell the shares and deliver all or part of the proceeds to us, consideration received by us under a cashless exercise program implemented by us, or any other form of payment permitted by applicable law. No cash consideration is required of the recipient in connection with the grant of the RSUs.

Termination of Awards. Where the option agreement permits the exercise of the options granted for a certain period of time following the recipient’s termination of service with us, or the recipient’s disability or death, the options will terminate to the extent not exercised on the last day of the specified period or the last day of the original term of the options, whichever occurs first. Unvested RSUs are forfeited to us upon the recipient’s termination of service with us. Treatment of other share-based awards upon a termination of service are as set forth in the award agreement.

Third-Party Acquisition. If a third-party acquires us through the purchase of all or substantially all of our assets, a merger or other business combination, all outstanding awards will be treated in the manner described in the definitive transaction agreement (or, in the event the transaction does not entail a definitive agreement to which we are party, in the manner determined by our board of directors in its capacity as administrator of the
Plans, with such determination having final and binding effect on all parties), which agreement or determination need not treat all awards (or all portions of an award) in an identical manner.

Amendment, Suspension or Termination. Our board of directors has the authority to amend, suspend or terminate the Plans at any time and for any reason, without shareholder approval, except to the extent required by applicable law. Unless terminated earlier, the Plans will terminate automatically ten years from the later of (i) the date when the Plan was adopted or (ii) the date when our board of directors approved the most recent increase in the number of shares reserved for issuance; provided that the ability to grant ISOs under the 2016 Plan will terminate on the tenth anniversary of the date when the maximum number of shares reserved for ISOs was approved by our shareholders. As noted above, no further awards will be granted under our 2015 Plan.

Compensation of Directors and Executive Officers

For the years ended December 31, 2016 and 2015, the aggregate compensation to the officers and independent members of our board of directors amounted to $4,418,091 and $1,538,406, respectively. We did not pay any compensation to the remaining directors in 2016 and 2015, and did not pay any other cash compensation or benefits in kind to our directors in 2016 and 2015. Additionally, during 2015 and 2016 we entered into certain severance and non-compete arrangements with our founders, including a founder who is currently a member of our board of directors and our audit committee. For more information, see note 14 to our audited consolidated financial statements and our unaudited condensed consolidated financial statements included in this prospectus. Our officers receive comparable benefits generally provided to our employees, such as pension, retirement and health insurance coverage, with some variations with regard to company car benefits and levels of health insurance coverage. For information regarding share options and RSUs granted to our current officers and directors, see “—Equity Incentive Plans.”
The following table sets forth information regarding the beneficial ownership of our ordinary shares by (1) each person known to us to beneficially own more than 5% of any class of our outstanding voting securities, (2) each of our directors and executive officers and (3) all of our directors and executive officers as a group.

Applicable percentage ownership is based on 58,518,679 ordinary shares outstanding as of August 31, 2017, ordinary shares outstanding after the completion of this offering, assuming no exercise of the underwriters’ over-allotment option and ordinary shares outstanding after the completion of this offering, assuming the underwriters exercise their over-allotment option in full. In computing the number of ordinary shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all ordinary shares subject to options or RSUs held by that person or entity that are currently exercisable or that will become exercisable or vested, as applicable, within 60 days of August 31, 2017. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person or entity. Unless otherwise indicated, the address of each beneficial owner listed in the table below is Juana Manso 999, Ciudad Autónoma de Buenos Aires, Argentina (C1107CBR).

The following table does not reflect any ordinary shares that may be purchased pursuant to our directed share program described under “Underwriters—Directed Share Program.”

<table>
<thead>
<tr>
<th>Name of Beneficial Owner</th>
<th>Prior to the Offering</th>
<th>Ordinary Shares Being Offered</th>
<th>After the Offering Assuming Underwriters’ Option is Not Exercised</th>
<th>After the Offering Assuming Underwriters’ Option is Exercised in Full</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>Number</td>
</tr>
<tr>
<td><strong>5% Shareholders:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tiger Global (1)</td>
<td>33,560,192</td>
<td>57.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expedia, Inc. (2)</td>
<td>9,590,623</td>
<td>16.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Atlantic Partners (3)</td>
<td>3,175,223</td>
<td>5.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Directors and Executive Officers:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rodrigo Catunda (4)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nilesh Lakhani (5)</td>
<td>7,929</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jason Lenga (6)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gary Morrison</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martín Rastellino (7)</td>
<td>600,000</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Damián Scokin (8)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mario Eduardo Vázquez</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Juan Pablo Alvarado (9)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Michael Doyle (10)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gonzalo García Estebarena (11)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sebastián Mackinnon (12)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martín Molinari (13)</td>
<td>164,631</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pablo Montivero Araya (14)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Directors and Executive Officers as a Group (14 persons)</strong></td>
<td>772,560</td>
<td>1.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other Selling Shareholders:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accel (15)</td>
<td>595,339</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bynum Company S.A. (16)</td>
<td>721,386</td>
<td>1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tielis Park S.A. (17)</td>
<td>443,342</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Viastamare S.A. (18)</td>
<td>450,203</td>
<td>*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pranaguspi S.A. (19)</td>
<td>662,940</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prefisul S.A. (20)</td>
<td>652,424</td>
<td>1.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(*) Represents beneficial ownership of less than 1%.
(1) Consists of ordinary shares held by Tiger Global Private Investment Partners IV, L.P. (“PIP IV”), Tiger Global Investments, L.P. (together with PIP IV, “Tiger Global”), and other affiliates of Tiger Global Management, LLC. Tiger Global Management, LLC is controlled by Chase Coleman, Scott Shleifer and Lee Fixel. The business address for each of these entities and individuals is c/o Tiger Global Management, LLC, 9 West 57th Street, 35th Floor, New York, NY 10019.

(2) Consists of ordinary shares held by Expedia, Inc. (“Expedia”), a Washington corporation, a direct wholly owned subsidiary of Expedia, Inc., a Delaware corporation. The principal business address for Expedia is 333 108th Avenue NE, Bellevue, WA 98004.

(3) Consists of (i) 2,977,640 ordinary shares held by General Atlantic Partners (Bermuda) II, L.P (“GAP BII”); (ii) 154,697 ordinary shares held by GAP Coinvestments III, LLC (“GAPCO III”); (iii) 29,687 ordinary shares held by GAP Coinvestments CDA, L.P. (“GAPCO CDA”); and (v) 6,643 ordinary shares held by GAPCO GmbH & Co. KG (“GAPCO KG” and, together with GAP BII, GAPCO III, GAPCO IV and GAPCO CDA, the “GA Funds”). The general partner of GAP BII is General Atlantic GenPar (Bermuda), L.P. (“GA GenPar Bermuda”). GAP (Bermuda) Limited (“GAP Bermuda”) is the general partner of GA GenPar Bermuda. General Atlantic LLC (“GA LLC”) is the managing member of GAPCO III, GAPCO IV and the general partner of GAPCO CDA. The general partner of GAPCO KG is GAPCO Management GmbH (“GAPCO Management”). The Managing Directors of GA LLC (the “GA Managing Directors”) are also the directors and voting shareholders of GAP Bermuda. The GA Managing Directors control the voting and investment decisions with respect to securities held by GAPCO KG and GAPCO Management. The GA Managing Directors are William E. Ford, John Bernstein, J. Frank Brown, Gabriel Caliauix, Andrew Crawford, Alexander Crisses, Steven A. Denning, Mark F. Dzialga, Martin Escobari, Aaron Goldman, David C. Hodgson, Rene M. Kern, Jonathan Korngold, Christopher G. Lanning, Anton J. Levy, Thomas J. Murphy, Sandeep Naik, Joern Nikolay, Andrew C. Pearson, Shantanu Rastogi, David A. Rosenstein, E. Graves Tompkins, N. Robbert Vorhoff, Ke Wei, and Eric (Chi) Zhang. The GA Managing Directors may be deemed to share voting and dispositive control with respect to shares and interests held by the GA Funds. Each of the Managing Directors of GA LLC disclaims beneficial ownership of the ordinary shares held by the GA Funds except to the extent each has a pecuniary interest therein. GAP BII, GA GenPar Bermuda, GAP Bermuda, GAPCO KG, GAPCO Management, GAPCO CDA, GAPCO III, GAPCO IV, and GA LLC (collectively, the “GA Group”) are a “group” within the meaning of Rule 13d-5 of the Securities Exchange Act of 1934, as amended. The principal business address of the foregoing General Atlantic entities other than GAPCO KG, GAPCO Management, GAP BII, GA GenPar Bermuda and GAP Bermuda is c/o General Atlantic Service Company, LLC, 55 East 52nd Street, 33rd Floor, New York, NY 10055. The principal business address of GAPCO KG and GAPCO Management is c/o General Atlantic GmbH, Maximilianstrasse 35b, 80359 Munich, Germany. The mailing address of GAP BII, GA GenPar Bermuda and GAP Bermuda is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(4) Mr. Catunda is a Vice President in General Atlantic’s São Paulo office. Mr. Catunda is not deemed to share voting or dispositive control over the shares held by the GA Funds listed in footnote (3) above. Mr. Catunda disclaims beneficial ownership of such shares.

(5) Consists of 7,929 ordinary shares held by Mr. Lakhani, a member of our board of directors.

(6) Mr. Lenga is an Operating Partner at Tiger Global Australia Pty Ltd. Mr. Lenga is not deemed to share voting or dispositive control over the shares held by Tiger Global listed in footnote (1) above. Mr. Lenga disclaims beneficial ownership of such shares.

(7) Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In March 2017, Mr. Scokin was granted 400,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Scokin remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined

121
in the Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Scokin is our Chief Executive Officer and a director.

(9) Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In March 2017, Mr. Alvarado was granted 100,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Alvarado remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Alvarado is our General Counsel.

(10) Does not reflect any shares that may be issued upon settlement of outstanding RSUs, none of which will be exercisable within 60 days of August 31, 2017. In March 2015, Mr. Doyle was granted 90,626 RSUs, (i) 40,626 of which vested on January 1, 2016; (ii) 20,000 of which vested on January 1, 2017; (iii) 20,000 of which will vest on January 1, 2018; and (iv) 10,000 of which will vest on July 1, 2018, in each case provided that Mr. Doyle remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Restricted Stock Unit Award dated March 6, 2015). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. In addition, does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In March 2017, Mr. Doyle was granted 200,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Doyle remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Doyle is our Chief Financial Officer.

(11) Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In August 2017, Mr. García Estebarena was granted 200,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. García Estebarena remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Stock Option Grant dated August 28, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Garcia Estebarena is our Commercial Director.

(12) Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In March 2017, Mr. Mackinnon was granted 200,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Mackinnon remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Mackinnon is our Head of Air.
(13) Consists of (i) 114,631 ordinary shares held of record by Ioannis S.A. and (ii) 50,000 ordinary shares held of record by Busmont S.A. Mr. Molinari has sole voting and dispositive control over such shares and directly or indirectly owns 100% of the share capital of both Ioannis S.A. and of Busmont S.A. Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 12, 2017. In March 2017, Mr. Molinari was granted 200,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Molinari remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Molinari is our Head of Packages, Hotels and Other Travel Products.

(14) Does not reflect any shares that may be issued upon settlement of outstanding options, none of which will be exercisable within 60 days of August 31, 2017. In March 2017, Mr. Montivero Araya was granted 200,000 options (i) 5% of which will vest on December 1, 2017; (ii) 10% of which will vest on December 1, 2018; (iii) 15% of which will vest on December 1, 2019; (iv) 20% of which will vest on December 1, 2020; (v) 25% of which will vest on December 1, 2021 and (vi) 25% of which will vest on December 1, 2022, in each case provided that Mr. Montivero Araya remains in continuous service as an employee, director or consultant of the Company through each applicable date and subject to the satisfaction of the Liquidity Event Requirement (as defined in the Notice of Stock Option Grant dated March 17, 2017). The Liquidity Event Requirement will be deemed satisfied upon the 181st day following the date of this offering. See “Management—Equity Incentive Plans.” Mr. Montivero Araya is our Head of Distribution.

(15) Consists of ordinary shares held by Accel Growth Fund II L.P. (“AGF”), Accel Growth Fund II Strategic Partners L.P. (“AGFSP”) and Accel Growth Fund Investors 2012 L.L.C. (“AGFI”, and collectively with AGF and AGFSP, “Accel”). AGF and AGFSP are each controlled by its General Partner, Accel Growth Fund II Associates L.L.C. (“AGFA”), which is controlled by its managing members. AGFI is controlled by its managing members. The managing members of AGFA and AGFI are Andrew G. Braccia, Sameer K. Gandhi, Ping Li, Tracy L. Sedlock, Ryan J. Sweeney and Richard P. Wong. The business address for each of these entities is c/o Accel, 428 University Avenue, Palo Alto, CA 94301.

(16) Consists of 721,386 ordinary shares held by Bynum Company S.A., a Uruguayan Company, which is controlled by its sole director, Mariana Devoto. The business address for Bynum Company S.A. is, Avenida 18 de Julio 841, Office 401, CP 11100, Montevideo, Uruguay.

(17) Tiels Park S.A. is controlled by Mr. Mariano Fiori, who has sole voting and dispositive control over such shares and directly or indirectly owns 100% of the share capital of Tiels Park S.A. The business address for Tiels Park S.A. is Paraguay 1246, Montevideo, 11100, Uruguay. Mr. Fiori is one of our founders and a former employee of our Company.

(18) Vistamare S.A. is controlled by Alejandro Tamer, who has sole voting and dispositive control over such shares and directly or indirectly owns 100% of the share capital of Vistamare S.A. The business address for Vistamare S.A. is Paraguay 1246, Montevideo, 11100, Uruguay. Mr. Tamer is one of our founders and a former employee of our Company.

(19) Consists of 662,940 ordinary shares held by Pranaguspi S.A., a Uruguayan Company, which is controlled by its sole director, Mariana Devoto. The business address for Pranaguspi S.A. is c/o GNK International S.A., Avenida 18 de Julio 841, Office 401, CP 11100, Montevideo, Uruguay.

(20) Prefisul S.A. is controlled by Christian Vilate, who has sole voting and dispositive control over such shares and directly or indirectly owns 100% of the share capital of Prefisul S.A. The business address for Prefisul S.A. is Paraguay 1246, Montevideo, 11100, Uruguay. Mr. Vilate is one of our founders and a former employee of our Company.
CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

Related Person Transactions in Connection with the Expedia Investment

Our predecessor, Decolar.com, Inc., issued the following promissory notes to Tiger Global and its affiliates, on an interest-free basis: $10.0 million on August 26, 2013 with a maturity of nine years, $15.0 million on November 8, 2013 with a maturity of nine years, and $25.0 million on February 6, 2015 with a maturity of seven years.

On March 6, 2015, Expedia purchased 9,590,623 shares of common stock (the “2015 Expedia Shares”) from our predecessor, Decolar.com, Inc., representing 16.4% of its capital stock, for an aggregate purchase price of $270.0 million. Decolar.com, Inc. used $50.0 million of the proceeds to repay the promissory notes to Tiger Global and its affiliates in full and $45.0 million to repurchase 1,598,434 shares of its common stock from certain stockholders, including key management personnel and entities affiliated with key management personnel.

In connection with Expedia’s investment in March 2015, we entered into certain amended shareholder arrangements that will terminate in accordance with their terms upon completion of this offering, except as set forth in the Shareholder Agreements (as defined below).

Relationship with Expedia

Expedia Outsourcing Agreement

We entered into the Expedia Outsourcing Agreement with affiliates of Expedia on March 6, 2015. Expedia is the beneficial owner of 16.4% of our ordinary shares outstanding as of August 31, 2017.

All hotel and other lodging products that we offer through our platform for all countries outside Latin America are provided to us exclusively by Expedia pursuant to the Expedia Outsourcing Agreement. Under the agreement, Expedia is also the preferred provider to us of hotel and other lodging products in Latin America. Expedia makes its hotel and other lodging products available to us. We are required to reach a threshold of marketing fees (which are defined in the Expedia Outsourcing Agreement as a specified percentage of gross profit received by Expedia from travel bookings made through our platform) equal to $5.0 million in any six-month period, or else Expedia may require us to pay a $125.0 million termination fee. Since we entered into the Expedia Outsourcing Agreement in March 2015, we have not failed to meet the required threshold. For more information, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Contractual Obligations and Other Commitments.”

We receive a marketing fee for each booking using rates and availability provided by Expedia through our platform based on the compensation that Expedia is entitled to receive from the relevant property owner. For the six months ended June 30, 2017, marketing fees paid by Expedia to us under the Expedia Outsourcing Agreement, net of fees we paid to Expedia under the Despegar Outsourcing Agreement (described below), amounted to $18.9 million, which represented 7.6% of our revenue for the six months ended June 30, 2017. For 2016, marketing fees paid by Expedia to us under the Expedia Outsourcing Agreement, net of fees we paid to Expedia under the Despegar Outsourcing Agreement (described below), amounted to $27 million, which represented 6.6% of our revenue for the year. From time to time, the Expedia Outsourcing Agreement has been supplemented by one-time incentives paid to us for reaching certain booking targets during a specified time period.

As of June 30, 2017, our receivables from Expedia under the Expedia Outsourcing Agreement, net of our payables under the Despegar Outsourcing Agreement, were $77.6 million.

The term of the Expedia Outsourcing Agreement automatically renews annually unless terminated in certain cases, including (1) by mutual consent or by a party in the case of a material breach by the other party (with a
$125.0 million termination payment if terminated by Expedia due to our breach or our failure to meet certain minimum performance requirements), (2) unilaterally by us without cause after March 6, 2022 upon payment to Expedia of a $125.0 million termination payment, and (3) unilaterally by Expedia in the event of a change of control of our Company. A change of control under the agreement is defined as the sale, lease or transfer of all or substantially all of our assets to or acquisition of more than 50% of voting or economic power in our Company or any parent of our Company by an entity in the consumer or corporate travel industry or an internet-enabled provider of travel search or information services. Unilateral termination of the Expedia Outsourcing Agreement by us as described in (2) above, in addition to triggering the termination payment, also gives Expedia the right to sell the 2015 Expedia Shares back to us for fair market value under the Shareholder Agreements described below.

We may also terminate the agreement if Expedia ceases to hold all of the 2015 Expedia Shares unless the disposition of those shares was (1) approved by a majority of members of our Board of Directors that were not designated by Expedia, (2) involuntary or (3) the result of an action taken by us or any of our affiliates.

The foregoing description of the Expedia Outsourcing Agreement is qualified in its entirety by reference to the Expedia Outsourcing Agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

**Despegar Outsourcing Agreement**

We entered into the Despegar Outsourcing Agreement with certain affiliates of Expedia on August 17, 2016. Under the Despegar Outsourcing Agreement, we are required to make our hotel products available to certain affiliates of Expedia. The relevant Expedia Affiliate receives compensation equal to a percentage of the revenue earned by us from the property owner.

The agreement has a three-year term that automatically renews for one-year periods, unless either party elects not to renew. We are required to indemnify Expedia and/or its affiliates for losses derived from end user claims. However, if during any contract year Expedia and/or its affiliates suffer losses derived from end user claims exceeding 1% of the annual aggregate room price of the bookings made by the Company during such year, we may terminate the agreement.

The foregoing description of the Despegar Outsourcing Agreement is qualified in its entirety by reference to the Despegar Outsourcing Agreement, which is filed as an exhibit to the registration statement of which this prospectus forms a part.

**Shareholder Agreements**

We are party to the following agreements with our shareholders: (i) the Sixth Amended and Restated Investors’ Rights Agreement, dated as of August 29, 2017, by and among the Company, (1) Tiger Global Private Investment Partners IV, L.P., Tiger Global Investments, L.P., The Scott Shleifer 2011 Descendants’ Trust pursuant to an agreement dated as of January 20, 2011, LFX Trust under an agreement dated as of January 26, 2011 and Ventoux V LLC (together, the “Tiger Global Shareholders”), (2) Porto Palma S.A, Vistamare S.A., Tiélis Park S.A., Prosventure S.A., Pausania S.A., Bynum Company S.A., Birbey S.A., Prefisul S.A., Pranaguspi S.A. (together, the “Former Management Shareholders”); (3) SC US GF V HOLDINGS, LTD., SCGE FUND, L.P., SCHF (M) PV, L.P. (together, the “Sequoia Shareholders”), Insight Venture Partners VII, LP, Insight Venture Partners VII (CoInvestors), LP, Insight Venture Partners (Cayman) VII LP, Insight Venture Partners (Delaware) VII LP (together, the “Insight Shareholders”), Accel Growth Fund II L.P., Accel Growth Fund II Strategic Partners L.P., Accel Growth Fund 2012 Investors L.L.C. (together, the “Accel Shareholders”), General Atlantic Partners (Bermuda) II, L.P., GAPCO GmbH & Co. KG, GAP Coinvestments CDA, L.P., GAP Coinvestments III, LLC, GAP Coinvestments IV, LLC (together, the “General Atlantic Shareholders” and, together, with the Sequoia Shareholders, the Insight Shareholders and the Accel Shareholders, the “Other 125
Investor Shareholders”); and (4) Expedia (together, with the Tiger Global Shareholders, the Former Management Shareholders and the Other Investor Shareholders, the “Principal Shareholders”), as amended on May 3, 2017 (the “Sixth Amended and Restated Investors’ Rights Agreement”); (ii) the Fourth Amended and Restated Voting Agreement dated as of August 29, 2017, by and among the Company, the Principal Shareholders, Nilesh Lakhani, Edgardo Sokolowicz, Alpino Camanzano, Martin Molinari (through investment vehicles), Christian Adonajlo, Cristian Camsen, Daniel Goldstein and Michael Doyle (together, the “Additional Shareholders”), as amended on May 3, 2017 (the “Fourth Amended and Restated Voting Agreement”); and (iii) the Fourth Amended and Restated First Refusal and Co-Sale Agreement dated as of August 29, 2017, by and among the Company, the Principal Shareholders and the Additional Shareholders, as amended on May 3, 2017 (the “Fourth Amended and Restated First Refusal and Co-Sale Agreement”). For purposes of this prospectus we refer to the Sixth Amended and Restated Investors’ Rights Agreement, the Fourth Amended and Restated Voting Agreement and the Fourth Amended and Restated First Refusal and Co-Sale Agreement as the “Shareholder Agreements.” The Shareholder Agreements will provide Expedia and the Tiger Global Shareholders with the rights and obligations described below.

**Expedia Preemptive Rights**

As long as Expedia beneficially owns at least 5% of our share capital (calculated on a fully-diluted basis), it has preemptive rights to purchase newly issued shares to maintain its percentage ownership in all future offerings by us of our shares or of securities convertible into, or exchangeable or exercisable for, any of our shares, including the ordinary shares to be issued and sold in this offering, subject to certain limited exceptions. As of the date of this prospectus, we cannot assure you whether Expedia will exercise its preemptive rights in connection with this offering.

**Expedia Standstill**

For three years from the date of this offering, Expedia and its affiliates are prohibited from acquiring more than 35% of the voting or economic power of our outstanding shares, except by a tender offer, exchange offer or other offer for all of the outstanding shares, directly or indirectly, in which case they are only permitted to consummate such offer if it would result in their owning more than 75% of the voting or economic power of our outstanding shares entitled to vote in the election of our board of directors. In addition, if after this offering (1) we enter into a definitive agreement providing for a Liquidation Event (as defined in the Shareholder Agreements), (2) a tender or exchange offer which if consummated would constitute a Liquidation Event is made (by a person other than Expedia) for our securities and our board of directors either accepts such offer or fails to recommend that our shareholders reject such offer within ten business days, or (3) our board of directors resolves to engage in a formal process which is intended to result in a transaction which, if consummated, would constitute a Liquidation Event, then, notwithstanding the above restriction, with respect to clauses (1) and (2), Expedia is entitled to make an offer for and acquire our shares in a transaction for at least as many shares or equivalent as contemplated in the relevant Liquidation Event, and, with respect to clause (3), Expedia is entitled to participate in such process on the same terms and conditions as the other participants.

**Expedia Put Right**

We are required to buy back from Expedia, or in certain circumstances facilitate the sale of, the 2015 Expedia shares for fair market value, if we exercise our right to terminate the Expedia Outsourcing Agreement on or after March 6, 2022 and make the required termination payment of $125.0 million to Expedia in connection therewith. The procedures for determining fair market value of the 2015 Expedia Shares depend upon whether we are a public company with securities traded on a recognized securities exchange. If we complete the underwritten initial public offering described in this prospectus and we remain a public company with securities traded on a recognized securities exchange at the time we receive notice that Expedia is exercising its put right, then we are required to (1) use our best efforts to prepare and file with the SEC a registration statement covering the 2015 Expedia Shares, (2) request, in conjunction with Expedia, quotes from five internationally-recognized
underwriting banks for a firm and fully underwritten sale of the 2015 Expedia Shares and (3) assist Expedia in its sale of the 2015 Expedia Shares on a recognized securities exchange or market or otherwise. If the 2015 Expedia Shares cannot be sold in this manner, we are required to purchase the 2015 Expedia Shares at the highest quoted price then available from the aforementioned underwriting banks. If we are no longer a public company with securities traded on a recognized securities exchange, fair market value will be a price agreed upon by the Company and Expedia or, if the parties cannot agree, a price determined through the assistance of third-party valuation experts.

Expedia Non-Solicitation Restriction

Expedia is also prohibited from soliciting certain of our employees, and vice versa, until one year after Expedia beneficially owns less than 10% of our share capital. A similar non-solicitation covenant applies during the term of the Expedia Outsourcing Agreement.

Expedia Director Business Opportunities

Subject to applicable confidentiality obligations, directors who have or currently serve as directors, officers, employees or agents of Expedia (the “Expedia Directors”) are not precluded from referring potential business opportunities in which we could have an interest to Expedia. If the Expedia Directors do so, we would be considered to have renounced our interest in such opportunity, unless the opportunity in question was presented to the director solely in his or her capacity as our director or for our benefit, in which case it can only be referred to Expedia if a majority of our board of directors (excluding the Expedia Directors) has formally declined the opportunity pursuant to a resolution.

Expedia Director Potential Conflicts of Interest

The Expedia Directors may be excluded from the relevant portion of any board or committee meeting or relevant resolutions of directors relating to any transaction, agreement or arrangement with respect to which (1) Expedia or any of its affiliates is a counterparty or has a material economic interest in the counterparty or (2) in the reasonable opinion of a majority of the members of the board that are not designated or nominated by, or employed by, Expedia or any of its affiliates, there would exist a conflict of interest between the interests of Expedia or its affiliates, on the one hand, and our interests, on the other (conflict of interest is defined for such purpose as a specific material economic or competitive interest of Expedia or any of its affiliates in a potential transaction, agreement or arrangement of the Company would be reasonably likely to materially impair the independence or objectivity of the Expedia Directors in the discharge of their responsibilities and duties to the Company, in light of their affiliation to Expedia).

Registration Rights

The Tiger Global Shareholders and Expedia are each entitled to two demand registrations as long as such holder owns 5% or more of our outstanding ordinary shares (calculated on a fully-diluted basis). Moreover, any other party to our Shareholder Agreements that owns 10% or more our outstanding ordinary shares (calculated on a fully-diluted basis) will also be entitled to two demand registrations. We will also be required to effect up to two registrations on Form F-3 in any twelve-month period, upon the request of any such shareholders that own 10% or more of our outstanding ordinary shares (calculated on a fully-diluted basis). The Shareholder Agreements will also provide the shareholders party thereto with customary piggyback registration rights. Moreover, we are required to pay certain expenses relating to such registrations and indemnify such shareholders against certain liabilities that may arise under the Securities Act. In addition, as previously described, we may also be required to facilitate the sale by Expedia of the 2015 Expedia Shares.
Restrictions on Transactions and Transfers to Priceline

Under the Sixth Amended and Restated Investors’ Rights Agreement and the Expedia Outsourcing Agreement, until three years from the date of this offering, we may not enter into any arrangement with the Priceline Group Inc. or any of its affiliates (“Priceline”) or the respective businesses of Booking.com, Agoda.com, Kayak.com and RentalCars.com (the “Specified Priceline Operations”), whether or not such businesses remain a part of the operations of Priceline, or any future business of Priceline which is similar in size and nature to the Specified Priceline Operations, whether or not such business remains a part of the operations of Priceline. In addition, until three years from the date of this offering, certain restrictions apply to transfers of our securities by us or by the Principal Shareholders to Priceline.

However, these restrictions cease to apply if the Expedia Outsourcing Agreement has been validly terminated in accordance with its terms, except if such termination was due to a failure by us to meet certain minimum performance requirements or a material breach by us, in which case these restrictions will continue to apply until the earliest of (1) the third anniversary of this offering, (2) the seventh anniversary of the Expedia Outsourcing Agreement (provided that we make the required termination payment of $125.0 million), (3) the date on which Expedia sells the 2015 Expedia Shares unless the disposition of such shares was (a) approved by a majority of our board of directors that were not designated by Expedia, (b) involuntary, or (c) the result of an action taken by us or any of our affiliates (e.g., a stock buyback, reverse stock split, merger, share exchange or other transaction resulting in the change in form of the 2015 Expedia Shares); or (4) a material and uncured breach by Expedia of its agreement not to acquire more than 35% of the voting or economic power of our outstanding share capital within three years of this offering except by means of a tender offer, exchange offer or other offer that if consummated would result in Expedia being the beneficial owner of more than 75% of the voting or economic power of our outstanding share capital entitled to vote in the election of the board of directors.

The foregoing description of the Shareholder Agreements and the rights contained therein is qualified in its entirety by reference to the Shareholder Agreements, which are filed as exhibits to the registration statement of which this prospectus forms a part.

Directed Share Program

At our request, the underwriters have reserved 5% of the ordinary shares offered by this prospectus for sale, at the initial public offering price, to our directors, executive officers, employees and certain other persons as part of a directed share program. We do not currently know the extent to which these related persons will participate in our directed share program, if at all.

Statement of Policy Regarding Transactions with Related Persons

Prior to the completion of this offering, our board of directors will adopt a written statement of policy regarding transactions with related persons, which we refer to as our “related person policy.” Our related person policy requires that a “related person” (as defined as in paragraph (a) of Item 404 of Regulation S-K) must promptly disclose to our general counsel any “related person transaction” (defined as any transaction that is anticipated would be reportable by us under Item 404(a) of Regulation S-K in which we were or are to be a participant and the amount involved exceeds $120,000 and in which any related person had or will have a direct or indirect material interest) and all material facts with respect thereto. The head of compliance will then promptly communicate that information to our board of directors. No related person transaction will be executed without the approval or ratification of our board of directors. It is our policy that directors interested in a related person transaction will recuse themselves from any vote of a related person transaction in which they have an interest. Our policy does not specify the standards to be applied by directors in determining whether or not to approve or ratify a related person transaction and we accordingly anticipate that these determinations will be made in accordance with principles of the laws of the BVI generally applicable to directors of a BVI company.
DESCRIPTION OF OUR SHARE CAPITAL

General

We are a BVI business company incorporated with limited liability and our affairs are governed by the provisions of our memorandum and articles of association, as amended and restated from time to time, and by the provisions of applicable BVI law, including the BVI Business Companies Act, 2004 (the “BVI Act”). Under “Description of Our Share Capital,” “we,” “us,” “our” and “our company” refer to Despegar.com, Corp. and not to any of its subsidiaries.

Our company number in the BVI is 1936519. As provided in regulation 4 of our memorandum of association, subject to BVI law, we have full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and, for such purposes, full rights, powers and privileges. Our registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands and our registered agent is Conyers Trust Company (BVI) Limited of Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands.

Upon the completion of this offering, ordinary shares will be issued, fully paid and outstanding, or ordinary shares if the underwriters exercise their over-allotment option in full.

We have applied to list our ordinary shares on the New York Stock Exchange under the symbol “DESP.”

The transfer agent and registrar for our ordinary shares is Computershare Trust Company, N.A., which maintains the register of members of the Company at 480 Washington Boulevard, Jersey City, NJ 07310, USA. The shares of the Company are held in uncertificated (book-entry) form and no shareholder has the right to require issuance or provision to it at any time of any share certificate.

Initial settlement of our ordinary shares will take place on the closing date of this offering through The Depository Trust Company (“DTC”) in accordance with customary settlement procedures for equity securities. Each person owning ordinary shares held through DTC must rely on the procedures thereof and on institutions that have accounts therewith to exercise any rights of a holder of ordinary shares. Persons wishing to obtain certificates for their ordinary shares must make arrangements with DTC.

The following is a summary of the material provisions of our share capital and our IPO memorandum and articles of association to be adopted immediately prior to the consummation of our initial public offering. This discussion does not purport to be complete and is qualified in its entirety by reference to our IPO memorandum and articles of association. The form of our IPO memorandum and articles of association will be filed as an exhibit to the registration statement of which this prospectus forms a part.

Ordinary Shares

The following summarizes the rights of holders of our ordinary shares. Each ordinary share confers on the holder:

(a) the right to one vote at a meeting per share on all matters to be voted on by shareholders generally, including the election of directors at an annual meeting of the shareholders;
(b) the right to an equal share in any dividend paid by the Company and payable in respect of our ordinary shares and as may be declared from time to time by our board of directors out of funds legally available for that purpose, if any; and
(c) upon our liquidation, dissolution or winding up, the right to an equal share in the distribution of the surplus assets of the Company available to the ordinary shareholders,

but subject in each case to the rights attaching to any additional class or classes of shares (including any preferred shares) that may be authorized and issued after the closing date of this offering. Our ordinary shares do not confer cumulative voting rights.
Additional Shares

Our board of directors may determine the rights, privileges, restrictions and conditions attaching to each such class of preferred shares (which may be more favorable than those attaching to the ordinary shares), as the board of directors may determine in its sole and absolute discretion, including without limitation:

- the number of shares constituting the additional class of preferred shares;
- the dividend and other distribution rights of the class of preferred shares and, (which may be payable in preference to, or in relation to, the dividends payable on our ordinary shares or any other class or classes of shares);
- whether the class of preferred shares shall have voting rights and, if so, whether they shall vote separately or together as a single class with the ordinary shares and/or any other class of shares;
- whether the class of preferred shares shall have conversion and/or exchange rights and privileges and, if so, the terms and conditions of such conversion and/or exchange;
- whether the class of preferred shares shall impose conditions and restrictions upon the business and affairs of the Company and/or any of its subsidiaries or the right to approve and/or veto certain matters and/or to appoint and/or remove one or more directors of the Company; and
- the rights of the preferred shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including, without limitation, any liquidation preference and whether such rights shall be in preference to, or in relation to, the comparable rights of the ordinary shares or any other class or classes of shares;

Limitation on Liability and Indemnification Matters

Under BVI law, each of our directors, in exercising his powers or performing his duties, is required to act honestly and in good faith and in what the director believes to be in our best interests, is required to exercise his powers as a director for a proper purpose, may not act, or agree to us acting, in a manner that contravenes the BVI Act or our memorandum or articles of association, and is required to exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances (taking into account, but without limitation, the nature of the company; the nature of the decision; and the position of the director and the nature of the responsibilities undertaken by him).

Our IPO memorandum and articles of association provide that, to the fullest extent permitted by law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which the Company is permitted to provide indemnification under applicable law) through provisions in the IPO memorandum and articles of association, agreements with such directors, officers agents or other persons, vote of disinterested directors or otherwise, subject only to limits created by the BVI Act.

Our IPO memorandum and articles of association provide that the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who: (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or (b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise; provided that such indemnification shall not apply unless the person claiming such indemnification acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.
We may pay any expenses, including legal fees, incurred by any such person in defending any legal, administrative or investigative proceedings in advance of the final disposition of the proceedings. If a person to be indemnified has been successful in defense of any proceedings referred to above, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

We may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not we have or would have had the power to indemnify the person against the liability as provided in our IPO memorandum and articles of association.

Shareholders’ Meetings and Consents

The following summarizes certain relevant provisions of BVI laws and our IPO memorandum and articles of association in relation to our shareholders’ meetings:

- Our IPO memorandum and articles of association contemplate two types of shareholders’ meetings, namely:
  - an annual meeting of shareholders (each an “annual meeting”); and
  - any meeting of shareholders which is not an annual meeting (each a “special meeting”).

- Only the board of directors may convene an annual meeting. The first annual meeting following this offering shall take place on a date to be determined by the board of directors which shall not be later than December 31 in 2018 (or such other date determined by resolution of directors and notified to shareholders), and thereafter an annual meeting shall be held in each calendar year. All annual meetings shall be held at such date, time and place, either within or outside the BVI, as shall be determined from time to time by the board of directors. The business of an annual meeting shall be the election and re-election of directors for those board seats whose terms expire at such meeting and any other items of business proposed by the board of directors and/or otherwise duly proposed by eligible shareholders in accordance with the IPO memorandum and articles of association.

- Special meetings may only be called: (i) by the board of directors at its own initiative; or (ii) by the board of directors upon receiving a compliant written request from a shareholder or shareholders entitled to exercise at least 30% of the voting rights in respect of the matter for which the meeting is requested. Upon receipt of a compliant requisition notice, the board of directors shall convene the requested special meeting for a date not later than 90 days after the date of receipt of the requisition notice, provided the various restrictions, conditions and provision of information and other procedural requirements set out in the IPO memorandum and articles of association have been met by the requisitionists. A special meeting may be held at such date, time and place, within or outside the BVI, as shall be stated in the notice of the meeting.

- Director elections and re-elections by shareholders may occur only at annual meetings (not special meetings) and then only in respect of those board seats whose terms expire at such meeting. Nominations of persons for election or re-election as directors of the Company at an annual meeting may only be made by (i) the board of directors; or (ii) any shareholder (or shareholders collectively) holding not less than 3% of the voting rights that may be exercised at the annual meeting entitled to attend and vote at such meeting, provided the various restrictions, conditions and provision of information and other procedural requirements set out in the IPO memorandum and articles of association have been met by the nominating shareholders. The board of directors will also retain discretion to veto inappropriate candidates nominated by shareholders for election as a director in certain enumerated circumstances, including (a) where the candidate is not qualified, does not have the
necessary experience, has a conflict of interest or is otherwise unsuitable or unfit for office; and (b) where an appointment may adversely affect the
Company’s (and/or its subsidiaries’ respective) reputation or business; or would result in the Company not having the required number of independent
directors for its audit committee; or would result in the Company losing its “foreign private issuer” status.

• Written notice of any shareholder meeting shall be given to each shareholder entitled to vote at such meeting and each director not fewer than 10 nor
more than 120 days before the date of the meeting. The inadvertent failure or accidental omission to give notice of a meeting to, or the non-receipt of a
notice of a meeting by, any person entitled to receive notice shall not invalidate the shareholder meeting or the proceedings at that meeting. A meeting
of shareholders held in contravention of such notice requirements is valid if shareholders holding at least 90% of the total voting rights on all the
matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall be
deemed to constitute waiver on his part.

• A shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder.

• A meeting of shareholders is duly constituted and quorate if, at the commencement of the meeting, there are present in person or by proxy holders of
not less than a simple majority of the votes of the shares entitled to vote on the resolutions to be considered at the meeting. If within two hours from
the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of shareholders, shall be dissolved; in any
other case it shall stand adjourned to such other date, time and place as the chairman may determine and announce at the meeting (without the need for
any further notice to shareholders). At any such adjourned meeting at which a quorum shall be present or represented, any business may be transacted
that might have been transacted at the meeting as originally notified. If the adjournment is for more than 30 days, or if after the adjournment a new
record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the
meeting.

• A resolution of shareholders is valid only if approved at a duly constituted and quorate meeting of shareholders by the affirmative vote of a simple
majority (or such greater majority as may be specified in respect of a particular matter in the IPO memorandum and articles of association) of the votes
of those shareholders present at the meeting and entitled to vote and voting on the resolution. Shareholders are prohibited from adopting resolutions by
written consent and all resolutions of the shareholders will need to be adopted at a meeting of our shareholders convened in accordance with our IPO
memorandum and articles of association.

• In addition, in order to nominate candidates for election as a director at an annual meeting or propose topics for consideration at an annual meeting or
special meeting of shareholders, shareholders must notify the Company in writing prior to the meeting at which directors are to be elected or the
proposals are to be acted upon, and such notice must contain the documentation and information specified in our IPO memorandum and articles of
association. To be timely, notice with respect to an annual meeting of shareholders must be received by not later than the close of business on the 90th
day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year’s annual meeting (provided that if the
Company did not have an annual meeting the preceding year not later than the close of business on June 30 of the calendar year in which the annual
meeting is to be held or such other date notified to shareholders by the board of directors). In the case of any business or other matter to be considered
at a special meeting of shareholders, notice of such business or other matter must be included with the original requisition notice. Various other
restrictions, conditions and provision of information and other procedural requirements set out in the IPO memorandum and articles of association
shall also apply. Such advance notice requirements and other provisions may preclude or limit the ability of shareholders to nominate candidates for
election as a director or propose topics for consideration at a meeting of shareholders. Furthermore, our board of directors may in certain
circumstances veto candidates proposed by shareholders (as described in the fourth bullet point in this section). We expect that the first annual meeting of shareholders following this offering will be held in the third or fourth quarter of 2018.

Differences in Corporate Law

We were incorporated under, and are governed by, the laws of the BVI. Set forth below is a summary of some of the key differences between provisions of the BVI Act applicable to us and the laws applicable to companies incorporated in the State of Delaware in the United States and their shareholders, which should not be taken as exhaustive.

Director’s Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling stockholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation.

BVI law provides that every director of a BVI company in exercising his powers or performing his duties shall act honestly and in good faith and in what the director believes to be in the best interests of the company. Additionally, the director shall exercise the care, diligence, and skill that a reasonable director would exercise in the same circumstances (taking into account but without limitation, the nature of the company, the nature of the decision and the position of the director and the nature of the responsibilities undertaken by him). In addition, BVI law provides that a director shall exercise his powers as a director for a proper purpose and shall not act, or agree to the company acting, in a manner that contravenes the BVI Act or the memorandum association or articles of association of the company.

Amendment of Governing Documents

Under Delaware corporate law, with very limited exceptions, a vote of the shareholders is required to amend the certificate of incorporation. In addition, Delaware corporate law provides that shareholders have the right to amend the bylaws, and the certificate of incorporation also may confer on the directors the right to amend the bylaws.

The laws of the BVI provide more flexibility as to the approvals required for amending the governing documents of the company. Our IPO memorandum and articles of association provide they may only be amended by way of:

(a) both an ordinary resolution of shareholders (passed by a simple majority vote) and a resolution of directors (passed by a simple majority vote at a meeting of directors or by unanimous written consent), but written subject to the condition that the resolution of directors is adopted not later than the seventh day following the adoption of the resolution of shareholders;
(b) a special resolution of members (passed by a two-thirds (66 2/3 %) super majority vote), save that certain provisions may not be amended in this manner, as further described below; or

(c) a resolution of directors (passed by a simple majority vote at a meeting of directors or by unanimous written consent), save that certain provisions may not be amended in this manner, as further described below.

The provisions of our IPO memorandum and articles of association that may not be amended pursuant to (b) and (c) above include provisions (and related definitions) relating to the capacity and powers of the Company; the powers of our board to issue shares and authorize and issue additional classes of shares and the repurchase of the Company’s own shares, and to fix a record date for shareholder meetings; the powers of our board or shareholders to amend the IPO memorandum and articles; most provisions regarding shareholder meetings and the ability of shareholders to requisition meetings and make proposals and nominate candidates for election as directors at shareholder meetings; the powers of the board of directors and the officers of the Company and their proceedings; dividends and other distributions; director conflicts and indemnification; appointment of auditors and the audit process; the voluntary liquidation of the Company; the redomiciliation of the Company to a foreign jurisdiction, and the exclusive jurisdiction clause. Further, at any time that Expedia owns 5% or more of the outstanding ordinary shares of the Company, Article 26 of the IPO articles of association (which relates to Expedia’s and its nominated directors’ ability to pursue opportunities that may compete with the Company) may not be amended, altered, changed or repealed without the prior written consent of Expedia.

Written Consent of Directors

Under Delaware corporate law, directors may act by written consent only on the basis of a unanimous vote.

Similarly, under our IPO memorandum and articles of association, a resolution of our directors in writing shall be valid only if consented to by all of the directors (or all of the members of a committee of directors, as the case may be) entitled to vote on the resolution.

Written Consent of Shareholders

Under Delaware corporate law, unless otherwise provided in the certificate of incorporation, any action to be taken at any annual or special meeting of shareholders of a corporation may be taken by written consent of the holders of outstanding stock having not less than the minimum number of votes that would be necessary to take that action at a meeting at which all shareholders entitled to vote were present and voted.

Our IPO memorandum and articles of association provide that a resolution of shareholders is valid only if approved at a duly constituted and quorate meeting of shareholders by the affirmative vote of a simple majority (or such greater majority as may be specified in respect of a particular matter in the IPO memorandum and articles of association) of the votes of those shareholders present at the meeting and entitled to vote and voting on the resolution.

Shareholder Proposals

Under Delaware corporate law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

BVI law and our IPO memorandum and articles of association provide that (i) our directors shall call a special meeting of the shareholders if requested in writing to do so by shareholders entitled to exercise at least 30% of the voting rights in respect of the matter for which the meeting is requested; and (ii) shareholders may put forward proposals at an annual meeting or, with the prior consent of our board of directors, at any special meeting convened by our board of directors, in each case subject to the various restrictions, conditions, and
provision of information and other procedural requirements (including lengthy advance notice periods) described above in “—Shareholders’ Meetings and Consents”.

**Sale of Assets**

Under Delaware corporate law, a vote of the shareholders is required to approve the sale of assets only when all or substantially all assets are being sold.

Under the BVI Act, unless otherwise provided in the memorandum and articles of association, shareholder approval is required when more than 50% of the company’s total assets by value are being disposed of or sold if not made in the usual or regular course of the business carried out by the company. However, this provision is without effect under our IPO memorandum and articles of association, and the directors may by resolution of directors sell, transfer, lease, exchange or otherwise dispose of the assets of the Company without the sale, transfer, lease, exchange or other disposition being authorised by a resolution of the shareholders.

**Dissolution; Winding Up**

Under Delaware corporate law, unless the board of directors approves the proposal to dissolve, dissolution must be approved in writing by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation’s outstanding shares. Delaware corporate law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

As permitted by BVI law and our IPO memorandum and articles of association, we may be voluntarily liquidated under Part XII of the BVI Act by resolution of shareholders with the prior approval of a resolution of directors if we have no liabilities or we are able to pay our debts as they fall due and the value of the Company’s assets equals or exceeds its liabilities.

**Continuation under Foreign Law**

As permitted by BVI law and our IPO memorandum and articles of association, we may with the approval of both a resolution of directors and resolution of shareholders continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

**Redemption of Shares**

Under Delaware corporate law, any stock may be made subject to redemption by the corporation at its option, at the option of the holders of that stock or upon the happening of a specified event, provided shares with full voting power remain outstanding. The stock may be made redeemable for cash, property or rights, as specified in the certificate of incorporation or in the resolution of the board of directors providing for the issue of the stock.

As permitted by BVI law and our IPO memorandum and articles of association, shares may be repurchased, redeemed or otherwise acquired and held by us (a) with the prior written consent of the holder of such shares (which consent may be given by agreement in advance and may be either unconditional or conditional); (b) in accordance with the terms and restrictions of such shares or the terms upon which such shares are issued, without the consent of the holder of such shares; or (c) as described under “Compulsory Acquisition” below, without the consent of the holder of such shares, subject in cases (a) and (b) to compliance with applicable BVI laws regarding solvency unless the redemption is made pursuant to a right of the shareholder to have his shares redeemed or to have his shares exchanged for money or other property of the company.
Compulsory Acquisition

Under Delaware General Corporation Law §253, in a process known as a “short form” merger, a corporation that owns at least 90% of the outstanding shares of each class of stock of another corporation may either merge the other corporation into itself and assume all of its obligations or merge itself into the other corporation by executing, acknowledging and filing with the Delaware Secretary of State a certificate of such ownership and merger setting forth a copy of the resolution of its board of directors authorizing such merger. If the parent corporation is a Delaware corporation that is not the surviving corporation, the merger also must be approved by a majority of the outstanding stock of the parent corporation. If the parent corporation does not own all of the stock of the subsidiary corporation immediately prior to the merger, the minority shareholders of the subsidiary corporation party to the merger may have appraisal rights as set forth in §262 of the Delaware General Corporation Law.

Under the BVI Act, subject to any limitations in a company’s memorandum or articles, members holding 90% of the votes of the outstanding shares entitled to vote, and members holding 90% of the votes of the outstanding shares of each class of shares entitled to vote as a class, may give a written instruction to the company directing the company to redeem the shares held by the remaining members. Upon receipt of such written instruction, the company shall redeem the shares specified in the written instruction, irrespective of whether or not the shares are by their terms redeemable. The company shall give written notice to each member whose shares are to be redeemed stating the redemption price and the manner in which the redemption is to be effected. A member whose shares are to be so compulsorily redeemed is entitled to dissent from such redemption, and to be paid the fair value of his shares, as described under “—Appraisal Rights” below.

Variation of Rights of Shares

Under Delaware corporate law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of that class, unless the certificate of incorporation provides otherwise. Under our IPO memorandum and articles of association, the rights attached to any class of shares may be varied pursuant to any permitted means of amendment to our IPO memorandum and articles of association (in this regard, see “—Amendment of Governing Documents” above) with no express provisions or additional investor protections regarding variations of class rights.

Removal of Directors

Under Delaware corporate law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise.

Our IPO memorandum and articles of association provide that a director of the Company may only be removed: (i) with cause, by a resolution approved by shareholders holding not less than two-thirds of the voting rights at a meeting of shareholders called for the stated purpose of removing the director or for stated purposes including the removal of the director, or (ii) with cause, by a resolution approved by directors holding not less than two-thirds of the voting rights of all of those directors entitled to vote on the resolution at a meeting of directors or by way of unanimous written consent of those directors entitled to vote on the removal. For these purposes, “cause” is to be given the same meaning it has under Delaware corporate law.

Mergers

Under Delaware corporate law, one or more constituent corporations may merge into and become part of another constituent corporation in a process known as a merger. A Delaware corporation may merge with a foreign corporation as long as the law of the foreign jurisdiction permits such a merger. To effect a merger under Delaware General Corporation Law §251, an agreement of merger must be properly adopted and the agreement

136
of merger or a certificate of merger must be filed with the Delaware Secretary of State. In order to be properly adopted, the agreement of merger must be adopted by the board of directors of each constituent corporation by a resolution or unanimous written consent. In addition, the agreement of merger generally must be approved at a meeting of stockholders of each constituent corporation by a majority of the outstanding stock of the corporation entitled to vote, unless the certificate of incorporation provides for a supermajority vote. In general, the surviving corporation assumes all of the assets and liabilities of the disappearing corporation or corporations as a result of the merger.

Under the BVI Act, two or more BVI companies may merge or consolidate in accordance with the statutory provisions. A merger means the merging of two or more constituent companies into one of the constituent companies, and a consolidation means the uniting of two or more constituent companies into a new company. In order to merge or consolidate, the directors of each constituent BVI company must approve a written plan of merger or consolidation which must be authorized by a resolution of shareholders. One or more BVI companies may also merge or consolidate with one or more companies incorporated under the laws of jurisdictions outside the BVI, if the merger or consolidation is permitted by the laws of the jurisdictions in which the companies incorporated outside the BVI are incorporated. In respect of such a merger or consolidation a BVI company is required to comply with the provisions of the BVI Act and a company incorporated outside the BVI is required to comply with the laws of its jurisdiction of incorporation.

**Inspection of Books and Records**

Under Delaware corporate law, any shareholder of a corporation may for any proper purpose inspect or make copies of the corporation’s stock ledger, list of shareholders and other books and records. Under BVI law, members of the general public, on payment of a nominal fee, can obtain copies of the public records of a company available at the office of the BVI Registrar of Corporate Affairs which will include the company’s certificate of incorporation, its memorandum and articles of association (with any amendments) and records of license fees paid to date and will also disclose any articles of dissolution, articles of merger and a register of charges if the company has elected to file such a register.

A shareholder of a BVI company is entitled, on giving written notice to the company, to inspect:

1. the memorandum and articles;
2. the register of members;
3. the register of directors; and
4. the minutes of meetings and resolutions of shareholders and of those classes of members of which he or she is a shareholder; and to make copies of or take extracts from the documents and records referred to in (1) to (4) above.

However, subject to the memorandum and articles, the directors may, if they are satisfied that it would be contrary to the company’s interests to allow a shareholder to inspect any document, or part of a document, specified in (b), (c) or (d) above, refuse to permit the shareholder to inspect the document or limit the inspection of the document, including limiting the making of copies or the taking of extracts from the records.

Where a company fails or refuses to permit a shareholder to inspect a document or permits a shareholder to inspect a document subject to limitations, that shareholder may apply to the BVI courts for an order that he should be permitted to inspect the document or to inspect the document without limitation.

A BVI company is required to keep at the office of its registered agent the memorandum and articles of the company; the register of shareholders maintained or a copy of the register of shareholders; the register of directors or a copy of the register of directors; and copies of all notices and other documents filed by the company in the previous ten years.
Where a company keeps a copy of the register of shareholders or the register of directors at the office of its registered agent, it is required to notify any changes to the originals of such registers to the registered agent, in writing, within 15 days of any change; and to provide the registered agent with a written record of the physical address of the place or places at which the original register of shareholders or the original register of directors is kept. Where the place at which the original register of shareholders or the original register of directors is changed, the company is required to provide the registered agent with the physical address of the new location of the records within fourteen days of the change of location.

A BVI company is also required to keep at the office of its registered agent or at such other place or places, within or outside the BVI, as the directors determine the minutes of meetings and resolutions of shareholders and of classes of shareholders; and the minutes of meetings and resolutions of directors and committees of directors. If such records are kept at a place other than at the office of the company’s registered agent, the company is required to provide the registered agent with a written record of the physical address of the place or places at which the records are kept and to notify the registered agent, within 14 days, of the physical address of any new location where such records may be kept.

A BVI company is also required keep at the office of its registered agent or at such other place or places, within or outside the BVI, as the directors may determine, the minutes of meetings and resolutions of the company which shall be in such form as are sufficient to show and explain the company’s transactions and will, at any time, enable the financial position of the company to be determined with reasonable accuracy. If such records and underlying documentation are kept at a place other than at the office of the company’s registered agent, the company is required to provide the registered agent with a written record of the physical address of the place or places at which the records and underlying documentation are kept and of the name of the person who maintains and controls the company’s records and underlying documentation and to notify the registered agent, within 14 days, of any change to such details.

Conflict of Interest

Under Delaware corporate law, a contract between a corporation and a director or officer, or between a corporation and any other organization in which a director or officer has a financial interest, is not void as long as the material facts as to the director’s or officer’s relationship or interest are disclosed or known and either a majority of the disinterested directors authorizes the contract in good faith or the shareholders vote in good faith to approve the contract. Nor will any such contract be void if it is fair to the corporation when it is authorized, approved or ratified by the board of directors, a committee or the shareholders.

The BVI Act provides that a director shall, forthwith after becoming aware that he is interested in a transaction entered into or to be entered into by the company, disclose that interest to the board of directors of the company. The failure of a director to disclose that interest does not affect the validity of a transaction entered into by the director or the company, so long as the director’s interest was disclosed to the board prior to the company’s entry into the transaction or was not required to be disclosed because the transaction is between the company and the director himself and is otherwise in the ordinary course of business and on usual terms and conditions.

As permitted by BVI law and our IPO memorandum and articles of association, a director interested in a particular transaction may generally vote on it, attend meetings at which it is considered and sign documents on our behalf which relate to the transaction, or do any other thing in his capacity as director that relates to the transaction. However, under our IPO memorandum and articles there is an exception relating to any transaction, agreement or arrangement with respect to which (i) Expedia is a counterparty or has a material economic interest in the counterparty or (ii) in the reasonable opinion of a majority of the members of our board that are not designated or nominated by, or employed by, Expedia, there would exist a conflict of interest (as defined in our IPO memorandum and articles of association) between the interests of Expedia, on the one hand, and that of the Company, on the other hand. In such circumstances, subject to certain conditions, the directors appointed by Expedia may be excluded from the relevant portion of the board or committee meeting.
Our IPO memorandum and articles also contain an acknowledgment that the Company and its affiliates may engage in the same, similar or related lines of business as those engaged in by Expedia and that the Company may have an interest in the same areas of business opportunity as Expedia. Our IPO memorandum and articles provide that, to the fullest extent permitted by law but subject to compliance with any confidentiality obligations owed to the Company, directors of the Company appointed by Expedia may (without any liability or any duty to account for profits) refer potential business opportunities to Expedia (and shall have no obligation to refer such potential business opportunities to the Company) which may pursue them without any restriction or liability, unless the potential business opportunity was presented or offered to the director solely in his or her capacity as a director of the Company or for the benefit of the Company. Furthermore, even a potential business opportunity presented or offered to a director appointed by Expedia solely in his or her capacity as a director of the Company or for the benefit of the Company may be referred to and pursued by Expedia in the event our board of directors (excluding the directors appointed by Expedia) declines to pursue such an opportunity.

**Transactions with Interested Shareholders**

Delaware corporate law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by that statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that the person becomes an interested shareholder. An interested shareholder generally is a person or group who or that owns or owned 15% or more of the target’s outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which the shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction that resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware public corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

BVI law has no comparable provision. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although BVI law does not expressly regulate transactions between a company and its significant shareholders, it does provide that transactions by the Company must be entered into bona fide in the best interests of the company and not with the effect of oppressing or constituting a fraud on the minority shareholders.

**Independent Directors**

There are no provisions under Delaware corporate law or under the BVI Act that require a majority of our directors to be independent.

**Cumulative Voting**

Under Delaware corporate law, cumulative voting for elections of directors is not permitted unless the company’s certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder’s voting power with respect to electing such director. There are no prohibitions to cumulative voting under the laws of the British Virgin Islands, but our IPO memorandum of association and articles of association do not provide for cumulative voting.

**Shareholders’ Suits**

The enforcement of the Company’s rights will ordinarily be a matter for our directors. However, in certain limited circumstances, a shareholder may have the right to seek certain remedies against us in the event the
directors are in breach of their duties under the BVI Act. Pursuant to Section 184B of the BVI Act, if a company or director of a company engages in, proposes to engage in or has engaged in, conduct that contravenes the provisions of the BVI Act or the memorandum or articles of association of the company, a BVI court may, on application of a shareholder or director of the company, make an order directing the company or director to comply with, or restraining the company or director from engaging in conduct that contravenes, the BVI Act or the memorandum or articles. Furthermore, pursuant to Section 184I of the BVI Act a shareholder of a company who considers that the affairs of the company have been, are being or are likely to be, conducted in a manner that is, or any acts of the company have been, or are likely to be, oppressive, unfairly discriminatory or unfairly prejudicial to him in that capacity, may apply to the BVI court for an order which can, if the court considers that it is just and equitable to do so, require the company or any other person to pay compensation to the shareholders (among various other potential orders and remedies). Under Section 184G of the BVI Act, a shareholder of a company may bring an action against the company for breach of a duty owed by the company to him as a shareholder.

Under Section 184C of the BVI Act, a shareholder also may, with the permission of the BVI court, bring an action or intervene in a matter in the name of the company, in certain circumstances. Such actions are known as derivative actions. The BVI court may only grant permission to bring a derivative action where the following circumstances apply: (i) the company does not intend to bring, diligently continue or defend or discontinue proceedings; or (ii) it is in the interests of the company that the conduct of the proceedings not be left to the directors or to the determination of the shareholders as a whole.

When considering whether to grant leave, the BVI court is also required to have regard to the following matters: whether the shareholder is acting in good faith; whether a derivative action is in the interests of the company, taking into account the directors’ views on commercial matters; whether the proceedings are likely to succeed; the costs of the proceedings in relation to the relief likely to be obtained; and whether an alternative remedy is available.

Any shareholder of a company may apply to BVI court under the Insolvency Act, 2003 of the BVI for the appointment of a liquidator to liquidate the company and the court may appoint a liquidator for the company if it is of the opinion that it is just and equitable to do so.

Generally any other claims against a BVI company by its shareholders must be based on the general laws of contract or tort applicable in the BVI or their individual rights as shareholders as established by the BVI Act or the company’s memorandum and articles of association. There are also common law rights for the protection of shareholders that may be invoked, largely derived from English common law. Under general English company law known as the rule in Foss v. Harbottle, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company’s affairs by the majority or the board of directors. However, every shareholder is entitled to seek to have the affairs of the company conducted properly according to law and the constituent documents of the corporation. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company’s memorandum and articles of association, then the courts may grant relief.

Generally, the areas in which the courts may intervene are the following: a company is acting or proposing to act illegally or beyond the scope of its authority; the act complained of, although not beyond the scope of the authority, could only be effected if duly authorized by more than the number of votes which have actually been obtained; the individual rights of the plaintiff shareholder have been infringed or are about to be infringed; or those who control the company are perpetrating a “fraud on the minority.”

**Appraisal Rights**

The BVI Act provides that any shareholder of a BVI company is entitled to payment of the fair value of his shares upon dissenting from any of the following: (a) a merger if the company is a constituent company, unless the company is the surviving company and the shareholder continues to hold the same or similar shares; (b) a
consolidation if the company is a constituent company; (c) any sale, transfer, lease, exchange or other disposition of more than 50% in value of the assets or business of the company if not made in the usual or regular course of the business carried on by the company (unless, as in our case, such appraisal right is excluded in the memorandum and articles of association) but not including: (i) a disposition pursuant to an order of the court having jurisdiction in the matter, (ii) a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the shareholders in accordance with their respective interest within one year after the date of disposition, or (iii) a transfer pursuant to the power of the directors to transfer assets for the protection thereof; (d) a compulsory redemption of 10% or fewer of the issued shares of the company required by the holders of 90% or more of the shares of the company pursuant to the terms of the BVI Act; and (e) an arrangement, if permitted by the BVI court.
SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our ordinary shares. We cannot predict the effect, if any, future sales of ordinary shares, or the availability for future sale of ordinary shares, will have on the market price of our ordinary shares prevailing from time to time. The sale of substantial amounts of our ordinary shares in the public market, or the perception that such sales could occur, could harm the prevailing market price of our ordinary shares.

Upon completion of this offering we will have a total of ordinary shares outstanding, or ordinary shares if the underwriters exercise their over-allotment option in full. The ordinary shares sold in this offering (other than any shares sold to our directors and officers pursuant to our directed share program that are subject to the lock-up restrictions as described under “Underwriters—Directed Share Program”) will be freely tradable without restriction or further registration under the Securities Act by persons other than our “affiliates.” Under the Securities Act, an “affiliate” of an issuer is a person that directly or indirectly controls, is controlled by or is under common control with that issuer.

Registration Rights

Under our Shareholder Agreements, the Tiger Global Shareholders and Expedia are each entitled to two demand registrations as long as such holder owns 5% or more of our outstanding ordinary shares. Moreover, any other party to our Shareholder Agreements that owns 10% or more our outstanding ordinary shares will also be entitled to two demand registrations. In addition, we will be required to effect up to two registrations on Form F-3 in any twelve-month period, upon the request of any such shareholders that own 10% or more of our outstanding ordinary shares. The Shareholder Agreements also provide the shareholders party thereto with customary piggyback registration rights. Moreover, we are required to pay certain expenses relating to such registrations and indemnify such shareholders against certain liabilities that may arise under the Securities Act. See “Certain Relationships and Related Person Transactions—Registration Rights.”

Lock-Up Agreements

We have agreed, subject to enumerated exceptions, that we will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to, any of our ordinary shares or securities convertible into or exchangeable or exercisable for any of our ordinary shares, or publicly disclose the intention to make any such offer, sale, pledge, disposition or filing, without the prior written consent of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. for a period of 180 days after the date of this prospectus. Our executive officers, directors and substantially all of our existing shareholders have agreed, subject to enumerated exceptions, that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any of our ordinary shares or securities convertible into or exchangeable or exercisable for any of our ordinary shares, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our ordinary shares, whether any of these transactions are to be settled by delivery of our ordinary shares or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. for a period of 180 days after the date of this prospectus.

Rule 144

In general, under Rule 144 a person (or persons whose shares are aggregated), including any person who may be deemed our affiliate, is entitled to sell within any three-month period a number of restricted securities that does not exceed the greater of 1% of the then outstanding ordinary shares and the average weekly trading volume during the four calendar weeks preceding each such sale, provided that at least six months has elapsed since such ordinary shares were acquired from us or any affiliate of ours and certain manner of sale, notice
requirements and requirements as to availability of current public information about us are satisfied. Any person who is deemed to be our affiliate must comply with the provisions of Rule 144 (other than the six-month holding period requirement) in order to sell ordinary shares which are not restricted securities (such as ordinary shares acquired by affiliates either in this offering or through purchases in the open market following this offering). In addition, a person who is not our affiliate, and who has not been our affiliate at any time during the 90 days preceding any sale, is entitled to sell ordinary shares without regard to the foregoing limitations, provided that at least one year has elapsed since the ordinary shares were acquired from us or any affiliate of ours.
TAXATION

The following summary of the material BVI and U.S. federal income tax consequences of the acquisition, ownership and disposition of our ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this prospectus, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ordinary shares, such as the tax consequences under state, local and other tax laws.

British Virgin Islands Tax Considerations

We are not liable to pay any form of taxation in the BVI and all dividends, interests, rents, royalties, compensations and other amounts paid by us to persons who are not persons resident in the BVI are exempt from all forms of taxation in the BVI and any capital gains realized with respect to any shares, debt obligations, or other securities of ours by persons who are not persons resident in the BVI are exempt from all forms of taxation in the BVI. The BVI is not party to any double tax treaties that are applicable to any payments made to or by us.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligation or other securities of ours.

Subject to the payment of stamp duty on the acquisition of property in the BVI by us (and in respect of certain transactions in respect of the shares, debt obligations or other securities of BVI incorporated companies owning land in the BVI), all instruments relating to transfers of property to or by us and all instruments relating to transactions in respect of the shares, debt obligations or other securities of ours and all instruments relating to other transactions relating to our business are exempt from payment of stamp duty in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to us or our shareholders.

U.S. Federal Income Taxation

The following is a summary of certain material U.S. federal income and, in the case of a non-U.S. holder (as defined below), estate tax consequences of the purchase, ownership and disposition of our ordinary shares as of the date hereof. This summary deals only with our ordinary shares that are held as capital assets within the meaning of Section 1221 of the Code (generally, for investment purposes) by a beneficial owner.

As used herein, a “U.S. holder” means a beneficial owner of our ordinary shares that is, for U.S. federal income tax purposes, any of the following:

• an individual citizen or resident of the United States;
• a corporation (or any other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
• an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
• a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

As used herein, the term “non-U.S. holder” means a beneficial owner of our ordinary shares (other than a partnership or other pass-through entity for U.S. federal income tax purposes) that is not a U.S. holder.
This summary is based upon provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial decisions as of the date hereof. Those authorities may be changed, perhaps retroactively, so as to result in U.S. federal income and estate tax consequences different from those summarized below.

This discussion does not represent a detailed description of the U.S. federal income tax consequences applicable to you if you are subject to special treatment under the U.S. federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our ordinary shares as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of accounting for your securities;
- a person liable for alternative minimum tax;
- a partnership or other pass-through entity for U.S. federal income tax purposes;
- a U.S. holder whose “functional currency” is not the dollar;
- a “controlled foreign corporation”;
- a “passive foreign investment company”; or
- a U.S. expatriate.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding our ordinary shares, you should consult your tax advisors.

Notwithstanding our corporate reincorporation in the BVI, under Section 7874 of the Code, the Company will be treated for U.S. federal tax purposes as a U.S. corporation and, among other consequences, is subject to U.S. federal income tax on its worldwide income. This discussion assumes that Section 7874 of the Code continues to apply to treat us as a U.S. corporation for all purposes under the Code. If, for some reason (e.g., future repeal of Section 7874 of the Code), we were no longer treated as a U.S. corporation under the Code, the U.S. federal income tax consequences described herein could be materially and adversely affected.

This discussion does not contain a detailed description of all the U.S. federal income and estate tax consequences to you in light of your particular circumstances and does not address the Medicare tax on net investment income or the effects of any state, local or non-U.S. tax laws. If you are considering the purchase of our ordinary shares, you should consult your own tax advisors concerning the particular U.S. federal income and estate tax consequences to you of the purchase, ownership and disposition of our ordinary shares, as well as the consequences to you arising under other U.S. federal tax laws and the laws of any other taxing jurisdiction.
Consequences to U.S. Holders

Dividends

In the event that we make a distribution of cash or other property (other than certain pro rata distributions of our stock) in respect of our ordinary shares, the distribution generally will be treated as a dividend for U.S. federal income tax purposes to the extent it is paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Any portion of a distribution that exceeds our current and accumulated earnings and profits generally will be treated first as a tax-free return of capital, causing a reduction in the adjusted tax basis of a U.S. holder’s ordinary shares, and to the extent the amount of the distribution exceeds a U.S. holder’s adjusted tax basis in our ordinary shares, the excess will be treated as gain from the disposition of our ordinary shares (the tax treatment of which is discussed below under “— Gain on Disposition of Ordinary Shares”). Subject to certain holding period and other requirements, (a) any dividends received by a U.S. holder that is a corporation will be eligible for the dividends received deduction and (b) any dividends received by a non-corporate U.S. holder (including an individual) will be eligible for the reduced tax rates that apply to “qualified dividend income.”

The amount of any dividend paid in foreign currency will equal the dollar value of the foreign currency received calculated by reference to the exchange rate in effect on the date the dividend is actually or constructively received by a U.S. holder, regardless of whether the foreign currency is converted into dollars. If the foreign currency received as a dividend is converted into dollars on the date it is received, a U.S. holder generally will not be required to recognize foreign currency gain or loss in respect of the dividend income. If the foreign currency received as a dividend is not converted into dollars on the date of receipt, a U.S. holder will have a basis in the foreign currency equal to its dollar value on the date of receipt. Any gain or loss realized on a subsequent conversion or other disposition of the foreign currency will be treated as U.S. source ordinary income or loss.

Gain on Disposition of Ordinary Shares

U.S. holders of our ordinary shares will recognize capital gain or loss on any sale, exchange, or other taxable disposition of our ordinary shares in an amount equal to the difference between the amount realized for the ordinary shares and the U.S. holder’s tax basis in the ordinary shares. Such gain or loss generally will be long-term capital gain or loss if the ordinary shares have been held for more than one year. Long-term capital gains of non-corporate U.S. holders (including individuals) are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Consequences to Non-U.S. Holders

Dividends

The rules applicable to non-U.S. holders for determining the extent to which distributions on our ordinary shares, if any, constitute dividends for U.S. federal income tax purposes are the same as for U.S. holders. See “—Consequences to U.S. Holders—Dividends.”

Dividends paid to a non-U.S. holder generally will be subject to withholding of U.S. federal income tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. However, dividends that are effectively connected with the conduct of a trade or business by the non-U.S. holder within the United States (and, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment) are not subject to the withholding tax, provided certain certification and disclosure requirements are satisfied. Instead, such dividends are subject to U.S. federal income tax on a net income basis in the same manner as if the non-U.S. holder were a United States person as defined under the Code. Any such effectively connected dividends received by a foreign corporation may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty.
A non-U.S. holder who wishes to claim the benefit of an applicable treaty rate and avoid backup withholding, as discussed below, for dividends will be required (a) to provide the applicable withholding agent with a properly executed Internal Revenue Service (“IRS”) Form W-BEN or Form W-8BEN-E (or other applicable form) certifying under penalty of perjury that such holder is not a United States person as defined under the Code and is eligible for treaty benefits or (b) if our ordinary shares are held through certain foreign intermediaries, to satisfy the relevant certification requirements of applicable U.S. Treasury regulations. Special certification and other requirements apply to certain non-U.S. holders that are pass-through entities rather than corporations or individuals.

A non-U.S. holder eligible for a reduced rate of U.S. federal withholding tax pursuant to an income tax treaty may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

Gain on Disposition of Ordinary Shares

Subject to the discussion of backup withholding and FATCA below, any gain realized by a non-U.S. holder on the sale or other disposition of our ordinary shares generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with a trade or business of the non-U.S. holder in the United States (and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment of the non-U.S. holder);
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition, and certain other conditions are met; or
- we are or have been a “United States real property holding corporation” for U.S. federal income tax purposes and certain other conditions are met.

A non-U.S. holder described in the first bullet point immediately above will be subject to tax on the gain derived from the sale or other disposition in the same manner as if the non-U.S. holder were a United States person as defined under the Code. In addition, if any non-U.S. holder described in the first bullet point immediately above is a foreign corporation, the gain realized by such non-U.S. holder may be subject to an additional “branch profits tax” at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. An individual non-U.S. holder described in the second bullet point immediately above will be subject to a 30% (or such lower rate as may be specified by an applicable income tax treaty) tax on the gain derived from the sale or other disposition, which gain may be offset by U.S.-source capital losses even though the individual is not considered a resident of the United States.

Generally, a U.S. corporation is a “United States real property holding corporation” if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business (all as determined for U.S. federal income tax purposes). We believe we are not and do not anticipate becoming a “United States real property holding corporation” for U.S. federal income tax purposes.

U.S. Federal Estate Tax

Ordinary shares held by an individual non-U.S. holder at the time of death will be included in such holder’s gross estate for U.S. federal estate tax purposes, unless an applicable estate tax treaty provides otherwise.

Information Reporting and Backup Withholding

U.S. Holders

In general, information reporting will apply to dividends in respect of our ordinary shares and the proceeds from the sale, exchange or other disposition of our ordinary shares that are paid to you within the United States
(and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of exempt status or fail to report in full dividend and interest income.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

**Non-U.S. Holders**

Distributions paid to a non-U.S. holder and the amount of any tax withheld with respect to such distributions generally will be reported to the IRS. Copies of the information returns reporting such distributions and any withholding may also be made available to the tax authorities in the country in which the non-U.S. holder resides under the provisions of an applicable income tax treaty.

A non-U.S. holder will not be subject to backup withholding on dividends received if such holder certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that such holder is a United States person as defined under the Code), or such holder otherwise establishes an exemption.

Information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of our ordinary shares made within the United States or conducted through certain U.S.-related financial intermediaries, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person as defined under the Code), or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax and any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder’s U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

**Additional Withholding Requirements**

Under Sections 1471 through 1474 of the Code (such Sections commonly referred to as “FATCA”), a 30% U.S. federal withholding tax may apply to any dividends paid on our ordinary shares and, for a disposition of our ordinary shares occurring after December 31, 2018, the gross proceeds from such disposition, in each case paid to (i) a “foreign financial institution” (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) its compliance (or deemed compliance) with FATCA (which may alternatively be in the form of compliance with an intergovernmental agreement with the United States) in a manner which avoids withholding, or (ii) a “non-financial foreign entity” (as specifically defined in the Code) which does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (x) an exemption from FATCA, or (y) adequate information regarding certain substantial U.S. beneficial owners of such entity (if any). If a dividend payment is both subject to withholding under FATCA and subject to the withholding tax discussed above under “—Consequences to Non-U.S. Holders—Dividends,” the withholding under FATCA may be credited against, and therefore reduce, such other withholding tax. You should consult your own tax advisors regarding these requirements and whether they may be relevant to your ownership and disposition of our ordinary shares.
UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for which Morgan Stanley & Co. LLC, Citigroup Global Markets Inc., Itau BBA USA Securities, Inc. and UBS Securities LLC are acting as representatives, have severally agreed to purchase, and we and the selling shareholders have agreed to sell to them, severally, the number of shares indicated below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morgan Stanley &amp; Co. LLC</td>
<td></td>
</tr>
<tr>
<td>Citigroup Global Markets Inc.</td>
<td></td>
</tr>
<tr>
<td>Itau BBA USA Securities, Inc.</td>
<td></td>
</tr>
<tr>
<td>UBS Securities LLC</td>
<td></td>
</tr>
<tr>
<td>Cowen and Company, LLC</td>
<td></td>
</tr>
<tr>
<td>KeyBanc Capital Markets Inc.</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

The addresses of the representatives are as follows: for Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, USA; for Citigroup Global Markets Inc., 388 Greenwich Street, New York, New York 10036, USA; for Itau BBA USA Securities, Inc., 767 5th Avenue, Suite 50-13, New York, New York 10153, USA; and for UBS Securities LLC, 1285 Avenue of the Americas, New York, New York 10019, USA.

The underwriters and the representatives are collectively referred to as the "underwriters" and the "representatives," respectively. The underwriters are offering the ordinary shares subject to their acceptance of the shares from us and the selling shareholders. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ordinary shares offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ordinary shares offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters’ over-allotment option described below.

The underwriters initially propose to offer part of the ordinary shares directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the ordinary shares, the offering price and other selling terms may from time to time be varied by the representatives. Sales of ordinary shares made outside of the United States may be made by affiliates of the underwriters.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to additional ordinary shares at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ordinary shares offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ordinary shares as the number listed next to the underwriter’s name in the preceding table bears to the total number of ordinary shares listed next to the names of all underwriters in the preceding table.
The following table shows the per-share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us and the selling shareholders. These amounts are shown assuming both no exercise and full exercise of the underwriters’ over-allotment option.

<table>
<thead>
<tr>
<th></th>
<th>Per Share</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No Exercise</td>
<td>Full Exercise</td>
</tr>
<tr>
<td>Public offering price</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions to be paid by us</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Underwriting discounts and commissions to be paid by the selling shareholders</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds, before expenses, to us</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Proceeds, before expenses, to the selling shareholders</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $ million. We have agreed to reimburse the underwriters for their expenses relating to clearance of this offering with the Financial Industry Regulatory Authority up to $ and expenses incurred in connection with the directed share program.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ordinary shares offered by them.

We have applied to list our ordinary shares on the New York Stock Exchange under the trading symbol “DESP.”

We, all of our directors and executive officers and substantially all of our existing shareholders have agreed that, without the prior written consent of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc. on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus (the “restricted period”):

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares or any securities convertible into or exercisable or exchangeable for ordinary shares; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the ordinary shares,

whether any such transaction described above is to be settled by delivery of ordinary shares or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of Morgan Stanley & Co. LLC and Citigroup Global Markets Inc., on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ordinary shares or any security convertible into or exercisable or exchangeable for ordinary shares.

The above restrictions apply to any shares purchased by directors and officers pursuant to our directed share program.

Morgan Stanley & Co. LLC and Citigroup Global Markets Inc., in their sole discretion, may release the ordinary shares and other securities subject to the lock-up agreements described above in whole or in part at any time.
In order to facilitate the offering of the ordinary shares, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ordinary shares. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the over-allotment option described above. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell shares in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ordinary shares in the open market after pricing that could adversely affect investors who purchase ordinary shares in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ordinary shares in the open market to stabilize the price of the ordinary shares. These activities may raise or maintain the market price of the ordinary shares above independent market levels or prevent or retard a decline in the market price of the ordinary shares. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act and liabilities incurred in connection with the directed share program referred to below.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters participating in this offering. The representatives may agree to allocate a number of ordinary shares to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares. The initial public offering price will be determined by negotiations among us, the selling stockholders and the representatives. Among the factors to be considered in determining the initial public offering price will be our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.
Directed Share Program

At our request, the underwriters have reserved 5% of the ordinary shares offered by this prospectus for sale, at the initial public offering price, to our directors, executive officers, other employees and certain other persons. If purchased by directors, officers or certain other persons (but not employees), these shares will be subject to a 180-day lock-up restriction. The number of ordinary shares available for sale to the general public will be reduced to the extent these individuals purchase such reserved shares. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same basis as the other shares offered by this prospectus.

Selling Restrictions

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”) received by it in connection with the issue or sale of the ordinary shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to our ordinary shares in, from or otherwise involving the United Kingdom.

Argentina

The ordinary shares are not authorized for public offering in Argentina by the Argentine Securities Commission (Comisión Nacional de Valores, “CNV”) and they may not be sold publicly under the Argentine Capital Markets Law No. 26,831, as amended and complemented. Therefore, any such transaction must be made privately.

Australia

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, or ASIC, in relation to the offering. This prospectus does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take into account the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate for their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.
BRAZIL

The offering will not be carried out by any means that would constitute a public offering in Brazil under Law 6385, of December 7, 1976, as amended, and under CVM Rule (instrução) No. 400, of December 29, 2003, as amended. The issuance, placement and sale of the ordinary shares have not been and will not be registered with the Brazilian Securities Commission (Comissão de Valores Mobiliários, “CVM”). Any representation to the contrary is untruthful and unlawful. Any public offering or distribution, as defined under Brazilian laws and regulations, of the new units in Brazil is not legal without such prior registration. Documents relating to the offering of the ordinary shares, as well as information contained therein, may not be supplied to the public in Brazil, as the offering of the ordinary shares is not a public offering of securities in Brazil, nor may they be used in connection with any public offer for subscription or sale of the ordinary shares to the public in Brazil.

BRITISH VIRGIN ISLANDS

This prospectus does not constitute, and there will not be, an offering of securities to the public in the British Virgin Islands.

CANADA

The ordinary shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ordinary shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

EUROPEAN ECONOMIC AREA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, each a Relevant Member State, an offer to the public of any ordinary shares may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any ordinary shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of the ordinary shares shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.
For the purposes of this provision, the expression an “offer to the public” in relation to any ordinary shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any of the ordinary shares to be offered so as to enable an investor to decide to purchase any of the ordinary shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

**Chile**

The ordinary shares are not registered in the Securities Registry (Registro de Valores) or subject to the control of the Chilean Superintendency of Securities and Insurance (Superintendencia de Valores y Seguros de Chile). This prospectus supplement and other offering materials relating to the offer of the shares do not constitute a public offer of, or an invitation to subscribe for or purchase, the shares in the Republic of Chile, other than pursuant to a private offering within the meaning of Article 4 of the Chilean Securities Market Act (Ley de Mercado de Valores) (an offer that is not “addressed to the public at large or to a certain sector or specific group of the public”).

**Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ordinary shares may not be circulated or distributed, nor may the ordinary shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ordinary shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) the sole purpose of which is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ordinary shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

154
Dubai International Financial Centre

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the shares offered should conduct their own due diligence on the shares. If you do not understand the contents of this prospectus you should consult an authorized financial advisor.

Qatar

The securities have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (“Qatar”) in a manner that would constitute a public offering. This prospectus has not been reviewed or approved by or registered with the Qatar Central Bank, the Qatar Exchange or the Qatar Financial Markets Authority. This prospectus is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof.

Hong Kong

The ordinary shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to the ordinary shares has been or may be issued or has been or may be in the possession of any person for the purposes of issuance, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the ordinary shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Switzerland

The ordinary shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (“SIX”), or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the offering, us, or the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA, or FINMA, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.
VALIDITY OF THE SECURITIES

The validity of the ordinary shares offered in this offering and certain other legal matters as to British Virgin Islands law in connection with this offering will be passed upon for us by Conyers Dill & Pearman. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for us by Simpson Thacher & Bartlett LLP. Certain legal matters with respect to U.S. federal and New York State law in connection with this offering will be passed upon for the underwriters by Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP. Legal matters as to Brazilian law will be passed upon for us by TozziniFreire Advogados and legal matters as to Argentine law will be passed upon for us by Estudio Beccar Varela.
ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the BVI. A majority of our directors and officers, as well as certain of the experts named herein, reside outside of the United States. A substantial portion of our assets and the assets of such directors, officers and experts are located outside of the United States.

British Virgin Islands

We have been advised by Conyers Dill & Pearman, our counsel as to BVI law, that the United States and the BVI do not have a treaty providing for reciprocal recognition and enforcement of judgments of courts of the United States in civil and commercial matters and that a final judgment for the payment of money rendered by any general or state court in the United States based on civil liability, whether or not predicated solely upon the U.S. federal securities laws, would not be automatically enforceable in the BVI. We have also been advised by Conyers Dill and Pearman that at common law, the courts of the BVI may enforce a foreign judgment in personam, given by a foreign court with jurisdiction to give that judgment and which is not impeachable if the judgment is (a) for a debt, or definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty) and (b) final and conclusive. A foreign judgment is impeachable if the courts of the foreign court did not have jurisdiction, there has been a fraud by the party in whose favor the judgment was given or on the part of the pronouncing court, it is contrary to public policy, or the proceedings in which the judgment was obtained were opposed to natural justice. Such a judgment would be enforced by treating the judgment as a debt and commencing an action on the foreign judgment debt in the Court of the BVI, with a view to proceeding with the claim by way of summary judgment.

Furthermore, our IPO memorandum and articles of association include an exclusive jurisdiction clause pursuant to which to the fullest extent permitted by law (i) other than claims specified in clause (ii), and except as may otherwise be expressly agreed between the Company and a shareholder or between two or more shareholders in relation to the Company, we and all our shareholders agree that the BVI courts shall have exclusive jurisdiction to hear and determine all disputes of any kind regarding us and shareholders’ respective investments in us, irrevocably submit to the jurisdiction of the BVI courts, irrevocably waive any objection to the BVI courts being nominated as the forum to hear and determine any such dispute, and undertake and agree not to claim any such court is not a convenient or appropriate forum; and (ii) the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act, in each case unless our board of directors consents in writing to the selection of an alternative forum.

Brazil

We have been advised by TozziniFreire Advogados that a judgment of a United States court for civil liabilities predicated upon the federal securities laws of the United States may be enforced in Brazil, subject to certain requirements described below. We believe a judgment against us, the members of our board of directors or our executive officers obtained in the United States would be enforceable in Brazil upon confirmation of that judgment by the Brazilian Superior Tribunal of Justice (Superior Tribunal de Justiça), or STJ. That confirmation will be made without review on the merits, and will only be available if the U.S. judgment:

- is enforceable in the jurisdiction where it was rendered;
- is given by a competent court after the proper service of process on the parties, or after sufficient evidence of the parties absence has been given as established pursuant to applicable law;
- is not subject to appeal;
- does not conflict with a decision no longer subject to appeal, rendered in Brazil, involving the same parties and the same subject matter;
- does not offend Brazilian national sovereignty, public policy, good morals, or the human dignity; and
is apostilled (apostilado) by the competent authorities of the United States considering that country is signatory of the Hague Convention Abolishing the Requirement of Legalization for Foreign Public Documents dated as of October 5, 1961 (the “Apostille Convention”) and accompanied by a sworn translation thereof into Portuguese.

The judicial recognition process may be time-consuming and may also give rise to difficulties in enforcing such foreign judgment in Brazil. Accordingly, we cannot assure you that judicial recognition of a foreign judgment would be successful, that the judicial recognition process would be conducted in a timely manner or that a Brazilian court would enforce a judgment of countries other than Brazil.

We believe original actions may be brought in connection with this initial public offering predicated on the federal securities laws of the United States in Brazilian courts and that, subject to applicable law, Brazilian courts may enforce liabilities in such actions against us or the members of our board of directors or our executive officers and certain advisors named herein.

In addition, a plaintiff (whether Brazilian or non-Brazilian) that resides outside Brazil or is outside Brazil during the course of litigation in Brazil and who does not own real property in Brazil must post a bond to guarantee the payment of the defendant’s legal fees and court expenses in connection with court procedures for the collection of money, except in the case of (1) enforcement on an instrument (a title that shall be enforced in Brazilian courts without a review on the merits, or título executivo extrajudicial); (2) enforcement of a judgment; (3) counterclaims; and (4) when some international agreement signed by Brazil dismisses the obligation to post a bond.

If proceedings are brought in the courts of Brazil seeking to enforce our obligations with respect to our ordinary shares, payment shall be made in Brazilian reais. Any judgment rendered in Brazilian courts in respect of any payment obligations with respect to our ordinary shares would be expressed in Brazilian reais.

We have also been advised that the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law.

Argentina

We have been advised by our Argentine counsel, Estudio Beccar Varela, that there is doubt as to the enforceability to the same extent and in as timely a manner as a U.S. or other non-Argentine court, in original actions in Argentine courts, of liabilities predicated solely upon the federal securities laws of the United States and as to the enforceability in Argentine courts of judgments of United States courts obtained in actions against us predicated upon the civil liability provisions of the federal securities laws of the United States that will be subject to compliance with certain requirements under Argentine law mentioned below, including the condition that any such judgment does not violate Argentine public policy (orden público).

Foreign judgments would be recognized and enforced by the courts in Argentina according to international treaties between Argentina and the country where the judgment was rendered. In the absence of a treaty, the following requirements of Article 517 of the National Civil and Commercial Procedure Code (if enforcement is sought before federal courts) would apply: (1) the judgment, which must be final in the jurisdiction where rendered, must have been issued by a court with jurisdiction in accordance with Argentine principles regarding international jurisdiction; (2) the judgment must result from a personal action, or an in rem action with respect to personal property if such was transferred to Argentine territory during or after the prosecution of the foreign action; (3) the defendant against whom enforcement of the judgment is sought must have been duly served with the summons and, in accordance with due process of law, given an opportunity to defend against foreign action; (4) the judgment must be valid in the jurisdiction where rendered, its authenticity must be established in accordance with the requirements of Argentine law, (5) the judgment must not violate the principles of public policy of Argentine law, and (6) the judgment must not be contrary to a prior or simultaneous judgment of an Argentine court. Reciprocity is not required for an Argentine court to recognize a foreign judgment.
Pursuant to Article 519 *bis* of the National Civil and Commercial Procedure Code, awards issued by foreign arbitral tribunals can be enforced in Argentina following the procedure established for the enforcement of foreign judgments, provided that: (1) the applicable requirements of Article 517 are met; (2) the waiver by a foreign Court of its jurisdiction is not prohibited by law; and (3) the matter debated in the case may be subjected to arbitration.
WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act with respect to our ordinary shares offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules that are part of the registration statement. For further information about us and about the ordinary shares, you should refer to our registration statement and its exhibits. This prospectus summarizes the content of contracts and other documents to which we refer you. Since this prospectus may not contain all of the information that is important to you, you should review the full text of these documents. We have included copies of these documents as exhibits to our registration statement.

Upon the completion of this offering, we will become subject to periodic reporting and other information requirements of the Exchange Act as applicable to foreign private issuers and will file reports, including annual reports on Form 20-F, and other information with the SEC. As we are a foreign private issuer and an EGC, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. You may read and copy any document we file with the SEC at the SEC’s Public Reference Room at 100 F Street, N.E., Washington D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the public reference rooms and their copy charges. The SEC also maintains a website that contains reports and other information regarding issuers, such as us, who file electronically with the SEC. The address of that website is http://www.sec.gov.

EXPERTS

The financial statements as of December 31, 2016 and 2015 and for each of the two years in the period ended December 31, 2016 included in this prospectus have been so included in reliance on the report of Price Waterhouse & Co. S.R.L., an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.
# EXPENSES RELATING TO THIS OFFERING

We estimate that our expenses in connection with this offering, other than underwriting discounts and commissions, will be as follows:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities and Exchange Commission registration fee</td>
<td>$*</td>
</tr>
<tr>
<td>Exchange listing fee</td>
<td>*</td>
</tr>
<tr>
<td>Financial Industry Regulatory Authority filing fees</td>
<td>*</td>
</tr>
<tr>
<td>Printing and engraving expenses</td>
<td>*</td>
</tr>
<tr>
<td>Legal fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Accounting fees and expenses</td>
<td>*</td>
</tr>
<tr>
<td>Miscellaneous costs</td>
<td>*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$</strong>*</td>
</tr>
</tbody>
</table>

* to be filed by amendment.

All amounts in the table are estimated, except the Securities and Exchange Commission registration fee, the exchange listing fee and the Financial Industry Regulatory Authority filing fees, and accordingly are subject to change.

The total underwriting discounts and commissions that we and the selling shareholders will be required to pay will be approximately $ million and $ million, % and %, of the gross proceeds of this offering, respectively, assuming no exercise of the underwriters' over-allotment option.

We will not receive any proceeds from the sale by the selling shareholders of ordinary shares in this offering.
# INDEX TO FINANCIAL STATEMENTS

**Audited Consolidated Financial Statements of Decolar.com, Inc. as of and for the Years Ended December 31, 2016 and 2015**

- Report of Independent Registered Public Accounting Firm  
- Consolidated Balance Sheets  
- Consolidated Statements of Operations  
- Consolidated Statements of Comprehensive Income / (Loss)  
- Consolidated Statements of Changes in Shareholders’ Deficit  
- Consolidated Statements of Cash Flows  
- Notes to the Consolidated Financial Statements

**Condensed Consolidated Financial Statements (Unaudited) of Despegar.com, Corp. as of June 30, 2017 and for the Six Months Ended June 30, 2017 and 2016**

- Consolidated Balance Sheets  
- Consolidated Statements of Operations  
- Consolidated Statements of Comprehensive Income / (Loss)  
- Consolidated Statements of Changes in Shareholders’ Deficit  
- Consolidated Statements of Cash Flows  
- Notes to the Consolidated Financial Statements
Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, comprehensive income / (loss), changes in shareholder’s deficit and cash flows present fairly, in all material respects, the financial position of Decolar.com, Inc. and its subsidiaries at December 31, 2016 and 2015 and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2016 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Buenos Aires, Argentina
May 4, 2017

PRICE WATERHOUSE & CO. S.R.L.

by /s/ Mariano Carlos Tomatis
Mariano Carlos Tomatis (Partner)
## Consolidated Balance Sheets as of December 31, 2016 and 2015
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>As of December 31</th>
<th>As of December 31</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>75,968</td>
<td>102,116</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>22,738</td>
<td>19,075</td>
</tr>
<tr>
<td>Short term investments</td>
<td>—</td>
<td>40,013</td>
</tr>
<tr>
<td>Accounts receivable, net of allowances</td>
<td>121,098</td>
<td>54,985</td>
</tr>
<tr>
<td>Related party receivable</td>
<td>2,240</td>
<td>1,947</td>
</tr>
<tr>
<td>Other current assets and prepaid expenses</td>
<td>27,184</td>
<td>34,434</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>249,228</strong></td>
<td><strong>252,570</strong></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>20,459</td>
<td>14,697</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>13,717</td>
<td>15,168</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>31,412</td>
<td>27,226</td>
</tr>
<tr>
<td>Goodwill</td>
<td>38,894</td>
<td>38,554</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>104,482</strong></td>
<td><strong>95,645</strong></td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>353,710</strong></td>
<td><strong>348,215</strong></td>
</tr>
</tbody>
</table>

| LIABILITIES AND SHAREHOLDERS’ DEFICIT                                 |                   |                   |
| **Current liabilities**                                               |                   |                   |
| Accounts payable and accrued expenses                                 | 25,335            | 37,117            |
| Travel suppliers payable                                             | 102,237           | 112,495           |
| Related party payable                                                | 71,006            | 57,797            |
| Loans and other financial liabilities                                 | 7,179             | 2,019             |
| Deferred Revenue                                                     | 29,095            | 36,681            |
| Other liabilities                                                    | 49,686            | 34,625            |
| Contingent liabilities                                               | 3,613             | 2,761             |
| **Total current liabilities**                                         | **288,151**       | **283,495**       |
| **Non-current liabilities**                                           |                   |                   |
| Other liabilities                                                    | 409               | 861               |
| Contingent liabilities                                               | 22,413            | 21,992            |
| Related party liability                                              | 125,000           | 125,000           |
| **Total non-current liabilities**                                     | **147,822**       | **147,853**       |
| **TOTAL LIABILITIES**                                                | **435,973**       | **431,348**       |

| SHAREHOLDERS’ DEFICIT                                                |                   |                   |
| Common stock (1)                                                     | 6                 | 6                 |
| Additional paid-in capital                                           | 312,155           | 311,581           |
| Other reserves                                                       | (728)             | (728)             |
| Accumulated other comprehensive income                               | 16,286            | 33,787            |
| Accumulated losses                                                  | (409,982)         | (427,779)         |
| **Total Deficit attributable to Decolar.com, Inc.**                  | **(82,263)**      | **(83,133)**      |
| **TOTAL LIABILITIES AND SHAREHOLDERS’ DEFICIT**                      | **353,710**       | **348,215**       |

(1) 58,518 shares issued and outstanding at December 31, 2016 and 2015.

The accompanying notes are an integral part of these consolidated financial statements.

F-3
Decolar.com, Inc.

Consolidated Statements of Operations
for the years ended December 31, 2016 and 2015
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2016</td>
</tr>
<tr>
<td>Revenue (1)</td>
<td>411,162</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(126,675)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>$ 284,487</td>
</tr>
<tr>
<td>Operating expenses</td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>(121,466)</td>
</tr>
<tr>
<td>General and administrative</td>
<td>(64,683)</td>
</tr>
<tr>
<td>Technology and product develop</td>
<td>(63,251)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$ (249,400)</td>
</tr>
<tr>
<td>Operating income / (loss)</td>
<td>$ 35,087</td>
</tr>
<tr>
<td>Financial income</td>
<td>8,327</td>
</tr>
<tr>
<td>Financial expense (2)</td>
<td>(15,079)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income taxes</strong></td>
<td>$ 28,335</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(10,538)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>$ 17,797</td>
</tr>
</tbody>
</table>

(1) Includes $27,008 and $22,911 for related party transactions for the years 2016 and 2015, respectively. See note 14.
(2) Includes $10,516 and $17,218 for factoring of credit card receivables for the years ended 2016 and 2015, respectively.

**Earnings per share available to common stockholders:**

<table>
<thead>
<tr>
<th>Basic</th>
<th>Diluted</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>0.30</td>
<td>0.30</td>
<td>(1.49)</td>
</tr>
</tbody>
</table>

**Shares used in computing earnings per share (in thousands):**

<table>
<thead>
<tr>
<th>Basic</th>
<th>Diluted</th>
</tr>
</thead>
<tbody>
<tr>
<td>58,518</td>
<td>58,609</td>
</tr>
<tr>
<td>57,078</td>
<td>57,186</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.

F-4
Decolar.com, Inc.

Consolidated Statements of Comprehensive Income / (Loss)
for the years ended December 31, 2016 and 2015
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>Year ended December 31,</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income / (loss)</td>
<td>$ 17,797</td>
<td>$(85,276)</td>
</tr>
<tr>
<td>Other comprehensive loss, net of tax</td>
<td>(17,501)</td>
<td>(6,733)</td>
</tr>
<tr>
<td>Foreign currency translation adjustment (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Comprehensive income / (loss)</td>
<td>$ 296</td>
<td>$(92,009)</td>
</tr>
</tbody>
</table>

(1) No tax impact.

The accompanying notes are an integral part of these consolidated financial statements.

F-5
### Consolidated Statements of Changes in Shareholders’ Deficit

for the years ended December 31, 2016 and 2015

(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>Common stock</th>
<th>Additional paid-in capital</th>
<th>Other reserves</th>
<th>Accumulated other comprehensive income</th>
<th>Accumulated Losses</th>
<th>Total Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as of December 31, 2014</strong></td>
<td>50,463</td>
<td>5</td>
<td>(728)</td>
<td>40,520</td>
<td>(321,713)</td>
<td>(89,578)</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exercise of Stock Options by Employees</td>
<td>63</td>
<td></td>
<td>(6,733)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders contributions (1) (2)</td>
<td>9,590</td>
<td>1</td>
<td>142,529</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase of common stocks (2)</td>
<td>(1,598)</td>
<td></td>
<td>24,210</td>
<td></td>
<td>(20,790)</td>
<td>45,000</td>
</tr>
<tr>
<td>Net loss for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2015</strong></td>
<td>58,518</td>
<td>6</td>
<td>(728)</td>
<td>33,787</td>
<td>(427,779)</td>
<td>(83,133)</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income for the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Balance as of December 31, 2016</strong></td>
<td>58,518</td>
<td>6</td>
<td>(728)</td>
<td>16,286</td>
<td>(409,982)</td>
<td>(82,263)</td>
</tr>
</tbody>
</table>

(1) Net of issuance costs of $2,470.
(2) See note 14.

The accompanying notes are an integral part of these consolidated financial statements.
Decolar.com, Inc.

Consolidated Statements of Cash Flows
for the years ended December 31, 2016 and 2015
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>Net income / (loss)</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$17,797</td>
<td>$(85,276)</td>
</tr>
</tbody>
</table>

Adjustments to reconcile net income / (loss) to net cash flows from operating activities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealized foreign currency translation losses</td>
<td>466</td>
<td>2,762</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>5,089</td>
<td>5,152</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>7,835</td>
<td>9,287</td>
</tr>
<tr>
<td>Stock based compensation expense</td>
<td>574</td>
<td>861</td>
</tr>
<tr>
<td>Interest and penalties</td>
<td>1,494</td>
<td>2,439</td>
</tr>
<tr>
<td>Income taxes</td>
<td>3,846</td>
<td>8,340</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>2,548</td>
<td>2,142</td>
</tr>
<tr>
<td>Provision for contingencies</td>
<td>526</td>
<td>10,347</td>
</tr>
</tbody>
</table>

Changes in assets and liabilities, net of non-cash transactions:

<table>
<thead>
<tr>
<th>Item</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Increase) / Decrease in accounts receivable, net of allowances</td>
<td>(71,389)</td>
<td>(22,834)</td>
</tr>
<tr>
<td>(Increase) / Decrease Related party receivables</td>
<td>(293)</td>
<td>(1,947)</td>
</tr>
<tr>
<td>(Increase) / Decrease in other assets and prepaid expenses</td>
<td>3,591</td>
<td>(8,030)</td>
</tr>
<tr>
<td>Increase / (Decrease) in accounts payable and accrued expenses</td>
<td>(13,895)</td>
<td>22,689</td>
</tr>
<tr>
<td>Increase / (Decrease) in travel suppliers payable</td>
<td>(20,121)</td>
<td>(15,079)</td>
</tr>
<tr>
<td>Increase / (Decrease) in other liabilities</td>
<td>10,440</td>
<td>(19,835)</td>
</tr>
<tr>
<td>Increase / (Decrease) in contingencies</td>
<td>618</td>
<td>1,170</td>
</tr>
<tr>
<td>Increase / (Decrease) in related party liabilities</td>
<td>13,210</td>
<td>57,797</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>(5,628)</td>
<td>5,766</td>
</tr>
</tbody>
</table>

Net cash flows used in operating activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(43,292)</td>
<td>$(24,249)</td>
</tr>
</tbody>
</table>

Cash flows from investing activities:

<table>
<thead>
<tr>
<th>Sales of short-term investments</th>
<th>40,013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payments for short-term investments</td>
<td></td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>(4,419)</td>
</tr>
<tr>
<td>Increase of intangible assets, including internal-use software and website development</td>
<td>(12,159)</td>
</tr>
<tr>
<td>(Increase) in restricted cash and cash equivalents</td>
<td>(9,051)</td>
</tr>
</tbody>
</table>

Net cash flows provided by / (used in) investing activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$14,384</td>
<td>$(80,986)</td>
</tr>
</tbody>
</table>

Cash flows from financing activities:

<table>
<thead>
<tr>
<th>Proceeds from issuance of shares (1)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase of common stocks (2)</td>
<td></td>
</tr>
<tr>
<td>Loans received (2)</td>
<td></td>
</tr>
<tr>
<td>Payments of loans (2)</td>
<td></td>
</tr>
<tr>
<td>Increase / (decrease) in loans and other financial liabilities</td>
<td>5,142</td>
</tr>
</tbody>
</table>

Net cash flows provided by financing activities

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,142</td>
<td>$198,793</td>
</tr>
</tbody>
</table>

Effect of exchange rate changes on cash and cash equivalents

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2,382)</td>
<td>(12,478)</td>
</tr>
</tbody>
</table>

Net (decrease) / increase in cash and cash equivalents

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(26,148)</td>
<td>$81,080</td>
</tr>
</tbody>
</table>

Cash and cash equivalents as of beginning of the year

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$102,116</td>
<td>$21,036</td>
</tr>
</tbody>
</table>

Cash and cash equivalents as of end of the period

<table>
<thead>
<tr>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>$75,968</td>
<td>$102,116</td>
</tr>
</tbody>
</table>

Supplemental cash flow information

<table>
<thead>
<tr>
<th>Cash paid for income and minimum notional income taxes</th>
<th>$6,111</th>
<th>$16,316</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest paid</td>
<td>$684</td>
<td>$1,519</td>
</tr>
</tbody>
</table>

(2) See note 14.

The accompanying notes are an integral part of these consolidated financial statements.
Decolar.com, Inc.

Notes to the Consolidated Financial Statements

(in thousands U.S. dollars)

1. Operations of the Company

Decolar.com, Inc. (formerly Despegar.com, Inc.), a Delaware holding company (“Decolar.com” or the “Company”) is an online travel agency, which provides leisure and business travelers the tools and information they need to make travel reservations with providers of travel products around the world.

Decolar.com started operations in 1999 under the name Despegar.com, Inc. In October 2012, the Company amended its certificate of incorporation to rename the Company as “Decolar.com, Inc.”

Decolar.com is the leading online travel agency in Latin America and includes both the Decolar and Despegar brands. With a presence in 20 countries, Decolar’s websites and mobile apps help leisure and business travelers to book hotel rooms, airline tickets, packages, rental cars, cruises, destination services and travel insurance around the world. The Company operates primarily under the “Despegar.com” brand for Spanish and English speaking customers and the “Decolar.com” brand for Portuguese speaking customers. The Company also generates additional revenue through the sale of advertising on its websites.

Decolar.com provides its customers with multiple ways to save on travel-related products and multiple alternatives to pay for such products.

2. Basis of consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. The following are the Company’s main operating subsidiaries (all wholly-owned):

<table>
<thead>
<tr>
<th>Name of the Subsidiary</th>
<th>Country of Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despegar.com.ar S.A.</td>
<td>Argentina</td>
</tr>
<tr>
<td>La Inc S.A.</td>
<td>Argentina</td>
</tr>
<tr>
<td>Decolar.com LTDA.</td>
<td>Brazil</td>
</tr>
<tr>
<td>Despegar.com Chile SpA</td>
<td>Chile</td>
</tr>
<tr>
<td>Servicios Online S.A.S.</td>
<td>Colombia</td>
</tr>
<tr>
<td>Despegar Colombia S.A.S.</td>
<td>Colombia</td>
</tr>
<tr>
<td>Despegar Ecuador Despegar Ecuador S.A.</td>
<td>Ecuador</td>
</tr>
<tr>
<td>Despegar.com México S.A. de C.V.</td>
<td>Mexico</td>
</tr>
<tr>
<td>Despegar.com Peru S.A.C.</td>
<td>Peru</td>
</tr>
<tr>
<td>Despegar.com USA, Inc.</td>
<td>United States</td>
</tr>
<tr>
<td>Travel Reservations S.R.L.</td>
<td>Uruguay</td>
</tr>
</tbody>
</table>

The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Although the subsidiaries transact the majority of their businesses in their local currencies, the Company has selected the United States dollar (“U.S. dollar”) as its reporting currency. All significant intercompany accounts and transactions have been eliminated.

Foreign currency translation

The Company’s foreign subsidiaries (except for Travel Reservations S.R.L in Uruguay and other subsidiaries in the United States, Ecuador and Venezuela, which use the U.S. dollar as functional currency) have determined the local currency to be their functional currency. Assets and liabilities are translated from their local currencies into U.S. dollars at the end-of-the-year exchange rates, and revenue and expenses are translated at average monthly rates in effect during the year. Translation adjustments are included in the consolidated statement of comprehensive income / (loss).
Gains and losses resulting from transactions in non-functional currencies are recognized directly in the consolidated statements of operations under the caption “Financial income / (expense).”

3. Summary of significant accounting policies

The following is a summary of significant accounting policies followed by the Company in the preparation of these consolidated financial statements.

Use of estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from estimates. The significant estimates underlying the Company’s consolidated financial statements include revenue recognition, including the accounting for certain merchant revenue, allowance for doubtful accounts, recoverability of intangible assets with indefinite useful lives and goodwill, contingencies, fair value of stock based compensation and fair value of financial instruments. The consolidated financial statements reflect all adjustments considered, in the opinion of management, necessary to fairly present the results for the periods presented.

Concentration of risk

The Company’s business is subject to certain risks and concentrations including dependence on relationships with travel suppliers, primarily airlines, dependence on third-party technology providers, exposure to risks associated with online commerce security and payment related fraud. It also relies on global distribution system (“GDS”) partners and third-party service providers for certain fulfillment services.

Financial instruments, which potentially subject the Company to concentration of credit risk, mainly consist of cash and cash equivalents, short-term investments and accounts receivable (ie. clearing house for credit cards). The Company maintains cash, cash equivalents and short-term investments balances in financial institutions that management believes are high credit quality. Accounts receivable are settled mainly through customer credit cards and debit cards; the company maintains allowance for doubtful accounts based on management’s evaluation of various factors, including the credit risk of customers, historical trends and other information.

Revenue recognition

The Company generates revenue as a result of the booking of travel products and services on its websites and mobile apps. The Company provides customers the ability to book travel products and services on both a stand-alone basis or as a vacation package, primarily through its merchant and agency business models.

The Company derives its revenue mainly from:

- Commissions earned from intermediating services, including facilitating reservations of flight tickets, hotel accommodations, car rentals and other travel-related products and services;
- Service fees charged to customers for processing air tickets, hotel accommodations, car rentals and other travel-related products and services;
- Override commissions or incentives from suppliers and GDS providers if the Company meets certain volume thresholds; and
- Advertising revenue from the sale of advertising placements on the Company’s websites.
Revenue is recognized when earned and realizable based on the following criteria: persuasive evidence of an agreement exists, the fee is fixed or determinable and collectability is reasonably assured.

The Company also evaluated the presentation of revenue on a “gross” versus a “net” basis. The consensus of the authoritative accounting literature is that the presentation of revenue as “the gross amount billed to a customer because it has earned revenue from the sale of goods or services” or “the net amount retained (i.e., the amount billed to a customer less the amount paid to a supplier) because it has earned a commission or fee” is a matter of judgment that depends on the relevant facts and circumstances. Decolar.com has determined net presentation is appropriate for the majority of its transactions. In making an evaluation of this issue, some of the factors that were considered are as follows: (i) the Company is not the primary obligor in the arrangement (strong indicator); (ii) the Company has no general supply risk (before customer order is placed or upon customer return) (strong indicator); and (iii) the Company has latitude in establishing price. The guidance clearly indicates that the evaluations of these factors, which at times can be contradictory, are subject to significant judgment and subjectivity. The Company concludes that it performs as an agent without assuming the risks and rewards of ownership of goods, and therefore revenue is reported on a net basis.

The Company offers travel products and services through the following business models: the Pre-pay/Merchant Model, which represents approximately 75% of total revenue and the Pay-at-destination/Agency Model, which represents approximately 5% of total revenue. Under the Pre-pay/Merchant Model, the Company is the merchant of record.

Pre-pay/Merchant Business Model

Through this model the Company provides customers the ability to book air travel, hotels, car rentals, cruises, destination services and vacation packages. The Company generates revenue based on the difference between the total amount that the customer pays for the travel product and the net rate owed to the supplier plus estimated taxes. Decolar.com also earns revenue by charging customers a service fee for booking their travel reservation. Customers generally pay at the time of booking and the Company generally pays to the supplier at a later date, which is normally at the time the customer uses the travel reservation. Decolar.com records the payments as deferred merchant bookings in travel supplier payables in the balance sheet until the travel occurs; at that point, the Company recognizes the revenue for those refundable transactions on a net basis. For travel products that are cancelled by the customer after a specified period of time, the Company may charge a cancellation fee or penalty similar to the amount that the supplier charges for the cancellation. In nonrefundable transactions, and when the Company does not have significant post-delivery obligations, the revenue is recorded on a net basis when the customer completes the reservation process in the Company’s platform.

Packages and sales transactions performed by customers to affiliated agencies are recognized following the revenue recognition policy described above for refundable / non refundable transactions.

Pursuant to the terms of the Company’s merchant supplier agreements, the Company’s travel service suppliers are permitted to bill it for the underlying cost of the service during a specified period of time. In the event that the Company is not billed by the travel supplier within a 12-month period from the check-out date, the Company recognizes incremental commissions in the unbilled amounts.
Pay-at-Destination/Agency Business Model

Through this model, the Company provides customers the ability to book hotels, car rentals and other travel-related products and services to be paid at destination. Decolar.com earns a commission paid directly by suppliers. The Company generally collects these commissions after the customer uses the travel reservation. In certain circumstances, the Company may also earn revenue by charging customers with a service fee for booking their travel reservation.

The Company generally records revenue on an accrual basis when the travel occurs and is presented on a net basis. In addition, the Company records an allowance for collection risk on this revenue based on historical experience.

Incentives

The Company may receive override commissions from air, hotel and other travel service suppliers when it meets certain contractual volume thresholds. These commissions are recognized when the amount of the commission becomes fixed or determinable, which is generally when collection is reasonably assured (i.e. upon notification of the respective air supplier).

Additionally the Company uses GDS services provided by recognized suppliers. Under GDS service agreements, the Company earns revenue in the form of an incentive payment for sales that are processed through a GDS if certain contractual volume thresholds are met. Revenue is recognized for these incentive payments on a monthly accrued basis in accordance with ratable volume thresholds.

Advertising

The Company records advertising revenue ratably over the advertising period or upon delivery of advertising material, depending on the terms of the advertising agreement.

Sales tax

The Company’s subsidiaries in Brazil, Argentina and Colombia are subject to certain sales taxes, which are classified as contra-revenue.

Cash and cash equivalents

Cash and cash equivalents include investments with an original maturity of three months or less. All results generated from these investments are recorded as financial results when earned.

Restricted cash and cash equivalents

The primary purpose of restricted cash and cash equivalents is to collateralize operations with suppliers of travel products and services. In addition, the Company maintains $10,000 as security deposit in Expedia, as established in the Expedia Outsourcing Agreement (see note 16).

Short-term investments

Short-term investments are primarily investments with original maturities between three to twelve months.
Notes to the Consolidated Financial Statements
(in thousands U.S. dollars)

Accounts receivable, net of allowances for doubtful accounts
Accounts receivables are recorded net of an allowance for doubtful accounts. The Company determines its allowance based on the aging of its receivables. While management uses the information available to make evaluations, future adjustments to the allowance may be necessary if future economic conditions differ substantially from the assumptions used in making the evaluations. Management has considered all events and/or transactions that are subject to reasonable and normal methods of estimations, and the consolidated financial statements reflect that consideration.

Property and equipment, net
Property and equipment are stated at acquisition cost, less accumulated depreciation. Depreciation expense is calculated using the straight-line method, based on rates determined in light of the estimated useful lives of the related assets.

The estimated useful lives (in years) of the main categories of the Company’s property and equipment are as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Estimated useful life (years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware</td>
<td>3</td>
</tr>
<tr>
<td>Cars</td>
<td>5</td>
</tr>
<tr>
<td>Office furniture and fixture</td>
<td>10</td>
</tr>
<tr>
<td>Buildings</td>
<td>50</td>
</tr>
</tbody>
</table>

Expenditures for repairs and maintenance are charged to expense as incurred. The cost of significant renewals and improvements is added to the carrying amount of the respective asset.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of operations.

Goodwill and Intangible assets, net
Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. Goodwill is not subject to amortization, but is subject to an annual assessment for impairment, or more frequently, if events and circumstances indicate impairment may have occurred, applying a fair-value based test.

Intangible assets resulting from the acquisition of companies were estimated by management based on the fair value of assets received. Identifiable intangible assets are comprised of trademarks and internet domains. Trademarks and domains are not subject to amortization, but subject to an annual impairment assessment.

Certain costs incurred related to the development of internal-use software are capitalized. Development costs incurred during the application development stage and upgrades and enhancement to existing software that provides additional functionality are capitalized. Costs incurred related to the preliminary project and post-implementation phases are expensed as incurred.

Software internally developed is amortized over a period of three years according to its expected useful life, using the straight-line method. In addition, the asset value of the software is evaluated for impairment periodically.

Financial systems are amortized over a period of 10 years, using the straight-line method.

F-12
Impairment of Long-Lived Assets

The Company reviews long-lived assets for impairments whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If such assets are considered to be impaired on this basis, the impairment loss to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

Goodwill and intangible assets with indefinite lives are reviewed at least annually for impairment, generally as of December 31, or more frequently if events and circumstances indicate impairment may have occurred. Impairment of goodwill is tested at the reporting unit level by comparing the reporting units carrying amount, including goodwill, to the fair value of the reporting unit. The fair values of the reporting units are estimated using a combination of the income or discounted cash flows approach and the market approach, which utilizes comparable companies’ data. If the carrying amount of the reporting unit exceeds its fair value, goodwill is considered impaired and a second step is performed to measure the amount of impairment loss, if any. No impairments were recognized during the reporting years for goodwill or intangible assets with indefinite life.

Pension information

The Company does not maintain any pension plans. The laws in the different countries in which the Company carries out its operations provide for pension benefits to be paid to retired employees from government pension plans and/or private pension plans. Amounts payable to such plans are accounted for on an accrual basis.

Severance payments

The Company may register a liability for severance payments if the following criteria are met: (a) management, having the authority to approve the action, commits to a plan of termination; (b) the plan identifies the number of employees to be terminated, their job classifications or functions and their locations, and the expected completion date; (c) the plan establishes the terms of the benefit arrangement, including the benefits that employees will receive upon termination, in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated; (d) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn; and (e) the plan has been communicated to employees.

Contingent liabilities

The Company has certain regulatory and legal matters outstanding, as discussed further in note 13 “Commitments and Contingencies.” Periodically, the status of all significant outstanding matters is reviewed to assess the potential financial exposure. When (i) it is probable that an asset has been impaired or a liability has been incurred and (ii) the amount of the loss can be reasonably estimated, the Company records the estimated loss in the consolidated statements of operations.

Additionally, disclosure in the notes to the consolidated financial statements is provided for loss contingencies that do not meet both of these conditions if there is a reasonable possibility that a loss may have been incurred that would materially impact the financial position and results of operations. Significant judgment is required to determine the probability that a liability has been incurred and whether such liability is reasonably estimable.

The Company records accruals related to commercial, labor and tax contingencies that may generate an obligation for the Company. Accruals are made on the best information available at the time; such analysis may...
be highly subjective. The final outcome of these matters could vary significantly from the amounts included in the accompanying consolidated financial statements.

Derivative instruments

Derivative instruments are carried at fair value on the consolidated balance sheets. The fair values of the derivative financial instruments generally represent the estimated amounts the Company would expect to receive or pay upon termination of the contracts as of the reporting date.

As of December 31, 2016 the Company maintained derivative instruments consisting of foreign currency forward contracts. The Company uses foreign currency forward contracts to hedge exposure in currencies different from the reporting currency. The goal in managing the foreign exchange risk is to reduce, to the extent practicable, the potential exposure to exchange rate fluctuations and its resulting effect on earnings, cash flows and financial position. The foreign currency forward contracts are typically short-term and do not qualify for hedge accounting treatment. Changes in fair value are recorded in financial results.

Following is the derivatives position as of December 31, 2016:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Notional amount</th>
<th>Type</th>
<th>Due</th>
<th>Avg Price (1)</th>
<th>Fair value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazilian Reais</td>
<td>$15,000</td>
<td>Sell</td>
<td>Jan-17</td>
<td>3.37</td>
<td>1,489</td>
</tr>
<tr>
<td>Argentine pesos</td>
<td>$ 5,000</td>
<td>Purchase</td>
<td>Jan-17</td>
<td>16.17</td>
<td>(774)</td>
</tr>
</tbody>
</table>

(1) In each respective currency.

The changes in fair value of derivatives has been accounted for under Financial income/(expense) in the consolidated statement of operations.

Comprehensive income / (loss)

Comprehensive income / (loss) includes net income / (loss) as currently reported under U.S. GAAP and also considers the effect of additional economic events that are not required to be recorded in determining net income, but are rather reported as a separate component of shareholders’ deficit.

Other comprehensive income / (loss) includes the cumulative translation adjustment relating to the translation of the financial statements of the Company’s foreign subsidiaries (see note 2—“Foreign currency translation”).

Stock-based compensation

Compensation cost related to stock-based employee compensation arrangements are accounted for at fair value at the time of grant. The calculation of fair value is affected by the Company’s stock price estimation as well as assumptions regarding a number of highly complex and subjective variables at the time of the grant. Compensation cost is recognized on a straight-line basis over the requisite service period which commences on the grant date as there exists a mutual understanding of the key terms and conditions at the date the award is approved by the board of directors or other management with relevant authority and the following conditions are met:

- The award is a unilateral grant and, therefore, the recipient does not have the ability to negotiate the key terms and conditions of the award with the employer.
The key terms and conditions of the award had been communicated to an individual recipient within a relatively short time period from the date of approval.

Repurchase of shares
The Company repurchased stock held by shareholders at a price which exceed its fair value, as described in note 14—“Transaction with Expedia Inc.” All shareholders other than the controlling shareholder participated in the repurchase of shares (on a pro rata basis). The Company followed the guideline in ASC 718 and considered premium paid by Expedia as a deemed dividend. The repurchase of shares is reflected in the statement of changes in shareholder’s deficit for the year ended December 31, 2015.

Marketing and advertising expenses
The Company incurs advertising expense consisting of offline costs, including television and radio advertising, and online advertising expense to promote the business. The Company expenses the production costs associated with advertisements in the period in which the advertisement first takes place. The Company expenses the costs of advertisement in the period during which the advertisement space or airtime is consumed. Internet advertising expenses are recognized based on the terms of the individual agreements, which is generally over the greater of (i) the ratio of the number of clicks delivered over the total number of contracted clicks, on a pay-per-click basis, or (ii) on a straight-line basis over the term of the contract.

Advertising expenses for 2016 and 2015 amounted $102,770 and $149,814, respectively.

Accounting for income taxes
The Company is subject to U.S. and foreign income taxes. The provision for income taxes includes federal and foreign taxes. Income taxes are accounted for under the asset and liabilities method. Under this method, deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases.

Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company set up a valuation allowance for that component of net deferred tax assets which does not meet the more-likely-than-not criterion for realization. A valuation allowance is recognized for a component of net deferred tax assets, including tax loss carryforward, which is assessed as not recoverable. As of December 31, 2016 and 2015 the valuation allowance amounted to $45,526 and $46,189, respectively.

Due to inherent complexities arising from the nature of the Company’s business, future changes in income tax law, transfer pricing new regulations or variances between actual and anticipated operating results, the Company makes certain judgments and estimates. Therefore, actual income taxes could materially vary from those estimates.
Expedia transaction

As further discussed in note 14, the Company entered into a $270,000 equity transaction with (sale of common stock to) Expedia, Inc. (“Expedia”) while at the same time an agreement (the “Expedia Outsourcing Agreement” a revenue arrangement for the Company to act as an agent for Expedia in certain countries) was signed which includes a $125,000 termination fee if certain minimum revenue thresholds are not achieved or if and when the Company ultimately terminates the agreement. At the same time as these transactions occurred, the Company purchased common stock of certain shareholders seeking liquidity at the same purchase price per share paid by Expedia to the Company under the Stock Purchase Agreement.

The termination provisions of the Expedia Outsourcing Agreement never expire and also could be triggered by Expedia if the Company does not meet certain minimum volume commitments, which is not within the Company’s control. Eventually, the Company will terminate the agreement or there may be a change of control and will need to refund $125,000 to Expedia. Accordingly, this payment is not considered as a contingent payment but rather a known payment with just a contingency as to timing of payment.

Following the guidance in ASC 505 and ASC 605-50, equity was credited at its fair value with any remaining amounts paid attributable to other elements of the arrangement.

Management has determined the fair value of the equity issued to Expedia taking into account independent valuations, resulting in an amount of approximately $145,000. Therefore, it was concluded that the Expedia transaction was issued at a premium of approximately $125,000, which was recorded as a liability to reflect the termination fee.

According to the Expedia Outsourcing Agreement, the Company must consistently generate a certain minimum volume of paid customer activity for Expedia over the term of the Expedia Outsourcing Agreement or Expedia would have the right to terminate the agreement and the Company would be subject to pay $125,000 in liquidated damages to Expedia. In addition, if in the future management and the Company’s directors determine that the Company should exit the Expedia Outsourcing Agreement after the minimum term of seven years, which the Company has no present intention of doing, it would be required to pay $125,000 to do so. As the agreement with Expedia automatically renews indefinitely and there is no way for the Company to exit the agreement and avoid this payment without agreement from Expedia, the obligation to ultimately pay Expedia upon termination of the arrangement (even if delayed) represents a long-term liability in the amount of the $125,000 termination fee.

The revenue derived from the Expedia Lodging outsourcing agreement is fixed and determinable and is not subject to any refund beyond the $125,000 termination fee that has been fully accrued.

Stock issuance costs totaling $2,470 were recorded as a reduction of stock purchase price.

Recently issued accounting pronouncements

The Company provides below a description of those standards which are relevant to the Company’s business only and the impact of their adoption if any.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standard Update (“ASU”) amending revenue recognition guidance and requiring more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising.
from contracts with customers. In August 2015, the FASB issued an ASU deferring the effective date of the revenue standard so it would be effective for annual and interim reporting periods beginning after December 15, 2017. In addition, the FASB has also issued several amendments to the standard which clarify certain aspects of the guidance, including principal versus agent consideration and identifying performance obligations. The Company has made progress toward completing its evaluation of potential changes from adopting the new standard on its core revenue and continues to evaluate the impact of the adoption of this new revenue guidance on its consolidated financial statements. The Company expects to have its preliminary evaluation, including the selection of an adoption method, internal control implications and disclosure requirements, completed by the end of the second quarter of 2017. The Company is not planning on early adopting and currently expects to adopt the new revenue recognition guidance in the first quarter of 2018.

In November 2015, the FASB issued ASU No. 2015-17, Balance Sheet Classification of Deferred Taxes, which requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified statement of financial position. The amendments in this Update are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

In March, 2016 the FASB issued the ASU No. 2016-09. The FASB is issuing this Update as part of its initiative to reduce complexity in accounting standards. The areas for simplification in this Update involve several aspects of the accounting for employee share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. Some of the areas for simplification apply only to nonpublic entities. For public entities, the amendments are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. Early adoption is permitted. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

In November 2016, the FASB issued ASU No. 2016-18. The amendments require that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flow. The amendments are effective for public business entities for fiscal years beginning after December 15, 2017. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018. Early adoption is permitted. The amendments should be applied using a retrospective transition method to each period presented. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

In January 2017, the FASB issued ASU No. 2017-04. To simplify the subsequent measurement of goodwill, the amendments eliminate Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. A public business entity should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. A public business entity that is not an SEC
filer should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020. All other entities should do so for their annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Banks</td>
<td>22,681</td>
<td>23,180</td>
</tr>
<tr>
<td>Time deposits</td>
<td>50,000</td>
<td>60,029</td>
</tr>
<tr>
<td>Money market funds</td>
<td>3,277</td>
<td>18,894</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$75,968</strong></td>
<td><strong>$102,116</strong></td>
</tr>
</tbody>
</table>

5. Accounts receivable, net of allowances

Accounts receivable, net of allowances consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>123,267</td>
<td>58,370</td>
</tr>
<tr>
<td>Others</td>
<td>1,344</td>
<td>16</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(3,513)</td>
<td>(3,401)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$121,098</strong></td>
<td><strong>$54,985</strong></td>
</tr>
</tbody>
</table>

6. Other current assets and prepaid expenses

Other current assets and prepaid expenses consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credits (1)</td>
<td>20,582</td>
<td>20,412</td>
</tr>
<tr>
<td>Cash managed by third parties</td>
<td>4,337</td>
<td>5,808</td>
</tr>
<tr>
<td>Advertising paid in advance</td>
<td>715</td>
<td>5,214</td>
</tr>
<tr>
<td>Others</td>
<td>1,550</td>
<td>3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$27,184</strong></td>
<td><strong>$34,434</strong></td>
</tr>
</tbody>
</table>

(1) Mainly includes $3,093 of VAT credits, $11,432 of income tax credits (including net deferred tax assets), $4,581 of sales tax credits and $1,476 of other tax credits as of December 31, 2016; and $5,246 of VAT credits, $6,305 of income tax credits (including net deferred tax assets), $3,364 of sales tax credits and $5,497 other tax credits as of December 31, 2015.
Decolar.com, Inc.
Notes to the Consolidated Financial Statements
(in thousands U.S. dollars)

7. Property and equipment, net
Property and equipment, net consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware and software</td>
<td>22,334</td>
<td>19,447</td>
</tr>
<tr>
<td>Office furniture and fixture</td>
<td>9,071</td>
<td>8,074</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,298</td>
<td>2,594</td>
</tr>
<tr>
<td>Cars</td>
<td>—</td>
<td>123</td>
</tr>
<tr>
<td>Land</td>
<td>75</td>
<td>92</td>
</tr>
<tr>
<td><strong>Total property and equipment</strong></td>
<td><strong>33,778</strong></td>
<td><strong>30,330</strong></td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td><strong>$ (20,061)</strong></td>
<td><strong>$ (15,162)</strong></td>
</tr>
<tr>
<td><strong>Total property and equipment, net</strong></td>
<td><strong>$ 13,717</strong></td>
<td><strong>$ 15,168</strong></td>
</tr>
</tbody>
</table>

Total depreciation expense for the years 2016 and 2015 is $5,089 and $5,152, respectively.

8. Goodwill and intangible assets, net
Goodwill and intangible assets, net consists of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill (1)</td>
<td>38,894</td>
<td>38,554</td>
</tr>
<tr>
<td>Intangible assets with indefinite lives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brands and domains</td>
<td>13,882</td>
<td>13,837</td>
</tr>
<tr>
<td>Amortizable Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal-use software and site internally developed</td>
<td>35,217</td>
<td>23,241</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td><strong>49,099</strong></td>
<td><strong>37,078</strong></td>
</tr>
<tr>
<td>Accumulated amortization (2)</td>
<td>(17,687)</td>
<td>(9,852)</td>
</tr>
<tr>
<td><strong>Total intangible assets, net</strong></td>
<td><strong>$ 31,412</strong></td>
<td><strong>$ 27,226</strong></td>
</tr>
</tbody>
</table>
Following is the breakdown of Goodwill per reporting unit as of December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>Balance of beginning of period</th>
<th>Other comprehensive Income / (Loss)</th>
<th>Balance at end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>4,062</td>
<td>(1,397)</td>
<td>2,665</td>
</tr>
<tr>
<td>Brazil</td>
<td>15,901</td>
<td>(5,085)</td>
<td>10,816</td>
</tr>
<tr>
<td>Mexico</td>
<td>9,690</td>
<td>(1,456)</td>
<td>8,234</td>
</tr>
<tr>
<td>Uruguay</td>
<td>16,839</td>
<td>—</td>
<td>16,839</td>
</tr>
<tr>
<td></td>
<td>46,492</td>
<td>(7,938)</td>
<td>38,554</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Argentina</td>
<td>2,665</td>
<td>(478)</td>
<td>2,187</td>
</tr>
<tr>
<td>Brazil</td>
<td>10,816</td>
<td>2,143</td>
<td>12,959</td>
</tr>
<tr>
<td>Mexico</td>
<td>8,234</td>
<td>(1,325)</td>
<td>6,909</td>
</tr>
<tr>
<td>Uruguay</td>
<td>16,839</td>
<td>—</td>
<td>16,839</td>
</tr>
<tr>
<td></td>
<td>38,554</td>
<td>340</td>
<td>38,894</td>
</tr>
</tbody>
</table>

Goodwill is fully attributable to the Air operating segment.

Total amortization expense for the years 2016 and 2015 is $7,835 and $9,287, respectively. The estimated future amortization expense related to intangible assets with definite lives as of December 31, 2016, assuming no subsequent impairment of the underlying assets, is as follows:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7,241</td>
</tr>
<tr>
<td>2018</td>
<td>3,514</td>
</tr>
<tr>
<td>2019</td>
<td>3,514</td>
</tr>
<tr>
<td>2020</td>
<td>544</td>
</tr>
<tr>
<td>2021 and beyond</td>
<td>2,717</td>
</tr>
<tr>
<td></td>
<td>17,530</td>
</tr>
</tbody>
</table>

9. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing suppliers</td>
<td>15,723</td>
<td>16,488</td>
</tr>
<tr>
<td>Provision for invoices to be received</td>
<td>3,353</td>
<td>5,130</td>
</tr>
<tr>
<td>Affiliated agencies</td>
<td>690</td>
<td>799</td>
</tr>
<tr>
<td>Other suppliers</td>
<td>5,569</td>
<td>14,700</td>
</tr>
<tr>
<td></td>
<td>$ 25,335</td>
<td>$ 37,117</td>
</tr>
</tbody>
</table>
10. Travel Supplier payables

Travel Supplier payables consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels and other travel service suppliers (1)</td>
<td>96,357</td>
<td>103,152</td>
</tr>
<tr>
<td>Airlines</td>
<td>5,880</td>
<td>9,343</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$102,237</strong></td>
<td><strong>$112,495</strong></td>
</tr>
</tbody>
</table>

(1) Includes $84,477 and $90,577 as of December 31, 2016 and 2015, respectively, for deferred merchant bookings which will be due after the traveler has checked out.

11. Other liabilities

Other current liabilities consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries payable (1)</td>
<td>33,266</td>
<td>24,248</td>
</tr>
<tr>
<td>Taxes payable (2)</td>
<td>14,914</td>
<td>8,234</td>
</tr>
<tr>
<td>Others</td>
<td>1,506</td>
<td>2,143</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$49,686</strong></td>
<td><strong>$34,625</strong></td>
</tr>
</tbody>
</table>

(1) Includes settlements payables with certain management stockholders (note 14)

(2) Includes deferred tax liabilities. See note 12.

Other non-current liabilities consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes payable</td>
<td>409</td>
<td>861</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$409</strong></td>
<td><strong>$861</strong></td>
</tr>
</tbody>
</table>
Decolar.com, Inc.
Notes to the Consolidated Financial Statements
(in thousands U.S. dollars)

12. Income taxes

The following table presents a summary of U.S. and foreign income tax expense components:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>(4,459)</td>
<td>(9,879)</td>
</tr>
<tr>
<td>Federal</td>
<td>(50)</td>
<td>14</td>
</tr>
<tr>
<td><strong>Deferred:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>663</td>
<td>(220)</td>
</tr>
<tr>
<td><strong>Withholding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign</td>
<td>(6,692)</td>
<td>(7,919)</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td>$ (10,538)</td>
<td>$ (18,004)</td>
</tr>
</tbody>
</table>

Below the classification of deferred tax assets/liabilities by current and non-current:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current deferred tax assets</td>
<td>9,173</td>
<td>26,843</td>
</tr>
<tr>
<td>Non-Current deferred tax assets</td>
<td>39,950</td>
<td>22,376</td>
</tr>
<tr>
<td>Total deferred tax assets</td>
<td><strong>49,123</strong></td>
<td><strong>49,219</strong></td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(45,526)</td>
<td>(46,189)</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td><strong>3,597</strong></td>
<td><strong>3,030</strong></td>
</tr>
<tr>
<td>Current deferred tax liabilities</td>
<td>(1,002)</td>
<td>(1,098)</td>
</tr>
<tr>
<td>Non-Current deferred tax liabilities</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td><strong>Total deferred tax liabilities</strong></td>
<td><strong>(1,002)</strong></td>
<td><strong>(1,098)</strong></td>
</tr>
</tbody>
</table>

As of December 31, 2016, consolidated loss carryforwards for income tax purposes were $121,224. If not utilized, tax loss carryforwards will begin to expire as follows:

<table>
<thead>
<tr>
<th>Expiration Date</th>
<th>NOLs Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expires 2018</td>
<td>25</td>
</tr>
<tr>
<td>Expires 2019</td>
<td>12,026</td>
</tr>
<tr>
<td>Expires 2020</td>
<td>4,531</td>
</tr>
<tr>
<td>Expires 2021</td>
<td>22</td>
</tr>
<tr>
<td>Expires 2022</td>
<td>20</td>
</tr>
<tr>
<td>Thereafter</td>
<td>32,667</td>
</tr>
<tr>
<td>Without expiration dates</td>
<td>71,933</td>
</tr>
<tr>
<td><strong>TOTAL (1)</strong></td>
<td><strong>121,224</strong></td>
</tr>
</tbody>
</table>

(1) These tax loss carryforwards detailed above are fully reserved at December 31, 2016.
NOLs Carryforwards expiration:

- Brazil: $71,710. No expiration but offset limitation of 30% of the taxable income by fiscal year.
- USA: $30,302. Expiration after 20 years but offset limitation of 90% of the taxable income by fiscal year.
- Argentina: $14,650. Five fiscal years expiration.
- Colombia: $2,707. Three fiscal years expiration.
- Venezuela: $1,541. Three fiscal years expiration but offset limitation of 25% of the taxable income by fiscal year.
- Peru: $222. No expiration but offset limitation of 50% of the taxable income by fiscal year.
- Mexico: $92. Ten fiscal years expiration.

Deferred tax assets and liabilities are recognized for the future tax consequences of differences between the carrying amounts of assets and liabilities and their respective tax bases using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company has foreign subsidiaries with aggregated undistributed earnings of $1,554 as of December 31, 2016. We have not provided deferred income taxes on taxable temporary differences related to investments in certain foreign subsidiaries where the foreign subsidiary has or will invest undistributed earnings indefinitely outside of the United States. In the event we distribute such earnings in the form of dividends or otherwise, we may be subject to income taxes. Further, a sale of these subsidiaries may cause these temporary differences to become taxable. Due to complexities in tax laws, uncertainties related to the timing and source of any potential distribution of such earnings, and other important factors such as the amount of associated foreign tax credits, it is not practicable to estimate the amount of unrecognized deferred taxes on these taxable temporary differences.

The following table summarizes the composition of deferred tax assets and liabilities as of the years ended December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2016</th>
<th>December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Deferred Tax Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax loss carryforwards</td>
<td>39,950</td>
<td>22,376</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>515</td>
<td>164</td>
</tr>
<tr>
<td>Royalties</td>
<td>1,249</td>
<td>2,950</td>
</tr>
<tr>
<td>Allowances</td>
<td>—</td>
<td>4,722</td>
</tr>
<tr>
<td>Provisions and other assets</td>
<td>7,409</td>
<td>19,007</td>
</tr>
<tr>
<td><strong>Total Deferred Tax Assets</strong></td>
<td><strong>49,123</strong></td>
<td><strong>49,219</strong></td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(45,526)</td>
<td>(46,189)</td>
</tr>
<tr>
<td><strong>Total Deferred Tax Assets, net</strong></td>
<td><strong>3,597</strong></td>
<td><strong>3,030</strong></td>
</tr>
<tr>
<td><strong>Deferred Tax Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment</td>
<td>(54)</td>
<td>(101)</td>
</tr>
<tr>
<td>Payroll and social security payable</td>
<td>—</td>
<td>(997)</td>
</tr>
<tr>
<td>Others</td>
<td>(948)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Deferred Tax Liabilities</strong></td>
<td><strong>(1,002)</strong></td>
<td><strong>(1,098)</strong></td>
</tr>
<tr>
<td><strong>Total Deferred Tax</strong></td>
<td><strong>2,595</strong></td>
<td><strong>1,932</strong></td>
</tr>
</tbody>
</table>
The following is a reconciliation of the difference between the actual provision for income taxes and the provision computed by applying the blended income tax rate (30%) for 2016 and 2015 to income / (loss) before taxes:

<table>
<thead>
<tr>
<th></th>
<th>As of December 31, 2016</th>
<th>As of December 31, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income / (Loss) before Income Tax</td>
<td>28,335</td>
<td>(67,272)</td>
</tr>
<tr>
<td>Weighted average income tax rate (3)</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Income tax expense at weighted average income tax rate</td>
<td>8,501</td>
<td>(20,182)</td>
</tr>
<tr>
<td><strong>Permanent differences:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Non-Taxable Income) / Non-Deductible Losses (1)</td>
<td>(6,826)</td>
<td>2,151</td>
</tr>
<tr>
<td>Foreign non-creditable withholding tax (2)</td>
<td>6,692</td>
<td>7,919</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>2,928</td>
<td>26,698</td>
</tr>
<tr>
<td>Others</td>
<td>(94)</td>
<td>1,198</td>
</tr>
<tr>
<td>Change in Valuation allowance</td>
<td>(663)</td>
<td>220</td>
</tr>
<tr>
<td><strong>Income Tax expense</strong></td>
<td>10,538</td>
<td>18,004</td>
</tr>
</tbody>
</table>

(1) Includes tax benefits / non-deductible losses on export services to non-free Uruguayan territories from “Free Trade Zone” in Uruguay.
(2) Includes foreign withholding taxes on royalties and services.
(3) The Company uses a blended rate for the Income Tax reconciliation since most of its business operations are run by subsidiaries located outside the U.S. where the enacted tax rate is lower than the U.S. federal statutory rate. The calculation is performed based on an average of the enacted tax rates of the foreign jurisdictions.

The following table presents the changes in the Company’s valuation allowance as of December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th></th>
<th>Balance of beginning of period</th>
<th>Increase</th>
<th>(Decrease)</th>
<th>Balance at end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>46,189</td>
<td>1,897</td>
<td>(2,560)</td>
<td>45,526</td>
</tr>
<tr>
<td>2015</td>
<td>45,969</td>
<td>9,039</td>
<td>(8,819)</td>
<td>46,189</td>
</tr>
</tbody>
</table>

13. Commitments and contingencies

Leases
The Company leases office space under operating lease agreements with original terms ranging from 2 to 5 years. Rent expense amounted to $2,348 and $3,107 for the years ended December 31, 2016 and 2015, respectively. The Company’s lease obligations under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th>Year ended December 31, 2016</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3,720</td>
</tr>
<tr>
<td>2018</td>
<td>3,276</td>
</tr>
<tr>
<td>2019</td>
<td>2,986</td>
</tr>
<tr>
<td>2020</td>
<td>2,310</td>
</tr>
<tr>
<td>2021</td>
<td>1,124</td>
</tr>
<tr>
<td>2022</td>
<td>110</td>
</tr>
<tr>
<td>Total</td>
<td>13,526</td>
</tr>
</tbody>
</table>
Employment agreements
The Company has entered into employment agreements with certain key employees providing compensation guidelines for each employee. Pursuant to the terms of the employment agreements, the executives are generally entitled to receive compensation in the form of (i) an annual salary payable in cash on a monthly basis and (ii) a yearly bonus subject to the fulfillment of certain performance targets.

Tax, legal and other
The Company is involved in disputes arising from its ordinary course of business. Although the ultimate resolution on these matters cannot be reasonably estimated at this time, management does not believe that they will have a material adverse effect on the financial condition or results of operations of the Company.

As of December 31, 2016 the Company had accrued liabilities of $9,828 for the tax contingency discussed below and approximately $11,700 related to unasserted tax claims. The Company currently estimates unasserted possible losses related to matters for which it has not accrued liabilities, as they are not deemed probable and reasonably estimable, to be approximately $33,000. The Company evaluates the likelihood of probable and reasonably possible losses, if any, related to all known contingencies on an ongoing basis. As a result, future increases or decreases to its accrued liabilities may be necessary and will be recorded in the period when such amounts are determined to be probable and reasonably estimable.

Brazilian Tax Authority Claim
In March 2013, São Paulo tax authorities have asserted taxes (Brazilian municipal taxes “Imposto Sobre Serviço”) and fines against the Company’s Brazilian subsidiary relating to the period from 2008 to 2011 in an approximate updated amount of $21,500, including ordinary taxable services on commissions earned. On April 2, 2013, the Company’s Brazilian subsidiary filed an administrative defense against the authorities’ claim. In a decision published on August 30, 2014 the São Paulo tax authorities ruled against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed. An appeal to the São Paulo City Administrative Court was filed on September 30, 2014. On December 4, 2015, the Administrative Court ruled partially against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed.

The Brazilian subsidiary has gradually moved its operations to Guarulhos City, Brazil; and pays taxes in such jurisdiction.

Company’s management and its legal counsel believe that the estimated probable loss is $9,828; which has been provisioned for in the consolidated financial statements as of December 31, 2016 within non-current contingent liabilities.

14. Related party transactions
Settlement with Certain Management Stockholders
In the last two months of 2016, the Company entered into settlement agreements and terminated the employment of two management stockholders. The settlement agreements includes a payable cash amount of $5,800, as a result of an employee relationship benefit and non competition and non disclosure agreement, out of which a 50% will be payable on July 1, 2018 or upon the occurrence of a liquidity event, which may result from the consummation of an initial public offering, or a capital injection among other conditions, and the rest will be paid during 2017.
In 2015, the Company terminated the employment of two management stockholders and entered into settlement agreements with each of them. The settlement agreement included the payment of a cash amount for approximately $5,400 and the repurchase by the Company of a portion of their shares.

Transaction with Expedia, Inc.

Common stock agreement
On March 3, 2015 ("Transaction Date"), Expedia invested $270,000 to purchase 9,590,623 of common stock, representing 16.36% of the Company’s issued and outstanding shares on a basic shares count basis as of that date. See note 3 – Expedia transaction, for an explanation of the accounting for this transaction.

In order to facilitate the transaction, the Company issued common shares to Expedia on the Transaction Date and then, as mandated in the agreement, repurchased 1,598,434 shares from selling shareholders. The repurchase of shares was made above the fair value at the Transaction Date.

The agreement specifically indicates the following use of the proceeds: (i) $50,000 to repay certain Loans furnished by the shareholders; (ii) $45,000 to repurchase shares from all shareholders other than the controlling shareholder; and (iii) $175,000 for general corporate purposes.

Expedia Outsourcing Agreement
In conjunction with the Stock Subscription Agreement, the Company entered into a lodging outsourcing agreement (the “Expedia Outsourcing Agreement”) with Expedia expanding their commercial relationship. The Expedia Outsourcing Agreement broadened Expedia’s powering of Decolar.com’s hotel supply, including the designation of Expedia as provider of hotel inventory outside of Latin America as from April 1, 2015. During the term of the agreement, Expedia will pay Decolar.com a marketing fee for each booking of Expedia’s inventory. The Expedia Outsourcing Agreement includes customary terms for this type of long-term partnerships, and also includes: (a) the obligation to generate a minimum volume of transactions; and (b) a termination penalty of $125,000; (see comment in note 3 — Expedia transaction), and (c) unilaterally by Expedia in the event of a change of control of the Company. In addition, the Expedia Outsourcing Agreement provided the opportunity for Expedia to access Decolar’s hotel supply inventory in Latin America.

Under the Expedia Outsourcing Agreement, “Change of Control” means (a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Company and its subsidiaries, taken as a whole, to any Strategic Party or (b) the acquisition by any Strategic Party, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership, of more than 50% of the total voting or economic power of the securities of the Company or any direct or indirect parent of the Company. “Strategic Party” means any Person other than a single individual which does not directly or indirectly own or control any assets or companies operating (x) in the consumer or corporate travel industry, or (y) as an Internet-enabled provider of travel search or information services.

Unilateral termination of the Expedia Outsourcing Agreement by the Company, in addition to triggering the penalty described above, also gives Expedia the right to sell its shares back to the Company for fair market value.

Balances and operations with Expedia
Starting in March 2015, as a result of the execution of the Expedia Outsourcing Agreement executed with Expedia, the Company recognized balances and operations with Expedia as a related party.
Notes to the Consolidated Financial Statements
(in thousands U.S. dollars)

The balances between the Company and Expedia are: $2,240 and $1,947 as of December 31, 2016 and 2015, respectively, recorded in Accounts receivable, net of allowances; and $71,006 and $57,797 as of December 31, 2016 and 2015, respectively, recorded in Tourism supplier payables.

The net related party transactions are $27,008 and $22,911 for the year ended December 31, 2016 and 2015, respectively, recorded in Revenue.

In addition, the Company has provided Expedia with a guaranty in form of security deposits in an aggregated amount of $10,000. They are recorded in restricted cash and cash equivalents non-current.

Shareholders’ loans

In 2013, Decolar.com Inc. received loans (the “Loans”) from the following shareholders: Tiger Global Private Investment Partners IV, L.P., Tiger Global Investments, L.P., Scott Shleifer 2011 Descendants’ Trust, Ventoux V LLC and Metal Monkey Trust (the “Lenders”) for $25,000. The Loans were instrumented through promissory notes, which included the following conditions:

- Interest rate: no interest shall accrue or be payable
- Voluntary prepayment: at the option of the Company, in whole or in part, at any time, without premium or penalty

In February 2015, Decolar.com Inc. received a loan (the “February Loan”) from the Lenders for $25,000. The February Loan was instrumented through a promissory note.

On March 2015, the Loans and the February Loan were prepaid in full with the proceeds of the Expedia transaction.

15. Fair value measurements

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis as of December 31, 2016 and 2015:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balances as of December 31, 2016</th>
<th>Quoted prices in active markets for (Level 1)</th>
<th>Significant other (Level 2)</th>
<th>Balances as of December 31, 2015</th>
<th>Quoted prices in active markets for (Level 1)</th>
<th>Significant other (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward contract</td>
<td>715</td>
<td>715</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Total financial assets</td>
<td>715</td>
<td>715</td>
<td>715</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
</tbody>
</table>

As of December 31, 2016 and 2015, the Company’s financial assets valued at fair value consisted of assets valued using: (i) Level 1 inputs: unadjusted quoted prices in active markets (Level 1 instrument valuations are obtained from observable inputs that reflect quoted prices (unadjusted) for identical assets in active markets); and (ii) Level 2 inputs, which are obtained from readily-available pricing sources for comparable instruments as well as instruments with inactive markets at the measurement date. As of December 31, 2016 and 2015, the Company did not have any assets without market values that would require a high level of judgment to determine fair value (Level 3).
As of December 31, 2016 and 2015, the carrying value of the Company’s financial assets and liabilities measured at amortized cost approximated their fair value because of its short term maturity. These assets and liabilities included cash and cash equivalents; restricted cash; accounts receivables, net; other receivables and prepaid expenses; other non-current assets; accounts payable and accrued expenses; hotel suppliers payable; loans and other financial liabilities; salaries and social security payable; taxes payable and other liabilities. Loans payable approximate their fair value because the interest rates are not materially different from market interest rates.

The fair values for those financial assets and liabilities of the Company measured at amortized cost, is equal to their respective book values as of December 31, 2016 and 2015.

In addition, as of December 31, 2016 and 2015, the Company had $93,197 and $118,294 of cash and cash equivalents, short-term investments and restricted cash and cash equivalents, respectively, which consisted of time deposits. Those investments are accounted for at amortized cost, which, as of December 31, 2016 and 2015, approximates their fair values.

There have been no reclassifications among fair value levels.

16. Earnings per share

Earnings per share

Basic earnings per share

Basics earnings per share was calculated for the year ended December 31, 2016 and 2015 using the weighted average number of common shares outstanding during the period.

Diluted earnings per share

For the year ended December 31, 2016, the Company computed diluted earnings per share using (i) the number of shares of common stock used in the basic earnings per share calculation as indicated above (ii) if diluted, the incremental common stock that the Company would issue upon the assumed exercise of restricted stock units. At December 31, 2016, stock options are out-of-the-money as the strike price exceeds current share price; therefore they are not included in the computation of diluted earnings per share. Antidilutive effect in 2016: 270 shares (no effect in 2015).

The following table presents basic and diluted earnings per share:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income / (loss) attributable to Decolar.com Inc.</td>
<td>17,797</td>
<td>(85,276)</td>
</tr>
<tr>
<td>Earnings per share attributable to Decolar.com Inc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>0.30</td>
<td>(1.49)</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.30</td>
<td>n/a</td>
</tr>
<tr>
<td>Weighted average number of shares outstanding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>58,518</td>
<td>57,078</td>
</tr>
<tr>
<td>Dilutive effect of restricted stock units</td>
<td>90</td>
<td>n/a</td>
</tr>
</tbody>
</table>

F-28
17. Stock based compensation

2015 Restricted Stock Unit Plan

On March 6, 2015, the shareholders of the Company approved a new restricted stock unit plan including the issuance of 90,626 restricted stock unit (the “RSUs”) in favor of an officer of the Company.

The RSUs include the following conditions:

- Time-based condition: satisfied with respect to
  - 40,626 RSUs on January 1, 2016;
  - 20,000 RSUs on January 1, 2017;
  - 20,000 RSUs on January 1, 2018; and
  - 10,000 RSUs on July 1, 2018;

provided that the officer remains in continuous service through each applicable date.

- Liquidity Event Requirement: satisfied on the earlier to occur of
  - an Initial Public Offering of the Company’s common stock, or
  - a change of control transaction (sale event).

- No additional vesting exists upon completion of a liquidity event.

- Restrictions:
  - Repurchase rights: in the event of a change of control, the Company has the right to repurchase certain shares contingent upon the valuation of the Company at such time, and
  - Transfer restrictions: after the consummation of an Initial Public Offering transfer restrictions apply limiting the ability to transfer certain shares subject to the valuation of the Company at such time.

The Company has used the Fair Value Method for determining the value of the RSU plan. The remaining vesting period as of December 31, 2016 is 18 months.

<table>
<thead>
<tr>
<th></th>
<th>RSU’s</th>
<th>Weighted Average Grant Date Fair Value per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Granted</td>
<td>90,626</td>
<td>7.47</td>
</tr>
<tr>
<td>Balance as of December 31, 2015</td>
<td>90,626</td>
<td>7.47</td>
</tr>
<tr>
<td>Granted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vested / Cancelled</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>90,626</td>
<td>7.47</td>
</tr>
</tbody>
</table>

2016 Stock Option Plan

On November 2016, the Board of Directors of the Company approved, subject to the approval of the Company’s Stockholders (which occurred in March 2017), to adopt a stock plan and reserve for issuance up to 4,000,000 stock options, from which 3,175,000 stock options were effectively granted in favor of some officers of the Company.
The plan includes the following conditions:

- Time-based condition: satisfied with respect to:
  - 5% stock options on December 1, 2017;
  - 10% stock options on December 1, 2018;
  - 15% stock options on December 1, 2019;
  - 20% stock options on December 1, 2020;
  - 25% stock options on December 1, 2021; and
  - 25% stock options on December 1, 2022; if the officer remains in continuous service through each applicable date.
- Liquidity Event Requirement: satisfied on the earlier to occur of
  - (i) an Initial Public Offering of the Company’s common stock, or
  - (ii) a change of control event.
- No additional vesting exists upon completion of a liquidity event.

The Company has used the Fair Value Method for determining the value of the stock options plan. The remaining vesting period as of December 31, 2016 is 71 months.

The fair value of stock options granted during the year ended December 31, 2016, was estimated at the date of grant using the income approach valuation techniques, including the Black-Scholes and Monte Carlo option-pricing models, assuming the following weighted average assumptions:

- Risk-free interest rate: 1.84%
- Expected volatility: 39.9%
- Expected life (in years): 6
- Weighted-average estimated fair value of options granted during the year: $6.90

The following table presents a summary of the Company’s stock option activity:

<table>
<thead>
<tr>
<th>Options</th>
<th>Weighted Average Exercise Price per share</th>
<th>Remaining Contractual Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of January 1, 2015</td>
<td>63,000</td>
<td>1.00</td>
</tr>
<tr>
<td>Exercised</td>
<td>(63,000)</td>
<td>1.00</td>
</tr>
<tr>
<td>Balance as of December 31, 2015</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Granted</td>
<td>3,175,000</td>
<td>26.02</td>
</tr>
<tr>
<td>Balance as of December 31, 2016</td>
<td>3,175,000</td>
<td>26.02</td>
</tr>
</tbody>
</table>

As of December 31, 2016, there was approximately $22,000 of unrecognized stock-based compensation expense related to unvested stock-based awards, which is expected to be recognized in expense over a weighted-average period of 5.8 years. Compensation cost will not be impacted upon completion of a liquidity event.
18. Guarantees

The Company is required to be accredited by the International Air Transport Association (“IATA”) in order to promote and sell international air passenger transportation of airlines connected to IATA. During 2016, certain Decolar.com subsidiaries granted guarantees for $43,197 for the benefit of the IATA, Expedia and other suppliers in the form of time deposits or bank and insurance guarantees, which were recorded as Restricted cash and cash equivalent in the consolidated balance sheet at December 31, 2016 and also granted a mortgage in favor of IATA on a building in Argentina.

19. Valuation and qualifying accounts

The following table presents the changes in the Company’s valuation and qualifying accounts.

<table>
<thead>
<tr>
<th></th>
<th>Balance of beginning of period</th>
<th>Increase / (Decrease)</th>
<th>Utilization</th>
<th>Other comprehensive Income / (Loss)</th>
<th>Balance at end of period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>3,401</td>
<td>2,548</td>
<td>(2,515)</td>
<td>79</td>
<td>3,513</td>
</tr>
<tr>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>7,493</td>
<td>2,142</td>
<td>(5,388)</td>
<td>(846)</td>
<td>3,401</td>
</tr>
</tbody>
</table>

20. Segment information

In order to make operating decisions and assess performance, the Company’s chief operating decision function organized the Company’s business between two operating segments, namely “Air” and “Packages, Hotels and Other travel products”, each of them having their respective segment management.

The “Air” operating segment derives its revenue from commissions earned from facilitating reservations of flight tickets, service fees charged to customers for processing flight tickets and override commissions or incentives from suppliers and GDS if the Company meets certain volume thresholds.

The “Packages, Hotels and Other travel products” operating segment derives its revenue from commissions earned from facilitating reservations of hotel accommodations, car rentals and other travel related products and services, service fees charged to customers for processing bookings, advertising revenue from the sale of advertising placements on the Company’s websites and override commissions or incentives from suppliers if the Company meets certain volume thresholds. Packages are deals where the customer selects and buys multiple products, which may include air tickets, within the same session, while in these transactions the Company acts as intermediary as in other sales. The air portion of these packages is included within the “Packages, Hotels and Other travel products” operating segment.

The Company’s primary measure of segment’s profit or loss is Adjusted EBITDA, which includes allocations of certain expenses based on transaction volumes and other usage metrics. The Company does not allocate certain shared expenses such as accounting, human resources and legal to its reportable segments. The Company includes these expenses as Unallocated. The Company’s allocation methodology is periodically evaluated and may change.

The Company does not have:

- transactions between reportable segments
assets allocated by segment, or

revenue from transactions with a single customer amounting to 10 percent or more of revenue.

The following tables present the Company’s segment information for 2016 and 2015. While depreciation and amortization is allocated to operating segments based on operational measures such as relative headcount and IT investment, property and equipment is not allocated to operating segments, and the Company does not report the assets by segment as it would not be meaningful. The Company does not regularly provide such information to its chief operating decision makers.

### 2016

<table>
<thead>
<tr>
<th></th>
<th>Air</th>
<th>Packages, Hotels and Other travel products</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>205,721</td>
<td>205,441</td>
<td>—</td>
<td>411,162</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>27,940</td>
<td>20,643</td>
<td>2</td>
<td>48,585</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(4,099)</td>
<td>(3,842)</td>
<td>(4,983)</td>
<td>(12,924)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>(574)</td>
<td>(574)</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>23,841</td>
<td>16,801</td>
<td>(5,555)</td>
<td>35,087</td>
</tr>
<tr>
<td>Financial income</td>
<td></td>
<td></td>
<td></td>
<td>8,327</td>
</tr>
<tr>
<td>Financial expense</td>
<td></td>
<td></td>
<td></td>
<td>(15,079)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income tax</strong></td>
<td></td>
<td></td>
<td></td>
<td>28,335</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
<td></td>
<td>(10,538)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td>17,797</td>
</tr>
</tbody>
</table>

### 2015

<table>
<thead>
<tr>
<th></th>
<th>Air</th>
<th>Packages, Hotels and Other travel products</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>219,817</td>
<td>201,894</td>
<td>—</td>
<td>421,711</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>8,259</td>
<td>(34,383)</td>
<td>(12,943)</td>
<td>(39,067)</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(6,350)</td>
<td>(1,872)</td>
<td>(6,217)</td>
<td>(14,439)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>—</td>
<td>(861)</td>
<td>(861)</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>1,909</td>
<td>(36,255)</td>
<td>(20,021)</td>
<td>(54,367)</td>
</tr>
<tr>
<td>Financial income</td>
<td></td>
<td></td>
<td></td>
<td>10,797</td>
</tr>
<tr>
<td>Financial expense</td>
<td></td>
<td></td>
<td></td>
<td>(23,702)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income tax</strong></td>
<td></td>
<td></td>
<td></td>
<td>(67,272)</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
<td></td>
<td>(18,004)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td></td>
<td></td>
<td></td>
<td>(85,276)</td>
</tr>
</tbody>
</table>

### Geographic information

In 2016, 27% of revenue was originated in transactions invoiced by the subsidiary in Argentina, 28% by the subsidiary in Brazil and 27% by subsidiaries in Uruguay (32%, 30% and 19%, respectively, in 2015). Subsidiaries in no individual country other than those detailed above accounted for more than 10% of revenue.

### 21. Subsequent Events

On May 3, 2017, the stockholders of Decolar.com, Inc., exchanged their shares for ordinary shares of Despegar.com, Corp. to create a new British Virgin Islands holding company. Following the exchange, the Company’s shareholders own shares of Despegar.com, Corp., and Decolar.com, Inc. is a wholly-owned subsidiary of Despegar.com, Corp.
Despegar.com, Corp.

Unaudited condensed consolidated Financial Statements as of
June 30, 2017 and December 31, 2016 and
for the six-month periods ended
June 30, 2017 and 2016

F-33
Unaudited Consolidated Balance Sheets  
as of June 30, 2017 and December 31, 2016  
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>92,107</td>
<td>75,968</td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>39,186</td>
<td>22,738</td>
</tr>
<tr>
<td>Short term investments</td>
<td>238</td>
<td>—</td>
</tr>
<tr>
<td>Accounts receivable, net of allowances</td>
<td>158,287</td>
<td>121,098</td>
</tr>
<tr>
<td>Related party receivable</td>
<td>3,626</td>
<td>2,240</td>
</tr>
<tr>
<td>Other current assets and prepaid expenses</td>
<td>26,425</td>
<td>27,184</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>$319,869</td>
<td>$249,228</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted cash and cash equivalents</td>
<td>10,000</td>
<td>20,459</td>
</tr>
<tr>
<td>Property and equipment, net</td>
<td>14,719</td>
<td>13,717</td>
</tr>
<tr>
<td>Intangible assets, net</td>
<td>33,960</td>
<td>31,412</td>
</tr>
<tr>
<td>Goodwill</td>
<td>39,615</td>
<td>38,894</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>$98,294</td>
<td>$104,482</td>
</tr>
<tr>
<td><strong>TOTAL Assets</strong></td>
<td>$418,163</td>
<td>$353,710</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND SHAREHOLDERS’ DEFICIT</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIABILITIES AND SHAREHOLDERS’ DEFICIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>38,736</td>
<td>25,335</td>
</tr>
<tr>
<td>Travel suppliers payable</td>
<td>115,915</td>
<td>102,237</td>
</tr>
<tr>
<td>Related party payable</td>
<td>81,214</td>
<td>71,006</td>
</tr>
<tr>
<td>Loans and other financial liabilities</td>
<td>13,882</td>
<td>7,179</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>23,242</td>
<td>29,095</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>54,879</td>
<td>49,686</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>4,002</td>
<td>3,613</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>$331,870</td>
<td>$288,151</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,633</td>
<td>409</td>
</tr>
<tr>
<td>Contingent liabilities</td>
<td>20,847</td>
<td>22,413</td>
</tr>
<tr>
<td>Related party liability</td>
<td>125,000</td>
<td>125,000</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>$147,480</td>
<td>$147,822</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>$479,350</td>
<td>$435,973</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SHAREHOLDERS’ DEFICIT</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common stock (1)</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Additional paid-in capital</td>
<td>314,261</td>
<td>312,155</td>
</tr>
<tr>
<td>Other reserves</td>
<td>(728)</td>
<td>(728)</td>
</tr>
<tr>
<td>Accumulated other comprehensive income</td>
<td>16,455</td>
<td>16,286</td>
</tr>
<tr>
<td>Accumulated losses</td>
<td>(391,181)</td>
<td>(409,982)</td>
</tr>
<tr>
<td><strong>Total Deficit attributable to Despegar.com, Corp.</strong></td>
<td>$(61,187)</td>
<td>$(82,263)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND SHAREHOLDERS’ DEFICIT</strong></td>
<td>$418,163</td>
<td>$353,710</td>
</tr>
</tbody>
</table>

(1) 58,518 shares issued and outstanding at June 30, 2017 and December 31, 2016.

The accompanying notes are an integral part of these consolidated financial statements.

F-34
### Unaudited Consolidated Statements of Operations

#### for the six-month period ended June 30, 2017 and 2016

(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>Six-month period ended June 30,</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
</tr>
<tr>
<td>Revenue (1)</td>
<td>248,461</td>
<td>193,912</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>(66,227)</td>
<td>(67,246)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>$ 182,234</td>
<td>$ 126,666</td>
</tr>
<tr>
<td><strong>Operating expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Selling and marketing</td>
<td>(78,835)</td>
<td>(57,710)</td>
</tr>
<tr>
<td>General and administrative</td>
<td>(37,487)</td>
<td>(29,146)</td>
</tr>
<tr>
<td>Technology and product development</td>
<td>(33,052)</td>
<td>(31,503)</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>$ (149,374)</td>
<td>$ (118,359)</td>
</tr>
<tr>
<td>Financial income</td>
<td>915</td>
<td>3,923</td>
</tr>
<tr>
<td>Financial expense</td>
<td>(8,682)</td>
<td>(7,962)</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>$ 25,093</td>
<td>$ 4,268</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(6,292)</td>
<td>(4,824)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>$ 18,801</td>
<td>$ (556)</td>
</tr>
</tbody>
</table>

(1) Includes $18,900 and $13,300 for related party transactions for the periods ended June 30, 2017 and 2016. See note 14.

#### Earnings per share available to common stockholders:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>0.32</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.32</td>
</tr>
</tbody>
</table>

#### Shares used in computing earnings per share (in thousands):

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>58,518</td>
</tr>
<tr>
<td>Diluted</td>
<td>58,609</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these consolidated financial statements.
Despegar.com, Corp.

Unaudited Consolidated Statements of Comprehensive Income / (Loss)
for the six-month period ended June 30, 2017 and 2016
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th></th>
<th>Six-month period ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Net income / (loss)</td>
<td>$18,801</td>
</tr>
<tr>
<td>Other comprehensive income / (loss), net of tax</td>
<td></td>
</tr>
<tr>
<td>Foreign currency translation adjustment (1)</td>
<td>169</td>
</tr>
<tr>
<td>Comprehensive income / (loss)</td>
<td>$18,970</td>
</tr>
</tbody>
</table>

(1) No tax impact

The accompanying notes are an integral part of these consolidated financial statements.

F-36
Despegar.com, Corp.

Unaudited Consolidated Statements of Changes in Shareholders’ Deficit
for the period ended June 30, 2017 and December 31, 2016
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>Number of shares (in thousands)</th>
<th>Common stock</th>
<th>Additional paid-in capital</th>
<th>Other reserves</th>
<th>Accumulated other comprehensive income</th>
<th>Accumulated Losses</th>
<th>Total Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as of December 31, 2015</strong></td>
<td>58,518</td>
<td>6</td>
<td>311,581</td>
<td>(728)</td>
<td>33,787</td>
<td>(427,779)</td>
</tr>
<tr>
<td>Stock-based compensation expense</td>
<td>—</td>
<td>—</td>
<td>100</td>
<td>—</td>
<td>—</td>
<td>100</td>
</tr>
<tr>
<td>Foreign currency translation adjustment</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(16,249)</td>
<td>—</td>
<td>(16,249)</td>
</tr>
<tr>
<td>Net loss for the period</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>(556)</td>
<td>(556)</td>
</tr>
<tr>
<td><strong>Balance as of June 30, 2016</strong></td>
<td>58,518</td>
<td>6</td>
<td>311,681</td>
<td>(728)</td>
<td>17,538</td>
<td>(428,335)</td>
</tr>
</tbody>
</table>

| **Balance as of December 31, 2016** | 58,518       | 6                         | 312,155       | (728)                                  | 16,286            | (409,982)    | (82,263)     |
| Stock-based compensation expense | —            | —                         | 2,106         | —                                      | —                 | 2,106        |              |
| Foreign currency translation adjustment | —            | —                         | —             | 169                                    | —                 | 169          |              |
| Net income for the period        | —            | —                         | —             | —                                      | 18,801            | 18,801       |              |
| **Balance as of June 30, 2017**  | 58,518       | 6                         | 314,261       | (728)                                  | 16,455            | (391,181)    | (61,187)     |

The accompanying notes are an integral part of these condensed financial statements.

F-37
## Unaudited Statements of Cash Flows

for the six-month period ended June 30, 2017 and 2016  
(in thousands U.S. dollars)

<table>
<thead>
<tr>
<th>Cash flows from operating activities:</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income / (loss)</td>
<td>$ 18,801</td>
<td>$ (556)</td>
</tr>
<tr>
<td>Adjustments to reconcile net income / (loss) to net cash flows from operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized foreign currency translation losses</td>
<td>686</td>
<td>994</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>2,705</td>
<td>2,528</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>3,556</td>
<td>3,646</td>
</tr>
<tr>
<td>Stock based compensation expense</td>
<td>2,106</td>
<td>100</td>
</tr>
<tr>
<td>Interest and penalties</td>
<td>454</td>
<td>356</td>
</tr>
<tr>
<td>Income taxes</td>
<td>2,795</td>
<td>709</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>743</td>
<td>1,397</td>
</tr>
<tr>
<td>Provision (recovery) for contingencies</td>
<td>779</td>
<td>(123)</td>
</tr>
<tr>
<td>Changes in assets and liabilities, net of non-cash transactions:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Increase) / Decrease in accounts receivable, net of allowances</td>
<td>(40,544)</td>
<td>(33,667)</td>
</tr>
<tr>
<td>(Increase) / Decrease in related party receivables</td>
<td>(1,386)</td>
<td>(110)</td>
</tr>
<tr>
<td>(Increase) / Decrease in other assets and prepaid expenses</td>
<td>430</td>
<td>3,407</td>
</tr>
<tr>
<td>Increase / (Decrease) in accounts payable and accrued expenses</td>
<td>13,621</td>
<td>(12,348)</td>
</tr>
<tr>
<td>Increase / (Decrease) in travel suppliers payable</td>
<td>14,251</td>
<td>(33,836)</td>
</tr>
<tr>
<td>Increase / (Decrease) in other liabilities</td>
<td>2,528</td>
<td>(2,791)</td>
</tr>
<tr>
<td>Increase / (Decrease) in contingencies</td>
<td>(637)</td>
<td>4,901</td>
</tr>
<tr>
<td>Increase / (Decrease) in related party liabilities</td>
<td>10,208</td>
<td>22,878</td>
</tr>
<tr>
<td>Increase / (Decrease) in deferred revenue</td>
<td>(5,815)</td>
<td>(5,137)</td>
</tr>
<tr>
<td>Net cash flows provided by / (used in) operating activities</td>
<td>$ 25,281</td>
<td>$ (47,652)</td>
</tr>
</tbody>
</table>

| Cash flows from investing activities: | | |
| (Increase) / Decrease in short-term investments | (238) | 40,013 |
| Acquisition of property and equipment | (4,122) | (1,875) |
| Increase of intangible assets, including internal-use software and website development | 6,157 | (5,683) |
| (Increase) / Decrease in restricted cash and cash equivalents | (5,473) | (458) |
| Net cash flows (provided by) / used in investing activities | $(15,990) | $ 31,997 |

| Cash flows from financing activities: | | |
| Increase in loans and other financial liabilities | 9,318 | 2,000 |
| Decrease in loans and other financial liabilities | (2,642) | (1,000) |
| Net cash flows provided by financing activities | $ 6,676 | $ 1,000 |
| Effect of exchange rate changes on cash and cash equivalents | 172 | (1,892) |
| Net increase / (decrease) in cash and cash equivalents | $ 16,139 | $ (16,547) |

| Cash and cash equivalents as of beginning of the year | $ 75,968 | $ 102,116 |
| Cash and cash equivalents as of end of the period | $ 92,107 | $ 85,569 |

### Supplemental cash flow information

| Cash paid for income and minimum notional income taxes | $ 7,476 | $ 6,593 |
| Interest paid | $ 454 | $ 356 |

The accompanying notes are an integral part of these condensed financial statements.
1. Operations of the Company

On May 3, 2017, the stockholders of Decolar.com, Inc., exchanged their shares for ordinary shares of Despegar.com, Corp. to create a new British Virgin Island holding company. Following the exchange, the Company’s shareholders own shares of Despegar.com, Corp. and Decolar.com, Inc. is a wholly-owned subsidiary of Despegar.com, Corp.

The audited consolidated financial statements as of and for the year ended December 31, 2016 and the unaudited condensed consolidated financial statements as of June 30, 2017 and for the six months ended June 30, 2017 and for the six months ended June 30, 2017 and 2016 to the extent related to the events and periods prior to May 3, 2017 are the consolidated financial statements of Decolar.com, Inc., which is our predecessor for accounting purposes.

Despegar.com, Corp. (formerly Decolar.com, Inc.), is an online travel agency, which provides leisure and business travelers the tools and information they need to make travel reservations with providers of travel products around the world.

Despegar.com is the leading online travel agency in Latin America and includes both the Decolar and Despegar brands. With a presence in 20 countries, Despegar’s websites and mobile apps help leisure and business travelers to book hotel rooms, airline tickets, packages, rental cars, cruises, destination services and travel insurance around the world. The Company operates primarily under the “Despegar.com” brand for Spanish and English speaking customers and the “Decolar.com” brand for Portuguese speaking customers. The Company also generates additional revenue through the sale of advertising on its websites.

Despegar.com provides its customers with multiple ways to save on travel-related products and multiple alternatives to pay for such products.

2. Basis of consolidation

In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of June 30, 2017, and its results of operations for the six months ended June 30, 2017 and 2016, and cash flows for the six months ended June 30, 2017 and 2016. The condensed consolidated balance sheet at December 31, 2016 was derived from audited annual consolidated financial statements but does not contain all of the footnote disclosures from the annual consolidated financial statements.

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries. The following are the Company’s main operating subsidiaries (all wholly-owned):

<table>
<thead>
<tr>
<th>Name of the Subsidiary</th>
<th>Country of Incorporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Despegar.com.ar S.A.</td>
<td>Argentina</td>
</tr>
<tr>
<td>Decolar.com LTDA.</td>
<td>Brazil</td>
</tr>
<tr>
<td>Despegar.com Chile SpA</td>
<td>Chile</td>
</tr>
<tr>
<td>Despegar Colombia S.A.S.</td>
<td>Colombia</td>
</tr>
<tr>
<td>Despegar Ecuador S.A.</td>
<td>Ecuador</td>
</tr>
<tr>
<td>Despegar.com México S.A. de C.V.</td>
<td>Mexico</td>
</tr>
<tr>
<td>Despegar.com Peru S.A.C.</td>
<td>Peru</td>
</tr>
<tr>
<td>Despegar.com USA, Inc.</td>
<td>United States</td>
</tr>
<tr>
<td>Travel Reservations S.R.L.</td>
<td>Uruguay</td>
</tr>
</tbody>
</table>
The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Although the subsidiaries transact the majority of their businesses in their local currencies, the Company has selected the United States dollar (“U.S. dollar”) as its reporting currency. All significant intercompany accounts and transactions have been eliminated.

Foreign currency translation
The Company’s foreign subsidiaries (except for Travel Reservations S.R.L in Uruguay and other subsidiaries in the United States, Ecuador and Venezuela, which use the U.S. dollar as functional currency) have determined the local currency to be their functional currency. Assets and liabilities are translated from their local currencies into U.S. dollars at the end-of-the-period exchange rates, and revenue and expenses are translated at average monthly rates in effect during the period. Translation adjustments are included in the consolidated statement of comprehensive income / (loss).

Gains and losses resulting from transactions in non-functional currencies are recognized directly in the unaudited consolidated statements of operations under the caption “Financial income / (expense)”.

3. Recently issued accounting pronouncements
The Company provides below a description of those standards which are relevant to the Company’s business only and the impact of their adoption if any.

In May 2014, the Financial Accounting Standards Board (“FASB”) issued an Accounting Standard Update (“ASU”) amending revenue recognition guidance and requiring more detailed disclosures to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In August 2015, the FASB issued an ASU deferring the effective date of the revenue standard so it would be effective for annual and interim reporting periods beginning after December 15, 2017. In addition, the FASB has also issued several amendments to the standard which clarify certain aspects of the guidance, including principal versus agent consideration and identifying performance obligations.

The guidance permits two methods of adoption: retrospectively to each prior reporting period presented (full retrospective), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (modified retrospective). We currently anticipate adopting the new guidance effective January 1, 2018 using the modified retrospective method, however, this decision is not final and is subject to the completion of our analysis of the guidance. While we are evaluating the full impact of the new standard on our consolidated financial statements, we have determined the new guidance will not change our previous conclusions on net presentation. Through the date of adoption, we will continue to update our assessment of the effect that the new revenue guidance will have on our consolidated financial statements, and will disclose further material effects, if any, when known.

In January 2017, the FASB issued ASU No. 2017-04. To simplify the subsequent measurement of goodwill, the amendments eliminate Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. The amendments also eliminate the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment and, if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. An entity still has the option
to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. A public business entity should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2019. A public business entity that is not an SEC filer should adopt the amendments for its annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2020. All other entities should do so for their annual or any interim goodwill impairment tests in fiscal years beginning after December 15, 2021. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of this standard is not expected to have a material impact on the Company’s financial statements.

4. Cash and cash equivalents

Cash and cash equivalents consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Banks</td>
<td>39,682</td>
<td>22,681</td>
</tr>
<tr>
<td>Time deposits</td>
<td>51,077</td>
<td>50,000</td>
</tr>
<tr>
<td>Money market funds</td>
<td>1,338</td>
<td>3,277</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$92,107</strong></td>
<td><strong>$75,968</strong></td>
</tr>
</tbody>
</table>

5. Accounts receivable, net of allowances

Accounts receivable, net of allowances consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>161,640</td>
<td>123,267</td>
</tr>
<tr>
<td>Others</td>
<td>696</td>
<td>1,344</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>(4,049)</td>
<td>(3,513)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$158,287</strong></td>
<td><strong>$121,098</strong></td>
</tr>
</tbody>
</table>

6. Other current assets and prepaid expenses

Other current assets and prepaid expenses consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax credits (1)</td>
<td>21,559</td>
<td>20,582</td>
</tr>
<tr>
<td>Cash managed by third parties</td>
<td>1,639</td>
<td>4,337</td>
</tr>
<tr>
<td>Advertising paid in advance</td>
<td>338</td>
<td>715</td>
</tr>
<tr>
<td>Others</td>
<td>2,889</td>
<td>1,550</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$26,425</strong></td>
<td><strong>$27,184</strong></td>
</tr>
</tbody>
</table>

(1) Mainly includes $ 3,459 of VAT credits, $ 13,184 of income tax credits (including net deferred tax assets), $4,253 of sales tax credits and $ 663 of other tax credits as of June 30, 2017; and $ 3,093 of VAT credits,
$11,432 of income tax credits (including net deferred tax assets), $4,581 of sales tax credits and $1,476 of other tax credits as of December 31, 2016

7. Property and equipment, net

Property and equipment, net consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer hardware and software</td>
<td>23,219</td>
<td>22,334</td>
</tr>
<tr>
<td>Office furniture and fixture</td>
<td>11,363</td>
<td>9,071</td>
</tr>
<tr>
<td>Buildings</td>
<td>2,752</td>
<td>2,298</td>
</tr>
<tr>
<td>Land</td>
<td>72</td>
<td>75</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>37,406</td>
<td>33,778</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>$(22,687)</td>
<td>$(20,061)</td>
</tr>
<tr>
<td>Total property and equipment, net</td>
<td>$14,719</td>
<td>$13,717</td>
</tr>
</tbody>
</table>

Total depreciation expense for the six-month period ended June 30, 2017 is $2,705 and for the year ended December 31, 2016 is $5,089.

8. Goodwill and intangible assets, net

Goodwill and intangible assets, net consists of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill (1)</td>
<td>39,615</td>
<td>38,894</td>
</tr>
<tr>
<td>Intangible assets with indefinite lives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brands and domains</td>
<td>13,882</td>
<td>13,882</td>
</tr>
<tr>
<td>Amortizable Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal-use software and site internally developed</td>
<td>41,295</td>
<td>35,217</td>
</tr>
<tr>
<td>Total intangible assets</td>
<td>55,177</td>
<td>49,099</td>
</tr>
<tr>
<td>Accumulated amortization (2)</td>
<td>(21,217)</td>
<td>(17,687)</td>
</tr>
<tr>
<td>Total intangible assets, net</td>
<td>$33,960</td>
<td>$31,412</td>
</tr>
</tbody>
</table>
Following is the breakdown of Goodwill per reporting unit as of June 30, 2017 and as of December 31, 2016:

<table>
<thead>
<tr>
<th></th>
<th>Balance of beginning of period</th>
<th>Other comprehensive Income / (Loss)</th>
<th>Balance at end of period / year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2,187</td>
<td>(98)</td>
<td>2,089</td>
</tr>
<tr>
<td>Argentina</td>
<td>12,959</td>
<td>(192)</td>
<td>12,767</td>
</tr>
<tr>
<td>Brazil</td>
<td>6,909</td>
<td>1,011</td>
<td>7,920</td>
</tr>
<tr>
<td>Mexico</td>
<td>16,839</td>
<td>—</td>
<td>16,839</td>
</tr>
<tr>
<td>Uruguay</td>
<td>38,894</td>
<td>721</td>
<td>39,615</td>
</tr>
<tr>
<td>2016</td>
<td>2,665</td>
<td>(478)</td>
<td>2,187</td>
</tr>
<tr>
<td>Argentina</td>
<td>10,816</td>
<td>2,143</td>
<td>12,959</td>
</tr>
<tr>
<td>Brazil</td>
<td>8,234</td>
<td>(1,325)</td>
<td>6,909</td>
</tr>
<tr>
<td>Mexico</td>
<td>16,839</td>
<td>—</td>
<td>16,839</td>
</tr>
<tr>
<td>Uruguay</td>
<td>38,554</td>
<td>340</td>
<td>38,894</td>
</tr>
</tbody>
</table>

Goodwill is fully attributable to the Air operating segment.

Total amortization expense for the six-month period ended June 30, 2017 is $3,556 and for the year ended December 31, 2016 is $ 7,835. The estimated future amortization expense related to intangible assets with definite lives as of June 30, 2017, assuming no subsequent impairment of the underlying assets, is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021 and beyond</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remaining 2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,843</td>
<td>20,078</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,525</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,525</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>584</td>
<td></td>
</tr>
<tr>
<td>2021 and beyond</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,601</td>
<td></td>
</tr>
</tbody>
</table>

9. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing suppliers</td>
<td>23,619</td>
<td>15,723</td>
</tr>
<tr>
<td>Provision for invoices to be</td>
<td>5,166</td>
<td>3,353</td>
</tr>
<tr>
<td>received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affiliated agencies</td>
<td>570</td>
<td>690</td>
</tr>
<tr>
<td>Other suppliers</td>
<td>9,381</td>
<td>5,569</td>
</tr>
<tr>
<td></td>
<td>$38,736</td>
<td>$25,335</td>
</tr>
</tbody>
</table>

F-43
10. Travel Supplier payables

Travel Supplier payables consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels and other travel service suppliers (1)</td>
<td>94,200</td>
<td>96,357</td>
</tr>
<tr>
<td>Airlines</td>
<td>21,715</td>
<td>5,880</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$115,915</strong></td>
<td><strong>$102,237</strong></td>
</tr>
</tbody>
</table>

(1) Includes $84,988 and $84,477 as of June 30, 2017 and December 31, 2016, respectively, for deferred merchant bookings, which will be due after the traveler has checked out.

11. Other liabilities

Other current liabilities consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries payable (1)</td>
<td>35,691</td>
<td>33,266</td>
</tr>
<tr>
<td>Taxes payable (2)</td>
<td>16,185</td>
<td>14,914</td>
</tr>
<tr>
<td>Others</td>
<td>3,003</td>
<td>1,506</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$54,879</strong></td>
<td><strong>$49,686</strong></td>
</tr>
</tbody>
</table>

(1) Includes $5,075 settlements payables with certain management stockholders. See note 14.

(2) Includes deferred tax liabilities. See note 12.

Other non-current liabilities consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taxes payable</td>
<td>1,633</td>
<td>409</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,633</strong></td>
<td><strong>$409</strong></td>
</tr>
</tbody>
</table>
12. Income taxes

Below the classification of deferred tax assets/liabilities by current and non-current:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current deferred tax assets</td>
<td>19,335</td>
<td>9,173</td>
</tr>
<tr>
<td>Non-Current deferred tax assets</td>
<td>35,062</td>
<td>39,950</td>
</tr>
<tr>
<td><strong>Total deferred tax assets</strong></td>
<td><strong>54,397</strong></td>
<td><strong>49,123</strong></td>
</tr>
<tr>
<td>Less valuation allowance</td>
<td>(50,405)</td>
<td>(45,526)</td>
</tr>
<tr>
<td><strong>Net deferred tax assets</strong></td>
<td><strong>3,992</strong></td>
<td><strong>3,597</strong></td>
</tr>
<tr>
<td>Current deferred tax liabilities</td>
<td></td>
<td>(1,002)</td>
</tr>
<tr>
<td><strong>Total deferred tax liabilities</strong></td>
<td></td>
<td><strong>(1,002)</strong></td>
</tr>
</tbody>
</table>

The following is a reconciliation of the difference between the actual provision for income taxes and the provision computed by applying the blended income tax rate (30%) for 2017 and 2016 to income before taxes:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of December 31, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Income before Income Tax</td>
<td>25,093</td>
<td>4,268</td>
</tr>
<tr>
<td>Weighted average income tax rate (3)</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Income tax expense at weighted average income tax rate</td>
<td>7,528</td>
<td>1,280</td>
</tr>
<tr>
<td><strong>Permanent differences:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Non-Taxable Income) (1)</td>
<td>(10,707)</td>
<td>(9,217)</td>
</tr>
<tr>
<td>Foreign non-creditable withholding tax (2)</td>
<td>3,498</td>
<td>3,040</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>1,059</td>
<td>3,566</td>
</tr>
<tr>
<td>Others</td>
<td>35</td>
<td>605</td>
</tr>
<tr>
<td>Change in Valuation allowance</td>
<td>4,879</td>
<td>5,550</td>
</tr>
<tr>
<td><strong>Income Tax expense</strong></td>
<td><strong>6,292</strong></td>
<td><strong>4,824</strong></td>
</tr>
</tbody>
</table>

(1) Includes tax benefits on export services to non-free Uruguayan territories from “Free Trade Zone” in Uruguay.
(2) Includes foreign withholding taxes on royalties and services.
(3) The Company uses a blended rate for the income tax reconciliation, since most of the business operations are run by subsidiaries located outside the U.S., where the enacted tax rate is lower than the U.S. federal statutory rate. The calculation is performed based on an average between the enacted tax rates of the foreign jurisdictions.

13. Commitments and contingencies

Leases

The Company leases office space under operating lease agreements with original terms ranging from 2 to 5 years. Rent expense amounted to $2,277 and $ 1,174 for the period ended June 30, 2017, and the year ended
December 31, 2016, respectively. The Company’s lease obligations under non-cancellable operating leases are as follows:

<table>
<thead>
<tr>
<th>Period ended June 30, 2017</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>3,751</td>
</tr>
<tr>
<td>2 – 3 years</td>
<td>6,730</td>
</tr>
<tr>
<td>4 – 5 years</td>
<td>3,109</td>
</tr>
<tr>
<td>After 5 years</td>
<td>37</td>
</tr>
<tr>
<td>Total</td>
<td>13,627</td>
</tr>
</tbody>
</table>

**Employment agreements**

The Company has entered into employment agreements with certain key employees providing compensation guidelines for each employee. Pursuant to the terms of the employment agreements, the executives are generally entitled to receive compensation in the form of (i) an annual salary payable in cash on a monthly basis and (ii) a yearly bonus subject to the fulfillment of certain performance targets.

**Tax, legal and other**

The Company is involved in disputes arising from its ordinary course of business. Although the ultimate resolution on these matters cannot be reasonably estimated at this time, management does not believe that they will have a material adverse effect on the financial condition or results of operations of the Company.

As of June 30, 2017 the Company had accrued liabilities of $9,682 for the tax contingency discussed below and approximately $11,800 related to unasserted tax claims. The Company currently estimates unasserted possible losses related to matters for which it has not accrued liabilities, as they are not deemed probable and reasonably estimable, to be approximately $34,300. The Company evaluates the likelihood of probable and reasonably possible losses, if any, related to all known contingencies on an ongoing basis. As a result, future increases or decreases to its accrued liabilities may be necessary and will be recorded in the period when such amounts are determined to be probable and reasonably estimable.

**Brazilian Tax Authority Claim**

In March 2013, São Paulo tax authorities have asserted taxes (Brazilian municipal taxes “Imposto Sobre Serviço”) and fines against the Company’s Brazilian subsidiary relating to the period from 2008 to 2011 in an approximate updated amount of $21,500, including ordinary taxable services on commissions earned. On April 2, 2013, the Company’s Brazilian subsidiary filed an administrative defense against the authorities’ claim. In a decision published on August 30, 2014 the São Paulo tax authorities ruled against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed. An appeal to the São Paulo City Administrative Court was filed on September 30, 2014. On December 4, 2015, the Administrative Court ruled partially against the Brazilian subsidiary upholding the claimed taxes and the fines previously imposed.

The Brazilian subsidiary has gradually moved its operations to Guarulhos City, Brazil; and pays taxes in such jurisdiction.

On July 5, 2017, the Municipality of Sao Paulo, published the terms of a special installment program called “Programa de Parcelamento Incentivado, PPI 2017”. This program offers two alternatives for paying municipal taxes.
Despegar.com, Corp.

Notes to the Unaudited Financial Statements
(in thousands U.S. dollars)

tax liability (“Imposto Sobre Serviço”) (adjusted by interest and penalties through the date the company applies to the program):

(i) a single installment with a 85% reduction in the interest due and 75% reduction in the penalties; or
(ii) payments in 120 monthly installments. Under this alternative, the interest and penalties through the date of application will be reduced by 60% and 50%, respectively. Each installment accrues interest at the monthly Sistema Especial de Liquidação e Custódia (Special Clearance and Escrow System or SELIC) interest rate plus 1%.

Company’s management and its legal counsel believe that the estimated probable loss is $9,682; which has been provisioned for in the consolidated financial statements as of June 30, 2017 within non-current contingent liabilities.

14. Related party transactions

Settlement with Certain Management Stockholders

In the last two months of 2016, the Company entered into settlement agreements and terminated the employment of two Management Stockholders. The settlement agreements includes a payable cash amount of $5,800, as a result of an employee relationship benefit and non competition and non disclosure agreement, out of which a 50% will be payable on July 1, 2018 or upon the occurrence of a liquidity event, which may result from the consummation of an initial public offering, or a capital injection among other conditions, and the rest during 2017.

Expedia Outsourcing Agreement

In March 2015, the Company entered into a Lodging Outsourcing Agreement (the “Expedia Outsourcing Agreement”) with Expedia expanding their commercial relationship. The Expedia Outsourcing Agreement broadened Expedia’s powering of Despegar.com’s hotel supply, including the designation of Expedia as provider of hotel inventory outside of Latin America as from April 1, 2015. During the term of the agreement, Expedia will pay Despegar.com a marketing fee for each booking of Expedia’s inventory. The Expedia Outsourcing Agreement includes customary terms for this type of long-term partnerships, and also includes:

(a) the obligation to generate a minimum volume of transactions; and
(b) a termination penalty of $125,000; and
(c) unilaterally by Expedia in the event of a change of control of the Company. In addition, the Expedia Outsourcing Agreement provided the opportunity for Expedia to access Despegar’s hotel supply inventory in Latin America.

Under the Expedia Outsourcing Agreement, “Change of Control” means (a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of the Company and its subsidiaries, taken as a whole, to any Strategic Party or (b) the acquisition by any Strategic Party, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership, of more than 50% of the total voting or economic power of the securities of the Company or any direct or indirect parent of the Company. “Strategic Party” means any Person other than a single individual which does not directly or indirectly own or control any assets or companies operating (x) in the consumer or corporate travel industry, or (y) as an Internet-enabled provider of travel search or information services.

Unilateral termination of the Expedia Outsourcing Agreement by the Company, in addition to triggering the penalty described above, also gives Expedia the right to sell its shares back to the Company for fair market value.
Operations with Expedia

The balances between the Company and Expedia are: $3,626 and $2,240 as of June 30, 2017 and as of December 31, 2016, respectively, recorded in Related party receivable; and $81,214 and $71,006 as of June 30, 2017 and as of December 31, 2016, respectively, recorded in Related party payables.

The net related party transactions with Expedia are $18,900 and $13,300 for the periods ended June 30, 2017 and 2016, respectively, recorded in Revenue.

In addition, the Company has provided Expedia with a guaranty in form of security deposits in an aggregated amount of $10,000. They are recorded in restricted cash and cash equivalents non-current.

15. Fair value measurements

The following table summarizes the Company’s financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2017 and December 31, 2016:

<table>
<thead>
<tr>
<th>Description</th>
<th>Balances as of June 30, 2017</th>
<th>Quoted prices in active markets for (Level 1)</th>
<th>Significant other (Level 2)</th>
<th>Balances as of December 31, 2016</th>
<th>Quoted prices in active markets for (Level 1)</th>
<th>Significant other (Level 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Derivatives</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foreign currency forward contract</td>
<td>2</td>
<td></td>
<td>2</td>
<td>715</td>
<td>715</td>
<td></td>
</tr>
<tr>
<td>Total financial assets</td>
<td>2</td>
<td></td>
<td>2</td>
<td>715</td>
<td>715</td>
<td></td>
</tr>
</tbody>
</table>

As of June 30, 2017 and as of December 31, 2016, the Company’s financial assets valued at fair value consisted of assets valued using; (i) Level 1 inputs: unadjusted quoted prices in active markets (Level 1 instrument valuations are obtained from observable inputs that reflect quoted prices (unadjusted) for identical assets in active markets); and (ii) Level 2 inputs, which are obtained from readily-available pricing sources for comparable instruments as well as instruments with inactive markets at the measurement date. As of June 30, 2017 and as of December 31, 2016, the Company did not have any assets without market values that would require a high level of judgment to determine fair value (Level 3).

As of June 30, 2017 and as of December 31, 2016, the carrying value of the Company’s financial assets and liabilities measured at amortized cost approximated their fair value because of its short term maturity. These assets and liabilities included cash and cash equivalents; restricted cash; accounts receivables, net; other receivables and prepaid expenses; other non-current assets; accounts payable and accrued expenses; hotel suppliers payable; loans and other financial liabilities; salaries and social security payable; taxes payable and other liabilities. Loans payable approximate their fair value because the interest rates are not materially different from market interest rates.

The fair values for those financial assets and liabilities of the Company measured at amortized cost, is equal to their respective book values as of June 30, 2017 and as of December 31, 2016.

In addition, as of June 30, 2017 and as of December 31, 2016, the Company had $100,263 and $93,197 of cash and cash equivalents and restricted cash and cash equivalents, respectively, which consisted of time deposits.
Those investments are accounted for at amortized cost, which, as of June 30, 2017 and as of December 31, 2016, approximates their fair values.

There have been no reclassifications among fair value levels.

16. Earnings per share

Earnings per share

Basic earnings per share

Basics earnings per share was calculated using the weighted average number of common shares outstanding during the period.

Diluted earnings per share

The Company computed diluted earnings per share using (i) the number of shares of common stock used in the basic earnings per share calculation as indicated above (ii) if diluted, the incremental common stock that the Company would issue upon the assumed exercise of restricted stock units. Stock options are out-of-the-money as the strike price exceeds current share price; therefore they are not included in the computation of diluted earnings per share.

The following table presents basic and diluted earnings per share:

<table>
<thead>
<tr>
<th></th>
<th>As of June 30, 2017</th>
<th>As of June 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income / (loss) attributable to Despegar.com, Corp.</td>
<td>18,801</td>
<td>(179)</td>
</tr>
<tr>
<td>Earnings per share attributable to Despegar.com, Corp.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>0.32</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Diluted</td>
<td>0.32</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Weighted average number of shares outstanding</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic</td>
<td>58,518</td>
<td>58,518</td>
</tr>
<tr>
<td>Dilutive effect of restricted stock units</td>
<td>91</td>
<td>—</td>
</tr>
</tbody>
</table>

17. Stock based compensation

2015 Restricted Stock Unit Plan

On March 6, 2015, the shareholders of the Company approved a new restricted stock unit plan including the issuance of 90,626 restricted stock unit (the “RSUs”) in favor of an officer of the Company.

The RSUs include the following conditions:

- Time-based condition: satisfied with respect to
  - 40,626 RSUs on January 1, 2016;
  - 20,000 RSUs on January 1, 2017;
  - 20,000 RSUs on January 1, 2018; and
  - 10,000 RSUs on July 1, 2018;
provided that the officer remains in continuous service through each applicable date.

- Liquidity Event Requirement: satisfied on the earlier to occur of
  - an Initial Public Offering of the Company’s common stock, or
  - a change of control transaction (sale event).
- No additional vesting exists upon completion of a liquidity event.
- Restrictions:
  - Repurchase rights: in the event of a change of control, the Company has the right to repurchase certain shares contingent upon the valuation of the Company at such time, and
  - Transfer restrictions: after the consummation of an Initial Public Offering transfer restrictions apply limiting the ability to transfer certain shares subject to the valuation of the Company at such time.

The Company has used the Fair Value Method for determining the value of the RSU plan. The remaining vesting period as of June 30, 2017 is 12 months.

2016 Stock Option Plan

On November 2016, the Board of Directors of the Company approved, subject to the approval of the Company’s Stockholders (which occurred in March 2017), to adopt a stock plan and reserve for issuance up to 4,000,000 stock options, from which 3,175,000 stock options were effectively granted in favor of some officers of the Company.

The plan includes the following conditions:

- Time-based condition: satisfied with respect to:
  - 5% stock options on December 1, 2017;
  - 10% stock options on December 1, 2018;
  - 15% stock options on December 1, 2019;
  - 20% stock options on December 1, 2020;
  - 25% stock options on December 1, 2021; and
  - 25% stock options on December 1, 2022;
  if the officer remains in continuous service through each applicable date.
- Liquidity Event Requirement: satisfied on the earlier to occur of
  - (i) an Initial Public Offering of the Company’s common stock, or
  - (ii) a change of control event.
- No additional vesting exists upon completion of a liquidity event.

The Company has used the Fair Value Method for determining the value of the stock options plan. The remaining vesting period as of June 30, 2017 is 65 months.
The fair value of stock options granted, was estimated at the date of grant using the income approach valuation techniques, including the Black-Scholes and Monte Carlo option-pricing models, assuming the following weighted average assumptions:

<table>
<thead>
<tr>
<th>Risk-free interest rate</th>
<th>1.84%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expected volatility</td>
<td>39.9%</td>
</tr>
<tr>
<td>Expected life (in years)</td>
<td>6</td>
</tr>
<tr>
<td>Weighted-average estimated fair value of options granted</td>
<td>$6.90</td>
</tr>
</tbody>
</table>

The number of stock options granted (3,175,000) has not varied in the period.

As of June 30, 2017, there was approximately $19,900 of unrecognized stock-based compensation expense related to unvested stock-based awards, which is expected to be recognized in expense over a weighted-average period of 5.5 years. Compensation cost will not be impacted upon completion of a liquidity event.

On August 10, 2017, the Board of Directors and the shareholders of the Company approved the Amended and Restated 2016 Stock Incentive Plan and reserved for issuance 861,777 shares, which increases the total number of shares subject to such plan to no more than 4,861,777 shares.

18. Guarantees

The Company is required to be accredited by the International Air Transport Association ("IATA") in order to promote and sell international air passenger transportation of airlines connected to IATA. Certain Despegar.com subsidiaries granted guarantees for $49,186 for the benefit of the IATA, Expedia and other suppliers in the form of time deposits or bank and insurance guarantees, which were recorded as Restricted cash and cash equivalent in the consolidated balance sheet and also granted a mortgage in favor of IATA on a building in Argentina.

19. Segment information

In order to make operating decisions and assess performance, the Company’s chief operating decision function organized the Company’s business between two operating segments, namely “Air” and “Packages, Hotels and Other travel products”, each of them having their respective segment management.

The “Air” operating segment derives its revenue from commissions earned from facilitating reservations of flight tickets, service fees charged to customers for processing flight tickets and override commissions or incentives from suppliers and GDS if the Company meets certain volume thresholds.

The “Packages, Hotels and Other travel products” operating segment derives its revenue from commissions earned from facilitating reservations of hotel accommodations, car rentals and other travel related products and services, service fees charged to customers for processing bookings, advertising revenue from the sale of advertising placements on the Company’s websites and override commissions or incentives from suppliers if the Company meets certain volume thresholds. Packages are bundle deals where the customer selects and buys multiple products, which may include air tickets, within the same session, while in these transactions the Company acts as intermediary as in other sales. The air portion of these packages is included within the “Packages, Hotels and Other travel products” operating segment.

The Company’s primary measure of segment’s profit or loss is Adjusted EBITDA, which includes allocations of certain expenses based on transaction volumes and other usage metrics. The Company does not allocate certain shared expenses such as accounting, human resources and legal to its reportable segments. The Company includes these expenses as Unallocated. The Company’s allocation methodology is periodically evaluated and may change.
The Company does not have:

- transactions between reportable segments
- assets allocated by segment, or
- revenue from transactions with a single customer amounting to 10 percent or more of revenue.

The following tables present the Company’s segment information for the periods ended June 30, 2017 and 2016. While depreciation and amortization is allocated to operating segments based on operational measures such as relative headcount and IT investment, property and equipment is not allocated to operating segments, and the Company does not report the assets by segment as it would not be meaningful. The Company does not regularly provide such information to its chief operating decision makers.

### Six-month period as of June 30, 2017

<table>
<thead>
<tr>
<th></th>
<th>Air packages, hotels and other travel products</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>116,653</td>
<td>131,808</td>
<td>248,461</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>27,873</td>
<td>18,043</td>
<td>41,227</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(1,340)</td>
<td>(1,874)</td>
<td>(6,261)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>(2,106)</td>
<td>(2,106)</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>26,533</td>
<td>16,169</td>
<td>32,860</td>
</tr>
<tr>
<td>Financial income</td>
<td>—</td>
<td>—</td>
<td>915</td>
</tr>
<tr>
<td>Financial expense</td>
<td>—</td>
<td>—</td>
<td>(8,682)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income tax</strong></td>
<td>—</td>
<td>—</td>
<td>25,093</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>(6,292)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>—</td>
<td>—</td>
<td>18,801</td>
</tr>
</tbody>
</table>

### Six-month period as of June 30, 2016

<table>
<thead>
<tr>
<th></th>
<th>Air packages, hotels and other travel products</th>
<th>Unallocated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>92,149</td>
<td>101,763</td>
<td>193,912</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>(984)</td>
<td>13,515</td>
<td>14,581</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>(1,700)</td>
<td>(2,302)</td>
<td>(6,174)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>—</td>
<td>(100)</td>
<td>(100)</td>
</tr>
<tr>
<td><strong>Operating income / (loss)</strong></td>
<td>(2,684)</td>
<td>11,213</td>
<td>8,307</td>
</tr>
<tr>
<td>Financial income</td>
<td>—</td>
<td>—</td>
<td>3,923</td>
</tr>
<tr>
<td>Financial expense</td>
<td>—</td>
<td>—</td>
<td>(7,962)</td>
</tr>
<tr>
<td><strong>Income / (loss) before income tax</strong></td>
<td>—</td>
<td>—</td>
<td>4,268</td>
</tr>
<tr>
<td>Income tax expense</td>
<td>—</td>
<td>—</td>
<td>(4,824)</td>
</tr>
<tr>
<td><strong>Net income / (loss)</strong></td>
<td>—</td>
<td>—</td>
<td>(556)</td>
</tr>
</tbody>
</table>

### Geographic information

In the six-month period ended June 30, 2017, 23% of revenue was originated in transactions invoiced by the subsidiary in Argentina, 28% by the subsidiary in Brazil and 32% by the subsidiaries in Uruguay (30%, 28% and 24%, respectively, as of June 30, 2016). Subsidiaries in no individual country other than those detailed above accounted for more than 10% of revenue.
Virtuous Cycle Based on Increasing Scale and Brand Recognition

- Extensive knowledge of the Latin American market
- Fast, easily searchable and transparent travel research, planning, and booking
- Increasing internet penetration and shift to mobile with an intuitive, fast, and feature-rich platform
- Broad and diversified selection of travel products at attractive prices
- Highly fragmented suppliers seeking online distribution
- Growth in banked consumers transacting online
- Increasing travel spend per capita
- Better supplier terms
- More transactions and cross-selling
- More traffic

Larger Scale

Stronger Brand

More Traffic

Better Supplier Terms

More Transactions & Cross-Selling
PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors and Officers.

Under BVI law, each of our directors, in exercising his powers or performing his duties, is required to act honestly and in good faith and in what the director believes to be in our best interests, is required to exercise his powers as a director for a proper purpose, may not act, or agree to us acting, in a manner that contravenes the BVI Act or our memorandum or articles of association, and is required to exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances (taking into account, but without limitation, the nature of the company; the nature of the decision; and the position of the director and the nature of the responsibilities undertaken by him).

Our IPO memorandum and articles of association provide that, to the fullest extent permitted by law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which the Company is permitted to provide indemnification under applicable law) through provisions in the IPO memorandum and articles of association, agreements with such directors, officers agents or other persons, vote of disinterested directors or otherwise, subject only to limits created by the BVI Act.

Our IPO memorandum and articles of association provide that the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who: (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or (b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise; provided that such indemnification shall not apply unless the person claiming such indemnification acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

We may pay any expenses, including legal fees, incurred by any such person in defending any legal, administrative or investigative proceedings in advance of the final disposition of the proceedings. If a person to be indemnified has been successful in defense of any proceedings referred to above, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

We may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not we have or would have had the power to indemnify the person against the liability as provided in our IPO memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or controlling persons pursuant to the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable as a matter of United States law.
Item 7. Recent Sales of Unregistered Securities.

On May 3, 2017, the stockholders of our predecessor, Decolar.com, Inc., a Delaware corporation, exchanged their shares for newly issued ordinary shares of Despegar.com, Corp. to create a new BVI holding company. During the past three years, Decolar.com, Inc. has (a) issued and sold and (b) repurchased from our shareholders, the securities described below without registering the securities under the Securities Act. None of these transactions involved any underwriters’ underwriting discounts or commissions, or any public offering. We believe that each of the following issuances was exempt from registration under the Securities Act in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions or pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Date of Sale or Issuance</th>
<th>Title of Securities</th>
<th>Number of Securities</th>
<th>Consideration (in $)</th>
<th>Securities Registration Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedia, Inc.</td>
<td>March 6, 2015</td>
<td>common stock</td>
<td>9,590,623</td>
<td>270,000,014</td>
<td>Regulation S and Section 4(a)(2) of the Securities Act</td>
</tr>
</tbody>
</table>

(1) Decolar.com, Inc. used $50,000,000 of this consideration to repay in full promissory notes held by Tiger Global and its affiliates and $44,999,913 to repurchase 1,598,434 shares of its common stock from certain of its stockholders.

In addition to the above, Decolar.com, Inc. also granted RSUs and share options to certain of our directors and employees. In 2015, Decolar.com, Inc. granted 90,626 RSUs. As of August 31, 2017, the Company and our predecessor, Decolar.com, Inc., have collectively granted an aggregate of 3,775,000 share options to our employees to purchase an aggregate of 3,775,000 ordinary shares in the past three years, in consideration of their past and future services to us. On various dates between May 7, 2014 and April 9, 2015, the company issued and sold an aggregate of 280,000 shares of our common stock upon exercise of options issued under the 2008 Stock Plan for aggregate consideration of $280,000, with a per share exercise price of $1.00. Such securities issuances were exempt from the registration requirements of the Securities Act in reliance on Regulation S, Rule 701 under the Securities Act and Section 4(a)(2) of the Securities Act. For further information, see “Management.”


1. Exhibits: See Exhibit Index beginning on page II-6 of this Registration Statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made for the benefit of the other parties to the applicable agreement and (1) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (2) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (3) may apply contract standards of “materiality” that are different from “materiality” under the applicable securities laws; and (4) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement. We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this registration statement not misleading.

2. Financial Statement Schedules: All schedules have been omitted because they are not required, are not applicable or the required information is otherwise set forth in the audited consolidated financial statements or related notes thereto.
Item 9. Undertakings.

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that:

1. For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective; and

2. For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Buenos Aires, Argentina on August 31, 2017.

DESPEGAR.COM, CORP.

By: /s/ Juan Pablo Alvarado
Name: Juan Pablo Alvarado
Title: General Counsel
Pursuant to the requirements of the Securities Act, this registration statement has been signed by the following persons in the capacities indicated on August 31, 2017.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>By: *</td>
<td>Director and Chief Executive Officer (principal executive officer) Name: Damián Scokin</td>
</tr>
<tr>
<td>By: *</td>
<td>Chief Financial Officer (principal financial officer and principal accounting officer) Name: Michael Doyle</td>
</tr>
<tr>
<td>By: *</td>
<td>Director (Chairman) Name: Jason Lenga</td>
</tr>
<tr>
<td>By: *</td>
<td>Director Name: Rodrigo Catunda</td>
</tr>
<tr>
<td>By: *</td>
<td>Director Name: Nilesh Lakhani</td>
</tr>
<tr>
<td>By: *</td>
<td>Director Name: Gary Morrison</td>
</tr>
<tr>
<td>By: *</td>
<td>Director Name: Martin Rastellino</td>
</tr>
<tr>
<td>By: *</td>
<td>Director Name: Mario Eduardo Vázquez</td>
</tr>
<tr>
<td>By: /s/ Donald J. Puglisi</td>
<td>Authorized Representative in the United States Name: Donald J. Puglisi</td>
</tr>
</tbody>
</table>

*By: /s/ Juan Pablo Alvarado Name: Juan Pablo Alvarado Title: Attorney-in-Fact
**Table of Contents**

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1**</td>
<td>Form of Underwriting Agreement</td>
</tr>
<tr>
<td>3.1</td>
<td>Form of Memorandum and Articles of Association of Despegar.com, Corp in the form to be adopted prior to the initial public offering</td>
</tr>
<tr>
<td>4.1</td>
<td>Sixth Amended and Restated Investors’ Rights Agreement, dated as of August 29, 2017, by and among the Company and the shareholders named therein</td>
</tr>
<tr>
<td>4.2</td>
<td>Fourth Amended and Restated First Refusal and Co-Sale Agreement, dated as of August 29, 2017, by and among the Company and the shareholders named therein</td>
</tr>
<tr>
<td>4.3</td>
<td>Fourth Amended and Restated Voting Agreement, dated as of August 29, 2017, by and among the Company and the shareholders named therein</td>
</tr>
<tr>
<td>5.1</td>
<td>Form of Opinion of Conyers Dill &amp; Pearman, British Virgin Islands counsel of Despegar, as to the validity of the ordinary shares issued by Despegar.com, Corp.</td>
</tr>
<tr>
<td>8.1</td>
<td>Form of Opinion of Conyers Dill &amp; Pearman, British Virgin Islands counsel of Despegar, as to British Virgin Islands tax matters (included in Exhibit 5.1)</td>
</tr>
<tr>
<td>10.2†</td>
<td>Amended and Restated Despegar Outsourcing Agreement dated as of July 12, 2017, among Expedia, Inc., Travelscape, LLC, Vacation Spot S.L., Hotels.com L.P., AAE Travel Pte., Ltd., Expedia Lodging Partner Services, Sarl and Hotwire, Inc. and Travel Reservations S.R.L.</td>
</tr>
<tr>
<td>10.3*</td>
<td>Decolar.com, Inc. 2015 Stock Plan</td>
</tr>
<tr>
<td>10.4*</td>
<td>Despegar.com, Corp. 2016 Stock Incentive Plan</td>
</tr>
<tr>
<td>21.1*</td>
<td>List of Subsidiaries of Despegar</td>
</tr>
<tr>
<td>23.1</td>
<td>Consent of Price Waterhouse &amp; Co. S.R.L.</td>
</tr>
<tr>
<td>23.2</td>
<td>Consent of Conyers Dill &amp; Pearman (included in Exhibit 5.1)</td>
</tr>
<tr>
<td>24.1*</td>
<td>Powers of Attorney (included on signature page to the Registration Statement)</td>
</tr>
</tbody>
</table>

* Previously filed  
** To be filed subsequently  
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been filed separately with the Securities and Exchange Commission.
TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT

MEMORANDUM OF ASSOCIATION

AND ARTICLES OF ASSOCIATION

OF

DESPEGAR.COM, CORP.

Incorporated on February 10, 2017
Amended and Restated on May 3, 2017
Amended and Restated on [•], 2017

Conyers Trust Company (BVI) Limited
P.O. Box 3140
Road Town
Tortola
British Virgin Islands
TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT

MEMORANDUM OF ASSOCIATION

OF

Despegar.com, Corp.

1. NAME

The name of the Company is Despegar.com, Corp. (the “Company”).

2. STATUS

The Company is a company limited by shares.

3. REGISTERED OFFICE AND REGISTERED AGENT

(a) The first registered office of the Company is Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110.

(b) The first registered agent of the Company is Codan Trust Company (B.V.I.) Ltd. (now called Conyers Trust Company (BVI) Limited) of Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110.

4. CAPACITY AND POWERS

Subject to the Act and any other British Virgin Islands legislation, the Company has, irrespective of corporate benefit:

(a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and

(b) for the purposes of sub-Clause 4(a), full rights, powers and privileges.
5. **NUMBER AND CLASSES OF SHARES**

The Company is authorised to issue an unlimited number of shares without par value. The shares shall be comprised initially of one single class, being an unlimited number of ordinary shares without par value (the “Common Shares”).

6. **RIGHTS ATTACHING TO SHARES**

Subject to this Memorandum and the Articles and the rights attaching to each Additional Class of Shares, a Common Share confers on the holder:

(a) the right to one vote at a meeting of the Members or on any Resolution of Members;
(b) the right to an equal share in any dividend paid by the Company; and
(c) the right to an equal share in the distribution of the surplus assets of the Company on a winding up.

7. **POWER OF DIRECTORS TO AUTHORISE AND ISSUE PREFERRED SHARES**

(a) Notwithstanding any other provision of this Memorandum or the Articles, the Company may from time to time by Resolution of Directors adopted in accordance with sub-Clause 9(c) below, and without prior notice to or obtaining the approval of any shareholder, amend this Memorandum and the Articles to authorise the issuance by the Company of any additional class or classes of shares with or without par value (each an “Additional Class of Shares”) and specify the rights, privileges, restrictions and conditions attaching to each such Additional Class of Shares, as the Board of Directors may determine in their sole and absolute discretion. Without limitation to the foregoing, the Board of Directors may by Resolution of Directors determine:

i. the number of shares constituting an Additional Class of Shares and the distinctive designation of that class;

ii. the dividend and other distribution rights of the Additional Class of Shares and, if the Additional Class of Shares are preferred shares, the preference rate and/or coupon; whether dividends shall be cumulative and, if so, from which date or dates, and whether they shall be payable in preference to, or in relation to, the dividends payable on the Common Shares or any other class or classes of shares;

iii. whether the Additional Class of Shares shall have voting rights and, if so, the terms and conditions of such voting rights, including, without limitation, whether they shall vote separately or together as a single class with the Common Shares and/or any other class of shares;
iv. whether the Additional Class of Shares shall have conversion and/or exchange rights and privileges and, if so, the terms and conditions of such conversion and/or exchange, including, without limitation, whether conversion or exchange is at the option of the holder or the Company (or both), the trigger events for conversion or exchange and/or provisions for adjustment of the conversion or exchange rate;

v. whether the Additional Class of Shares shall be redeemable and, if so, the terms and conditions of such redemption, including, without limitation, the manner of selecting shares for redemption, the trigger events for redemption, whether redemption is at the option of the holder or the Company (or both) and the method for calculating the consideration (in cash or in kind) that is due in case of redemption, which may be less than the market value and may be variable;

vi. whether a sinking fund shall be applied to the distribution rights and/or purchase, exchange or redemption rights of the Additional Class of Shares (and the terms and conditions thereof);

vii. whether the Additional Class of Shares shall impose conditions and restrictions upon the business and affairs of the Company and/or any of its subsidiaries or the right to approve and/or veto certain matters (including the issuance of any shares, the making of any distribution and/or the incurrence of indebtedness);

viii. the rights of the shares of that Additional Class of Shares in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, including, without limitation, any liquidation preference and whether such rights shall be in preference to, or in relation to, the comparable rights of the Common Shares or any other class or classes of shares; and

ix. any other relative, participating, optional or other special rights, privileges, powers, qualifications, limitations or restrictions of that Additional Class of Shares, including, without limitation, any right to appoint and/or remove one or more directors of the Company.

(b) Unless expressly provided by the terms of any Additional Class of Shares as set-out in this Memorandum from time to time, the authorisation and issuance by the Company of any Additional Class of Shares and any attendant amendments to this Memorandum and the Articles pursuant to sub-Clause 7(a) above shall be deemed not to constitute a variation of any class rights attaching to the Common
Shares or any other class or classes of shares of the Company then in issue, and, for the avoidance of doubt, no Resolution of Members or other approval of the shareholders or any one of them shall be required for such authorisation and issuance or the attendant amendments to this Memorandum and the Articles.

8. REGISTERED SHARES

The Company shall issue registered shares only. The Company is not authorised to issue bearer shares, convert registered shares to bearer shares, or exchange registered shares for bearer shares.

9. AMENDMENT OF MEMORANDUM AND ARTICLES OF ASSOCIATION

This Memorandum and the Articles may only be amended if approved by:

(a) both a Resolution of Members and a Resolution of Directors, but subject to the condition that the Resolution of Directors is adopted in accordance with the Articles not later than the seventh day following the adoption of the Resolution of Members; or

(b) a Special Resolution of Members, save that in no circumstances whatsoever may:
   i. any of the Relevant Provisions be amended pursuant to this sub-Clause 9(b);
   ii. any amendment be made to the Memorandum or the Articles pursuant to this sub-Clause 9(b) which limits or reduces the number of shares or classes of shares that may be authorised and issued pursuant to Clause 5 of this Memorandum;
   iii. any amendment be made to the Memorandum or the Articles pursuant to this sub-Clause 9(b) that is inconsistent with or that conflicts with, or which circumvents, overrides, fetters or limits (or that otherwise interferes with the intended operation of), any Relevant Provision or sub-Clause 9(b)(ii) (or which purports to do any of the foregoing); or

(c) a Resolution of Directors, save that no amendment may be made by a Resolution of Directors:
   i. to restrict the rights or powers of the Members to amend the Memorandum or Articles;
   ii. to change the percentage of Members required to pass a Resolution of Members to amend the Memorandum or Articles; or
iii. in circumstances where the Memorandum or Articles cannot be amended by the Members (including, without limitation, in circumstances where the Members can only make an amendment with the approval of the Board of Directors pursuant to sub-Clause 9(a) and in circumstances where the Members cannot amend the Memorandum or Articles pursuant to sub-Clause 9(b));

and all rights conferred upon shareholders herein are granted subject to the above reservations, provided that, notwithstanding anything to the contrary in the Memorandum or the Articles, if at any time that Expedia owns 5% or more of the outstanding Common Shares of the Company, Article 26 of the Articles shall not be amended, altered, changed or repealed without the prior written consent of Expedia.

10. INCORPORATION BY REFERENCE

For the purposes of section 9 of the Act, any rights, privileges, restrictions and conditions attaching to the Common Shares, each Additional Class of Shares or any other shares of the Company that are set out in the Articles are deemed to be set out and incorporated in full in this Memorandum.

11. DEFINITIONS

Unless otherwise defined or the context otherwise requires, capitalized words in this Memorandum that are not otherwise defined herein are as defined in the Articles annexed hereto.
We, CODAN TRUST COMPANY (B.V.I.) LTD., registered agent of the Company, of Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands VG1110 for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign this Memorandum of Association on the 10th February, 2017:

Incorporator

CODAN TRUST COMPANY (B.V.I.) LTD.

[Signature]

Per: Michael Wood
For and on behalf of
Codan Trust Company (B.V.I.) Ltd.
TERRITORY OF THE BRITISH VIRGIN ISLANDS

BVI BUSINESS COMPANIES ACT

ARTICLES OF ASSOCIATION

OF

Despegar.com, Corp.

(a company limited by shares)
## Table of Contents

### Interpretation
1. Definitions 1
2. Power to Issue Shares 8
3. Power of the Company to Purchase its Shares 8
4. Certificates for Shares 8
5. Fractional Shares 10
6. Registered Shareholders 10
7. Transfer of Registered Shares 10
8. Transmission of Registered Shares 11
9. Division and Combination of Shares 11
10. Fixing a Record Date 12

### Shareholder Meetings
11. Meetings of Shareholders 12

### Directors
12. Directors 24
13. Notices 33
14. Officers and Agents 35
15. The Chairman Of The Board 35
16. The President and Vice Presidents 36
17. The Secretary and Assistant Secretary 36
18. The Treasurer And Assistant Treasurers 37

### Distributions
19. Distributions and Dividends 37
20. Reserve for Distributions 38

### General Provisions
21. Checks 39
22. Fiscal Year 39
23. Corporate Seal 39
24. Indemnification 39
25. Conflicts of Interest 41
26. Expedia Directors 42

### Director Conflicts and Indemnification
27. Documents to be Kept 43

### Corporate Records
28. Books of Account 44
29. Form of Records 45
30. Financial Statements 45

### Accounts
31. Audit 45
32. Appointment of Auditor 45

### Audits
33. Liquidation 45

### Voluntary Liquidation
34. Changes 46
35. Continuation under Foreign Law 46

### Fundamental Changes
36. Exclusive Jurisdiction 46

### Exclusive Jurisdiction
1. Definitions

1.1 In these Articles, the following words and expressions shall, where not inconsistent with the context, have the following meanings, respectively:

- **Act**: means the BVI Business Companies Act, 2004, as from time to time amended or restated;
- **Additional Class of Shares**: has the meaning given in Clause 7 of the Memorandum;
- **Affiliates**: as such term is defined in Rule 405 promulgated under the Exchange Act;
- **Annual Meeting**: has the meaning given to it in Article 11.1(a);
- **Articles**: means these Articles of Association as originally registered or as from time to time amended or restated;
- **Associates**: as such term is defined in Rule 405 promulgated under the Exchange Act;
- **Available Board Seats**: has the meaning given to it in Article 12.3(b)(i);
- **Beneficial Owners**: as such term is defined in Rule 13d-3 promulgated under the Exchange Act;
- **Board of Directors or Board**: means the board of directors appointed or elected pursuant to these Articles and acting by Resolution of Directors or, where the context so requires, acting by Special Resolution of Directors;
- **Candidates**: has the meaning given to it in Article 12.3(b)(i);
- **Chairman**: means the Chairman of the Board of Directors appointed pursuant to Article 14.1 from time to time or, where the context requires, a person acting as Chairman pursuant to Article 15.2;
- **Class I Directors**: has the meaning given to it in Article 12.2;
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class II Directors</td>
<td>has the meaning given to it in Article 12.2;</td>
</tr>
<tr>
<td>Class III Directors</td>
<td>has the meaning given to it in Article 12.2;</td>
</tr>
<tr>
<td>Common Shares</td>
<td>has the meaning given in Clause 5 of the Memorandum;</td>
</tr>
<tr>
<td>Company</td>
<td>means Despegar.com, Corp.;</td>
</tr>
<tr>
<td>Derivative Instrument</td>
<td>means any option, warrant, convertible security, share appreciation right, swap, hedge, stock borrowing agreement, contract for difference, synthetic interest or other contractual right relating to any class or series of shares of the Company, including without limitation (i) any right whose value is linked to the price of any class or series of shares of the Company or which has an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Company, whether or not such instrument or right shall be subject to settlement in the underlying class or series of shares or otherwise; (ii) any other direct or indirect right, agreement, understanding or arrangement to profit or share in any profit derived from any increase or decrease in the value of any class or series of shares of the Company; and (iii) any right, agreement, understanding or arrangement that increases or decreases the voting power or distribution rights of any person or entity with respect to any class or series of shares of the Company;</td>
</tr>
<tr>
<td>Dispute</td>
<td>has the meaning given to it in Article 36.4;</td>
</tr>
<tr>
<td>Distribution</td>
<td>means:</td>
</tr>
<tr>
<td></td>
<td>(a) the direct or indirect transfer of an asset, other than the Company’s own shares, to or for the benefit of a Member; or</td>
</tr>
<tr>
<td></td>
<td>(b) the incurring of a debt to or for the benefit of a Member;</td>
</tr>
</tbody>
</table>
in relation to shares held by a Member and whether by means of the purchase of an asset, the purchase, redemption or other acquisition of shares, a transfer of indebtedness or otherwise, and includes a dividend, but shall exclude a purchase, redemption or other acquisition of the Company’s shares specified in section 63 of the Act and any surrender of shares pursuant to section 59(1A) of the Act;

**Exchange Act**
the Securities Exchange Act of 1934 of the United States (as amended from time to time);

**Expedia**
has the meaning given to it in Article 26.1;

**Expedia Director**
has the meaning given to it in Article 26.1;

**Family Member**
any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, civil law partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships;

**Independent**
means, in relation to any individual, that the person would be eligible to serve on an audit committee pursuant to the applicable requirements of Section 10A(m)(1) of the Exchange Act and Rule 10A-3 promulgated thereunder;

**IPO Date**
means the date on which the Company’s Common Shares are first traded on the New York Stock Exchange;

**Member**
means a person whose name is entered in the register of members as the holder of one or more shares in the Company;

**Memorandum**
means the Memorandum of Association of the Company as originally registered or as from time to time amended or restated;

**Potential Business Opportunity**
has the meaning given to it in Article 26.2;
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposing Shareholder</td>
<td>has the meaning given to it in Article 11.4;</td>
</tr>
<tr>
<td>Proposing Shareholder Parties</td>
<td>means, in relation to any Proposing Shareholder, collectively, the Proposing Shareholder and the Beneficial Owner(s) of all the shares in respect of which the any proposal or nomination is made, if any, and the Proposing Shareholder’s and Beneficial Owners’ respective Affiliates, Associates, Family Members and others acting in concert with any of the foregoing and “Proposing Shareholder Party” means any one of them;</td>
</tr>
<tr>
<td>Relevant Provisions</td>
<td>means (i) Clause 4, Clause 7 and Clause 9 of the Memorandum; (ii) Articles 2, 3, 10, 11.1 to 11.14 (inclusive), 12, 14, 19.1 to 19.3 (inclusive), 24, 25, 26, 31, 32, 33, 34, 35 and 36 of the Articles; and (iii) all definitions relating to such provisions, including, without limitation, the following definitions in this Article 1.1: Distribution, Derivative Instrument, IPO Date, Proposing Shareholder Parties, Resolution of Directors, Resolution of Members, Special Resolution of Directors, Special Resolution of Members, Transfer Agent and this definition of Relevant Provisions;</td>
</tr>
<tr>
<td>Relevant Time</td>
<td>has the meaning given to it in Article 12.2(b);</td>
</tr>
<tr>
<td>Representative</td>
<td>has the meaning given to it in Article 11.16(g);</td>
</tr>
<tr>
<td>Requisition Notice</td>
<td>has the meaning given to it in Article 11.3(b);</td>
</tr>
<tr>
<td>Requisitioning Shareholders</td>
<td>has the meaning given to it in Article 11.3(b)(ii);</td>
</tr>
<tr>
<td>Resolution of Directors</td>
<td>means: (i) a resolution approved at a duly constituted and quorate meeting of directors (or of a committee of directors, as the case may be) by the affirmative vote of those directors who are entitled to attend and are present at the meeting and who are entitled to cast not less than a simple majority of the votes at the meeting; or</td>
</tr>
</tbody>
</table>
(ii) a resolution consented to in writing by all of the directors (or all of the members of a committee of directors, as the case may be) who are entitled to vote on the resolution and adopted in accordance with Article 12.10;

Resolution of Members means a resolution approved at a duly constituted and quorate meeting of Members by the affirmative vote of not less than a simple majority of the votes of those Members present at the meeting and entitled to vote and voting on the resolution, provided always that a Resolution of Members may not be adopted or consented to in writing at any time;

Restricted Potential Business Opportunity has the meaning given to it in Article 26.2;

Seal means the common seal of the Company;

SEC means the U.S. Securities and Exchange Commission;

Securities Act means the Securities Act of 1933 of the United States, as amended from time to time;

Secretary means the person appointed to perform any or all of the duties of secretary of the Company and, where the context allows, includes any deputy or assistant secretary and any person appointed by the Board of Directors to perform any of the duties of the Secretary;

Shareholder or shareholder means a Member;

Special Meeting has the meaning given to it in Article 11.2;
Special Resolution of Directors means:

(i) a resolution approved at a duly constituted and quorate meeting of directors (or of a committee of directors, as the case may be) by the affirmative vote of those directors who are entitled to attend and are present at the meeting and who are entitled to cast not less than two-thirds (66 2/3 %) of the votes at the meeting; or

(ii) a resolution consented to in writing by all of the directors (or all of the members of a committee of directors, as the case may be) who are entitled to vote on the resolution and adopted in accordance with Article 12.10;

Special Resolution of Members means a resolution approved at a duly constituted and quorate meeting of Members by the affirmative vote of not less than two-thirds (66 2/3 %) of the votes of those Members present at the meeting and entitled to vote and voting on the resolution, provided always that a Special Resolution of Members may not be adopted or consented to in writing without a meeting at any time;

Transfer Agent means the transfer agent and registrar appointed by the Company by Resolution of Directors from time to time, which shall initially be Computershare with effect from the IPO Date; and

voting commitment has the meaning given to it in Article 11.5(b)(ix).

1.2 In these Articles, where not inconsistent with the context:

(a) words denoting the plural number include the singular number and vice versa;

(b) words denoting the masculine gender include the feminine and neuter genders;

(c) words importing persons include companies, associations or bodies of persons whether corporate or not;

(d) a reference to voting in relation to shares shall be construed as a reference to voting by Members holding the shares, except that it is the votes allocated to the shares that shall be counted and not the number of Members who actually voted and a reference to shares being present at a meeting shall be given a corresponding construction;
(e) a reference to election of a person as a director shall be construed to include re-election of an existing director whose term in office is due to expire in accordance with these Articles;

(f) a reference to money is, unless otherwise stated, a reference to United States Dollars;

(g) unless expressly stated, a reference to days (i) shall be a reference to calendar days and, for the avoidance of doubt, shall include both business days and non-business days; and (ii) shall not be construed as being a reference to clear days;

(h) the words:-
(i) “may” shall be construed as permissive; and
(ii) “shall” shall be construed as imperative;

(i) any phrase introduced by the terms including, include or in particular (or any similar expression) shall be construed as illustrative and shall not limit the sense of the words preceding those terms and the rule known as the ejusdem generis rule shall not apply to the Memorandum or these Articles;

(j) a reference to a statutory provision shall be deemed to include any amendment thereto, re-enactment thereof, successor thereto and the rules and regulations promulgated thereunder;

(k) unless otherwise provided herein or the context otherwise requires, words or expressions defined in the Act shall bear the same meaning in these Articles; and

(l) a reference to an “Article” shall be a reference to an article of these Articles and a reference to a “Clause” shall be a reference to a clause of the Memorandum.

1.3 In these Articles expressions referring to “writing”, “written” or their cognates shall, unless the contrary intention appears, include facsimile, printing, lithography, photography, electronic mail, other electronic means and other modes of representing words in visible form.

1.4 Headings used in these Articles are for convenience only and are not to be used or relied upon in the construction hereof.
SHARES

2. Power to Issue Shares

Subject to the provisions of the Memorandum and the rights of any Additional Class of Shares, the unissued shares of the Company shall be at the disposal of the Board of Directors. Without prejudice to Clause 7 of the Memorandum, the Board may (i) offer, allot, issue or grant options or other rights over shares; (ii) grant restricted share units, phantom awards, share appreciation rights and other equity awards and interests; and (iii) otherwise dispose of the shares and equity interests of the Company, in each case to such persons, at such times, for such consideration (which may be money or otherwise) and upon such other terms and conditions as the Company may by Resolution of Directors determine. Without limitation to the foregoing, the Board of Directors may issue shares and other equity interests subject to such contractual restrictions and limitations as is agreed with the relevant Member, which contractual restrictions and limitations shall be enforceable by the Company against such Member in accordance with their terms.

3. Power of the Company to Purchase its Shares

Subject to the Act and these Articles, the Company may by Resolution of Directors, at any time and on such terms as shall be determined by the Board, purchase, redeem or otherwise acquire and hold its own shares (a) with the prior written consent of the holder of such shares (which consent may be given by agreement in advance and may be either unconditional or conditional); or (b) in accordance with the terms and conditions of such class of shares or the terms and conditions upon which such class of shares are issued, in each case without the consent of the holder of such shares. The Company may enter into agreements with the Members or any Member giving it the right, or requiring it, to purchase, redeem or otherwise acquire the shares of that Member (whether unconditionally or conditionally upon the happening of certain events). Sections 60, 61 and 62 of the Act shall not apply to the Company. Subject to the Act, a share that the Company purchases, redeems or otherwise acquires may be cancelled or held by the Company as a treasury share.

4. Certificates for Shares

4.1 Share Certificates.

(a) With effect from the IPO Date no holder of shares of any class in the Company shall have the right to require issuance or provision to it at any time of any certificate in respect of the shares of any class owned by him in the Company. If the Company does nevertheless by Resolution of Directors elect to issue share certificates, the certificates shall be: (a) signed by at least one director, the Secretary of the Company or such other person who may be authorised by Resolution of Directors to sign share certificates; or (b) shall be under the common seal of the Company, with or without the signature of any director.
(b) Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

(c) If a holder of shares of any class in the Company received one or more certificates at any time prior to the IPO Date in respect of any shares of any class owned by him in the Company, such holder shall return the originals of all such certificates to the Company for cancellation promptly upon request to do so by the Company or, if earlier, at the time of any transfer or purported transfer or other disposition of such shares. The Company may by Resolution of Directors unilaterally cancel any original share certificates issued prior to the IPO Date that are not promptly returned upon request by the Company. Any certificates so cancelled shall be null and void and, for the avoidance of doubt, Article 4.4 shall apply in respect of any such cancelled share certificates that are not returned to the Company.

4.2 Facsimile Signatures. Any or all of the signatures or the common seal on the certificate may be facsimile. In the event that any officer, Transfer Agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, Transfer Agent or registrar before such certificate is issued, the certificate may be issued by the Company with the same effect as if such officer, Transfer Agent or registrar were still acting as such at the date of issue.

4.3 Lost Certificates. The Board of Directors may in its sole and absolute discretion direct a new certificate or certificates to be issued in place of and/or register as cancelled any certificate or certificates theretofore issued by the Company alleged to have been lost, stolen or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen or destroyed. If and when authorizing such issuance of a new certificate or certificates and/or cancellation, the Board of Directors may, in its discretion and as a condition precedent to the issuance and/or cancellation, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Company a bond in such sum as it may direct as indemnity against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Indemnity. Any Member receiving a share certificate for registered shares shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of wrongful or fraudulent use or representation made by any person by virtue of the possession thereof.
5. **Fractional Shares**

The Company may issue fractional shares and a fractional share shall have the corresponding fractional rights, obligations and liabilities of a whole share of the same class or series of shares.

6. **Registered Shareholders**

6.1 The Company shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to vote as such owner, to hold liable for calls and assessments and for all other purposes in respect of such shares a person registered on its books as the owner of such shares and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof.

6.2 Without limitation to the foregoing, the Company may treat the holder of a registered share as the only person entitled to:

   (a) exercise any voting rights attaching to the share;
   (b) receive notices in respect of the share;
   (c) receive a Distribution in respect of the share; and
   (d) exercise other rights and powers attaching to the share.

7. **Transfer of Registered Shares**

7.1 For so long as the shares of the Company are listed on the New York Stock Exchange or any other recognised exchange, the shares of the Company may be freely transferred without the need for a written instrument of transfer provided that the transfer is carried out in accordance with the (i) laws, rules, procedures and other requirements applicable to shares registered on the relevant exchange and section 54A of the Act; and (ii) rules, procedures and requirements imposed by the Transfer Agent.

7.2 If at any time the shares of the Company are not listed on the New York Stock Exchange or any other recognised exchange, shares in the Company shall only be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee. The instrument of transfer shall also be signed by the transferee if registration as a holder of the share imposes a liability to the Company on the transferee. The instrument of transfer shall be sent to the Company for registration.
8. **Transmission of Registered Shares**

8.1 The executor or administrator of the estate of a deceased Member, the guardian of an incompetent Member, the liquidator of an insolvent Member or the trustee of a bankrupt Member shall be the only person recognised by the Company as having any title to the Member’s share.

8.2 Any person becoming entitled by operation of law or otherwise to a share in consequence of the death, incompetence, insolvency or bankruptcy of any Member may be registered as a Member upon such evidence being produced as may reasonably be required by the Board of Directors and the Transfer Agent. An application in writing by any such person to be registered as a Member shall for all purposes be deemed to be a transfer of the share of the deceased, incompetent, insolvent or bankrupt Member and the Board of Directors and Transfer Agent shall treat it as such.

8.3 Any person who has become entitled to a share or shares in consequence of the death, incompetence, insolvency or bankruptcy of any Member may, instead of being registered himself, request in writing that some person to be named by him be registered as the transferee of such share and such request shall likewise be treated as if it were a transfer.

8.4 A person becoming entitled by operation of law or otherwise to a share in consequence of the death, incompetence, insolvency or bankruptcy of any Member shall be entitled to receive and may give a discharge for all dividends and other moneys payable on or in respect of the share, but he shall not be entitled to receive notice of or to attend or vote at meetings of shareholders of the Company or, save as aforesaid, to any of the rights or privileges of Member unless and until he shall have become a Member in respect of the share. Notwithstanding the foregoing, the share may be transferred as aforesaid even though the person becoming entitled by operation of law or otherwise to the share is not a shareholder at the time of the transfer.

9. **Division and Combination of Shares**

9.1 Subject to the Act, the Company may from time to time by Resolution of Directors:

(a) divide its shares, including issued shares, into a larger number of shares; or

(b) combine its shares, including issued shares, into a smaller number of shares.

9.2 A division or combination of shares, including issued shares, of a class shall be for a larger or smaller number, as the case may be, of shares in the same class.
10. Fixing a Record Date

In order that the Company may determine the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the Board of Directors may fix a record date which shall not be more than sixty (60) nor less than five (5) days before the date of such meeting, nor more than sixty (60) days prior to any other action. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may in their discretion fix a new record date for the adjourned meeting.

SHAREHOLDER MEETINGS

11. Meetings of Shareholders

11.1 Annual Meetings

(a) The Company shall hold an annual meeting of shareholders designated as such by the Board of Directors (each, an “Annual Meeting”). Following the IPO Date, the first Annual Meeting of the Company shall take place on a date to be determined by the Board of Directors which shall not be later than December 31 in 2018 (or such other date determined by Resolution of Directors and notified to shareholders) and thereafter an Annual Meeting shall be held in each calendar year.

(b) Only the Board of Directors may convene an Annual Meeting. All Annual Meetings shall be held at such date, time and place, either within or outside the British Virgin Islands, as shall be determined from time to time by the Board of Directors and stated in the notice of the meeting or in a duly adopted waiver of notice thereof.

(c) The business of an Annual Meeting shall be the election of directors for those Board seats whose terms expire at such meeting and any other items of business proposed by the Board of Directors and/or otherwise duly proposed in accordance with these Articles.

11.2 Special Meetings

(a) Any meeting of shareholders which is not an Annual Meeting shall be designated as a “Special Meeting”. A Special Meeting may be held at such date, time and place, either within or outside the British Virgin Islands, as shall be stated in the notice of the meeting or in a duly adopted waiver of notice thereof.

(b) Special Meetings may only be called:
(i) by the Board of Directors at their own initiative and in their sole discretion; or
(ii) by the Board of Directors upon receiving a written request from a shareholder or shareholders that complies with Article 11.3 below.

(c) Special Meetings called pursuant to Article 11.2(b)(i) shall be for the purposes and business stated in the notice of the Special Meeting. Special Meetings called pursuant to Article 11.2(b)(ii) shall be for the purposes and business determined in accordance with Article 11.3.

(d) For the avoidance of doubt, directors of the Company may only be elected and appointed in accordance with Article 12.3 and no director may be appointed or elected at a Special Meeting.

11.3 Requisition of Special Meetings by Shareholders

(a) A meeting of shareholders shall be convened by the Board of Directors in accordance with, and subject to the terms and conditions of, this Article 11.3 if requested in writing to do so by shareholders entitled to exercise at least 30% of the voting rights in respect of the matter for which the meeting is requested.

(b) Any written request from shareholders to the Company pursuant to Article 11.3(a) (a “Requisition Notice”) shall:

(i) specify the proposed business of the Special Meeting and otherwise comply with the requirements set-out in Article 11.4 (to the extent applicable to a Special Meeting) and Article 11.6 (as applicable); and

(ii) bear the name, address and signature of the shareholders requesting the Special Meeting (the “Requisitioning Shareholders”) and the number of shares legally and beneficially owned by each Requisitioning Shareholder.

(c) A Requisition Notice, once received by the Company, cannot be amended, varied, supplemented or revoked without the prior written consent of the Board of Directors.

(d) Upon receipt of a Requisition Notice, the Board of Directors shall convene the requested Special Meeting for a date not later than 90 days after the date of receipt of the Requisition Notice; provided, however, that the directors may in their sole and absolute discretion disregard the Requisition Notice and not convene the requested meeting in the event that (i) the Requisition Notice is not signed by shareholders holding at least 30% of the voting rights in respect of the matter for which the meeting is requested at the time the Requisition Notice
is received by the Company; (ii) the Requisition Notice does not comply with Article 11.3(b); or (iii) the proposed business does not constitute a proper matter for shareholder action at a Special Meeting (and, in the event that only some of the proposed business does not constitute a proper matter for shareholder action at a Special Meeting, such business may be excluded from any notice of the Special Meeting).

11.4 Shareholder Proposals. A shareholder who proposes or wishes to propose any business or other matter to be considered at a meeting of shareholders or who otherwise brings or wishes to bring any business or other matter before a meeting of shareholders (a “Proposing Shareholder”) must:

(a) in the case of any business or other matter to be considered at an Annual Meeting, notify the Company in writing by not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the preceding year’s Annual Meeting (provided that if the Company did not have an Annual Meeting the preceding year not later than the close of business on June 30 of the calendar year in which the Annual Meeting is to be held or such other date notified to shareholders by the Board of Directors); and

(b) in the case of any business or other matter to be considered at a Special Meeting convened pursuant to 11.2(b)(ii), include notice of such business or matter in the Requisition Notice;

and in each case (x) the notice must comply with, and include the information required by, Article 11.5 and Article 11.6 (as applicable) and the Proposing Shareholder(s) must comply with Article 11.5(c) and Article 11.7 (as applicable); and (y) the proposed business or other matter must constitute a proper matter for shareholder action at the Annual Meeting or Special Meeting (as applicable), failing either of which the directors may in their sole and absolute discretion disregard and exclude from the meeting of shareholders the business or other matter proposed by the shareholder (in whole or in part). Without the prior permission of the Board of Directors, a shareholder may not propose any business or other matter for a Special Meeting convened pursuant to Article 11.2(b)(i).

11.5 Nominations of Directors:

(a) Nominations of persons for election or re-election as directors of the Company at an Annual Meeting may only be made by (i) the Board of Directors (acting in its sole and absolute discretion); or (ii) any shareholder (or shareholders collectively) holding not less than three per cent. (3%) of the voting rights that may be exercised at the Annual Meeting entitled to attend and vote at such meeting and who complies with Article 11.4(a) and this Article 11.5.
Any Proposing Shareholder(s) who are entitled and wish to nominate a person for election as a director of the Company pursuant to Article 11.5(a)(ii) must provide to the Company the following documentation and information by the deadline specified in Article 11.4(a):

(i) such person’s written confirmation they are not disqualified for appointment as a director pursuant to section 111 of the Act;

(ii) such person’s written consent to act as a director of the Company with effect from the time of his or her appointment, which shall include all information specified by section 118A of the Act and must enclose a notarized copy of the photo page of such person’s passport or driver’s licence and a utility bill dated not more than 45 days prior to the date of the Proposing Shareholders’ notice to the Company;

(iii) such person’s curriculum vitae, which shall be in customary form and shall state all directorships, offices and employment that the person has held in the past 10 years;

(iv) a written statement confirming the place of birth, all citizenships held and all places of residence and tax residencies of such person;

(v) a written statement as to whether or not such person is Independent;

(vi) such person’s written consent to being named in the proxy statement as a candidate for election;

(vii) a written statement setting out all direct and indirect compensation, remuneration and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among the Proposing Shareholder and each other Proposing Shareholder Party on the one hand, and each proposed nominee, and/or his or her respective Affiliates, Associates, Family Members and/or others acting in concert with any of the foregoing, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 7B of the Form 20-F promulgated under the Exchange Act if each Proposing Shareholder Party were the “registrant” for the purposes of such rule and the nominee were a director or executive officer of such registrant;

(viii) all other information that is required to be in Item 6 of the Form 20-F promulgated under the Exchange Act;
(ix) a written representation agreement (in a form provided by the Secretary) from such person confirming that such person (A) is not and will not become a party to (1) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director, will act or vote on any issue or question pertaining in any way to the Company (a “voting commitment”) that has not been disclosed in the representation agreement; or (2) any voting commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Company, with such person’s fiduciary or other director’s duties under applicable law, (B) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the Company (including, without limitation, any Proposing Shareholder Party) with respect to any direct or indirect compensation, reimbursement, financial incentive or indemnification in connection with service or action as a director that has not been disclosed in the representation agreement, and (C) in such person’s individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director, and will comply with all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and share trading policies and guidelines of the Company; and

(x) a written statement setting out the information required by Article 11.6(f) in respect of each Proposing Shareholder Party.

(c) The Board of Directors may require any proposed nominee to furnish such other documentation and/or information as it may require (i) to determine the eligibility of such proposed nominee to serve as a director, including with respect to qualifications established by any committee of directors and the matters referred to in Article 11.5(d) below; (ii) to determine whether such nominee qualifies as Independent or as an “independent director” or “audit committee financial expert” under applicable law, securities exchange rule or regulation, or any publicly-disclosed corporate governance guideline or committee charter of the Company; (iii) to verify the place of birth, citizenship, tax residences and countries of residence of the proposed nominee; or (iv) that could otherwise be material to a reasonable shareholder’s understanding of the independence and qualifications, or lack thereof, of such nominee.

(d) If the Board of Directors determines by Resolution of Directors that: (i) a person nominated by a shareholder for election as a director of the Company is not qualified, does not have the requisite experience, has a conflict of interest or is otherwise unsuitable or unfit for office; or (ii) the election of such person may (A) give rise to a material risk that the Company’s (and/or its subsidiaries’ respective) brands, businesses, reputation and/or commercial relationships
would be adversely affected; (B) result in the Company not having a sufficient number of directors who are Independent for the purposes of its audit committee; or (C) give rise to a material risk that the Company would lose its status as a “foreign private issuer” as defined in Rule 405 of Regulation C under the Securities Act and Rule 3b-4 under the Exchange Act, it may refuse to accept the nomination of such person and, upon such determination by the Board of Directors, such a person shall be deemed to be disqualified from being a director of the Company pursuant to section 111(1)(e) of the Act and shall not be put forward as a Candidate at any Annual Meeting. In the case of items (B) and (C) above, if for any reason the Board of Directors is not able to make such a determination until the Annual Meeting takes place (including, without limitation, because such a determination may depend on what happens in the election for each Available Board Seat at the Annual Meeting), the Board may by Resolution of Directors (x) refuse to accept the nomination of such person upon the occurrence of certain events and/or conditionally upon certain contingencies arising; or (y) refuse to accept the nomination at the Annual Meeting (and the Chairman shall have the power to adjourn the Annual Meeting to allow the Board of Directors to consider such a matter). If such a determination by the Board of Directors becomes effective or a final determination is made at an Annual Meeting, such a person shall be deemed to be disqualified from being a director of the Company pursuant to section 111(1)(e) of the Act and shall immediately cease to be a Candidate at the Annual Meeting (notwithstanding the fact that such person’s candidacy was included in the notice of the Annual Meeting).

11.6 Other Business Proposed by Shareholders: If a Proposing Shareholder wishes to propose any business or other matter pursuant to Article 11.4 other than the nomination of a person or persons for election as a director, the Proposing Shareholder shall provide the following information and documentation with its notice to the Company by the applicable deadline specified in Article 11.4:

(a) a brief description of the business or other matter desired to be brought before the meeting;
(b) the reasons for conducting such business or other matter at the meeting;
(c) the text of the proposal or business or other matter, including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the Memorandum and/or these Articles, the language of the proposed amendment;
(d) any material interest of the Proposing Shareholder and each other Proposing Shareholder Party in such business or other matter;
(e) a description of all agreements, arrangements and understandings between the Proposing Shareholder Parties, on the one hand, and any other person or persons (including their names), on the other, in connection with the proposal of such business or other matter by the Proposing Shareholder; and  

(f) as to each Proposing Shareholder making the proposal: (i) the name and address of the Proposing Shareholder, as it appears on the register of members of the Company, and of the Beneficial Owner(s), if any, (ii) (A) the class and number of shares that are, directly or indirectly, owned beneficially and/or of record by the Proposing Shareholder and each other Proposing Shareholder Party, (B) any Derivative Instrument directly or indirectly owned beneficially and/or held by the Proposing Shareholder and each other Proposing Shareholder Party; (C) any proxy, contract, arrangement, understanding or relationship pursuant to which the Proposing Shareholder and/or any Proposing Shareholder Party has a right to vote any shares of the Company, (D) any short interest in any security of the Company directly or indirectly owned beneficially by the Proposing Shareholder and each other Proposing Shareholder Party for the purposes of this Article, a person shall be deemed to have a short interest in a security if such person directly or indirectly, through a contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security), (E) any right to dividends or other distributions on the shares directly or indirectly owned beneficially by the Proposing Shareholder and each other Proposing Shareholder Party, which right is separated or separable from the underlying shares, (F) any interest in shares or Derivative Instruments held directly or indirectly by a general or limited partnership in which the Proposing Shareholder or any other Proposing Shareholder Party is a general partner or with respect to which the Proposing Shareholder and any other Proposing Shareholder Party, if any, directly or indirectly beneficially owns an interest in a general partner, and (G) any performance-related fees (other than an asset-based fee) to which the Proposing Shareholder or any other Proposing Shareholder Party is entitled to based on any increase or decrease in the value of shares of the Company or pursuant to any Derivative Instrument, if any; in each case with respect to the information required to be included in the notice pursuant to (A) through (G) above, as of the date of such notice and including, without limitation, any such interests held by members of the Proposing Shareholders and each other Proposing Shareholder Party (which information shall be supplemented by the Proposing Shareholder (y) not later than ten (10) days after the record date for the relevant meeting to disclose such ownership and interests as of the record date and (z) ten (10) days before the relevant meeting date), (iii) a representation whether the Proposing Shareholder and/or any Proposing Shareholder Party, if any, intends or is part of a group that intends (A) to deliver a proxy statement
and/or form of proxy to holders of at least the percentage of the Company’s outstanding shares required to approve or adopt the proposal or elect the nominee or (B) otherwise to solicit proxies from shareholders in support of such proposal; and (iv) a certification regarding whether the Proposing Shareholder and each other Proposing Shareholder Party, if any, have complied with all applicable legal requirements and the Memorandum and the Articles in connection with the Proposing Shareholder’s and each other Proposing Shareholder Party’s acquisition of shares or other securities of the Company and/or their acts or omissions as a shareholder of the Company and that all information provided to the Company pursuant to these Articles is true, complete and accurate.

11.7 **Other Documentation and/or Information.** The Board of Directors may require a Proposing Shareholder to furnish such other documentation and/or information as it may require (i) to establish or verify the information required by Article 11.6; or (ii) that could otherwise be material to a reasonable shareholder’s understanding of the business or other matter proposed by the Proposing Shareholder.

11.8 **Notice of Meeting.** Written notice of any shareholder meeting stating the place, date (and, if applicable, the record date for determining Members entitled to attend and vote at the meeting) and time of the meeting, the purpose or purposes for which the meeting is called, and the means of remote communication, if any, by which shareholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given to each shareholder entitled to vote at such meeting and each director not fewer than ten (10) nor more than one hundred and twenty (120) days before the date of the meeting in any means permitted under the Act and these Articles (including, without limitation, Article 13). The directors shall be entitled to receive notice of, attend and be heard at meeting of Members. The inadvertent failure or accidental omission to give notice of a meeting to, or the non-receipt of a notice of a meeting by, any person entitled to receive notice shall not invalidate the shareholder meeting or the proceedings at that meeting. Any notice required to be given to a Member shall, with respect to any shares held jointly by two or more persons, be given to whichever of such persons is named first in the register of members and notice so given shall be sufficient notice to all the holders of such shares. Notwithstanding the foregoing, a meeting of Members held in contravention of the notice requirements set out in this Article 11.8 is valid if shareholders holding a ninety percent (90%) majority of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a shareholder at the meeting shall be deemed to constitute waiver on his part.
11.9 **Changes to Meetings**: The Board of Directors may postpone, reschedule or cancel any Annual Meeting or any Special Meeting convened at the initiative of the Board of Directors in respect of which notice has previously been given by giving notice to the shareholders. A Special Meeting convened pursuant to any Requisition Notice may be postponed, rescheduled or cancelled by the Board with the agreement of the Requisitioning Shareholders.

11.10 **Business Transacted at Meeting**: Business transacted at any meeting of shareholders shall be limited to the purposes stated in the notice.

11.11 **Quorum; Meeting Adjournment; Presence by Remote Means**.

(a) **Quorum; Meeting Adjournment**. A meeting of shareholders is duly constituted and quorate if, at the commencement of the meeting, there are present in person or by proxy not less than a simple majority of the votes of the shares entitled to vote on the resolutions to be considered at the meeting. If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened pursuant to a Requisition Notice, shall be dissolved; in any other case it shall stand adjourned to such other date, time and place as the Chairman may determine and announce at the meeting (without the need for any further notice to shareholders). At any such adjourned meeting at which a quorum shall be present or represented, any business may be transacted that might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

(b) **Presence by Remote Means**. If authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, shareholders and proxyholders not physically present at a meeting of shareholders may, by means of telephone, electronic means or other remote communication:

(i) participate in a meeting of shareholders; and

(ii) be deemed present in person and vote at a meeting of shareholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (a) the Company shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a shareholder or proxyholder, (b) all shareholders and proxyholders participating in the meeting are able to hear each other and the Company shall implement reasonable measures to
provide such shareholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders, including an opportunity to hear the proceedings of the meeting substantially concurrently with such proceedings; and (c) if any shareholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Company.

11.12 **Voting Thresholds.** When a quorum is present at any meeting, the vote of the holders of a majority of the shares having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the Act or the Memorandum or these Articles a Special Resolution of Members or a different vote is required (including, without limitation, pursuant to Article 12.3), in which case such express provision shall govern and control the decision of such question.

11.13 **Number of Votes Per Share.** Subject always to the rights of any Additional Class of Shares in issue from time to time, each shareholder shall at every meeting of the shareholders be entitled to one vote by such shareholder or by proxy for each Common Share, but no proxy shall be voted on after three years from its date, unless the proxy provides for a longer period.

11.14 **No Action Permitted by Written Consent of Shareholders.** Any action required or permitted to be taken at any meeting of the shareholders and any Resolution of Members or Special Resolution of Members must be taken and/or adopted at a meeting of the shareholders and cannot be taken in writing in lieu of a meeting of the shareholders.

11.15 **Procedure for Voting at Meetings**

(a) Unless the Chairman otherwise determines, at any meeting of Members a resolution put to the vote of the meeting shall, in the first instance, be voted upon by a show of hands and, subject to any rights or restrictions for the time being lawfully attached to any Additional Class of Shares or other class of shares and subject to the provisions of the Memorandum and these Articles, every Member present in person and every person holding a valid proxy at such meeting shall be entitled to one vote and shall cast such vote by raising his hand. At any meeting of Members a declaration by the Chairman of the meeting that a question proposed for consideration has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in a book containing the minutes of the proceedings of the Company shall, subject to these Articles, be conclusive evidence of that fact.
If the Chairman shall have any doubt as to the outcome of any resolution put to the vote, he shall cause a poll to be taken of all votes cast upon such resolution, but if the Chairman shall fail to take a poll then any Member present in person or by proxy who disputes the announcement by the Chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the Chairman shall thereupon cause a poll to be taken. The Chairman shall in his discretion determine the method and procedures for conducting and counting any poll. If a poll is taken at any meeting, the result thereof shall be duly recorded in the minutes of that meeting by the Chairman and shall replace any previous resolution upon the same matter which has been the subject of a show of hands.

The following shall apply where shares are jointly owned: (a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of Members and may speak as a Member; (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all of them; and (c) if two or more of the joint owners are present in person or by proxy they must vote as one.

A person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

11.16 Instruments of Proxy and Representatives.

A Member may be represented at a meeting of Members by a proxy (who need not be a Member) who may speak and vote on behalf of the Member.

An instrument appointing a proxy shall be in such form as the Board of Directors may from time to time determine or such other form as the Chairman of the meeting shall accept as properly evidencing the wishes of the Member appointing the proxy.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such instrument and power of attorney or other authority, shall be sent to the Company and/or the Transfer Agent in the manner specified in the notice of the meeting or in the instrument of proxy issued by the Company. Such documents must be deposited or sent so to be received by the Company and/or Transfer Agent (as applicable) by the time specified in the notice of the meeting or in the instrument of proxy issued by the Company. In the absence of any such specifications, such documents shall be delivered to the Transfer Agent not later than 48 hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote (or by such other time specified in the notice of the meeting). In the event of non-compliance with this Article, the instrument of proxy shall not be treated as valid and the votes cast by such proxy or on behalf of such person shall be disregarded unless otherwise determined by Resolution of Directors.
(d) A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the death or insanity of the principal or the revocation of the instrument of proxy, or of the authority under which the instrument of proxy was executed, or the transfer of the share in respect of which the instrument of proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the instrument of proxy is used.

(e) A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf in respect of different shares.

(f) The decision of the Chairman as to the validity of any appointment of a proxy shall be final.

(g) Any person other than an individual which is a Member may by resolution in writing (certified or signed by a duly authorised person) of its directors or other governing body authorise such person as it thinks fit to act as its representative (in this Article, “Representative”) at any meeting of the Members or at the meeting of the Members of any class or series of shares and the Representative shall be entitled to exercise the same powers on behalf of the Member which he represents as if it were an individual, and that Member shall be deemed to be present in person at any such meeting attended by its Representative.

(h) The right of a Representative shall be determined by the law of the jurisdiction where, and by the documents by which, the Member is constituted or derives its existence. In case of doubt, the Board of Directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the Board of Directors may rely and act upon such advice without incurring any liability to any Member.

(i) Notwithstanding the foregoing, the Chairman may accept such assurances as he thinks fit as to the right of any person to attend and vote at meetings on behalf of a company or other entity which is a Member.

11.17 Adjournment of Shareholder Meetings. Subject to Articles 11.5(d) and 11.11(a), (a) the Chairman may, if he determines circumstances require it or otherwise with the consent of Members holding a simple majority of the votes present at the meeting (notwithstanding that a quorum is not present), adjourn any meeting from time to time, and from place to place; (b) no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place; and (c) notice of the adjourned meeting shall, if necessary, be given in accordance with these Articles.
12. Directors

12.1 Number of Directors. With effect from the Relevant Time, the size of the Board of Directors shall be set at seven (7) directors, provided that the Board of Directors shall have the exclusive power by Resolution of Directors to increase or decrease the size of the Board of Directors from time to time (and, for the avoidance of doubt, the size of the Board of Directors may not be changed by the Members at any time (whether by Resolution of Members, Special Resolution of Members or otherwise)). No decrease in the number of directors shall shorten the term of any incumbent directors.

12.2 Classes of Directors.

(a) With effect from the Relevant Time, the directors shall be divided into three classes, as nearly equal in number as possible, which classes shall be designated as the “Class I Directors”, “Class II Directors” and “Class III Directors” respectively. Subject to Article 12.2(b), the Board of Directors shall have the exclusive power by Resolution of Directors to determine the respective numbers of Class I Directors, Class II Directors and Class III Directors from time to time.

(b) The initial Class I Directors, Class II Directors and Class III Directors shall be those directors of the Company identified and assigned to a class pursuant to the written resolution of members adopted prior to the time the Common Shares of the Company are first traded on the New York Stock Exchange and which first adopted these amended and restated Articles (the time such resolution is adopted being the “Relevant Time”). Thereafter, each director of the Company shall be assigned to a class of directors solely in accordance with Article 12.2(d) or Article 12.2(h) and the numbers of Class I Directors, Class II Directors and Class III Directors shall be determined solely by Resolution of Directors from time to time.

(c) There is no distinction in the voting or other powers and authorities of directors of different classes; such classifications are solely for the purposes of the retirement by rotation provisions set out in this Article 12.2.

(d) Subject to sub-Articles 12.2(e), (f), (g) and (h) below, each director shall be elected for a term of office expiring at the conclusion of the third succeeding Annual Meeting after their election or until their earlier death, resignation or
removal. Each director elected or re-elected at an Annual Meeting shall automatically be allocated to the same class of directors as those directors whose term expires at the conclusion of such Annual Meeting in accordance with these Articles.

(c) Each director designated as a Class I Director at the Relevant Time shall, unless his office is vacated earlier in accordance with these Articles, serve initially until the conclusion of the first Annual Meeting held after the IPO Date.

(f) Each director designated as a Class II Director at the Relevant Time shall, unless his office is vacated earlier in accordance with these Articles, serve initially until the conclusion of the second Annual Meeting held after the IPO Date.

(g) Each director designated as a Class III Director at the Relevant Time shall, unless his office is vacated earlier in accordance with these Articles, serve initially until the conclusion of the third Annual Meeting held after the IPO Date.

(h) If:

(i) the size of the Board of Directors is at any time increased pursuant to Article 12.1 above and the Board of Directors appoints one or more persons to fill such newly-created directorship(s) pursuant to Article 12.19 below, the new director shall be allocated to such class of directors as may be determined by, and in the exclusive discretion of, the Board of Directors acting by Resolution of Directors, provided that the number of directors in each class should be kept as nearly equal in number as possible; or

(ii) a person is appointed as a director by the Board of Directors to fill a vacancy pursuant to Article 12.19 below, the new director shall be in the same class of directors as the class of the preceding director who vacated office.

12.3 Election of Directors.

(a) A director of the Company may only be elected:

(i) by a vote of the Members conducted in accordance with Article 12.3(b) at an Annual Meeting, provided always that (A) any such election shall only take place at an Annual Meeting at which the term of a class of directors expires in accordance with Article 12.2 (and such election shall only relate to that class of directors); and (B) the first such election shall take place at the first Annual Meeting after the IPO Date, at which the term of the initial Class I Directors expires in accordance with Article 12.2(e); or
(ii) pursuant to Article 12.19 below,

and in each case subject always to any upper limit on the number of directors prescribed pursuant to Article 12.1.

(b) Directors shall be elected at an Annual Meeting by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. The following procedure shall apply to such elections:

(i) The notice of each Annual Meeting at which the term of a class of directors is expiring shall state:

(a) the class of directors whose term is expiring, the number of directors currently in that class and the number of seats on the Board of Directors that shall be subject to an election at the Annual Meeting (the “Available Board Seats”); and

(b) whether the directors whose term is expiring are standing for re-election and whether any other person has been duly nominated for election as a director in accordance with Article 11.5 (all such directors standing for re-election and all such nominees collectively being the “Candidates”).
(ii) The Chairman shall cause a poll to be taken for each Available Board Seat. The only available voting option on such poll shall be to vote “for” a particular Candidate or to “abstain” (and all “against” or similar votes shall be disregarded). All Candidates (except those already elected in accordance with this Article) shall be put forward for election as a director in respect of each Available Board Seat. In respect of each such poll, the Candidate receiving the highest number of votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors (notwithstanding that such votes may represent less than a majority of the votes represented at the meeting and may not constitute a Resolution of Members) shall be elected as a director for that Available Board Seat. Once a Candidate is elected as a director, the remaining Candidates who have not been elected as directors shall be put forward for the next Available Board Seat, with the Candidate receiving the highest number of votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors (notwithstanding that such votes may represent less than a majority of the votes represented at the meeting and may not constitute a Resolution of Members) for each such poll being elected as a director for that next Available Board Seat and so on until there are no more Available Board Seats.

(iii) For the avoidance of doubt, if the number of Available Board Seats exceeds the number of Candidates the Board of Directors may fill the vacancy pursuant to Article 12.19 or reduce the size of the Board pursuant to Article 12.1.

(iv) The Board of Directors may by Resolution of Directors confirm and approve the appointment of directors elected pursuant to this Article 12.3.

(c) No person shall be appointed as a director unless he has consented in writing to act as a director.

(d) A director shall not require a share qualification.

(e) Each director shall hold office for the term set out in Article 12.2 above or until his earlier death, resignation or removal in accordance with these Articles.
12.4 **Board Authority.**

(a) The business and affairs of the Company shall be managed by, or under the direction or supervision of, the Board of Directors.

(b) The Board of Directors has all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company and may exercise all the powers of the Company and do all such lawful acts and things as are not by statute or by the Memorandum or these Articles required to be exercised or done by the shareholders.

(c) Without limiting the generality of the foregoing, the Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking and property, or any part thereof, and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or any third party. Subject to the provisions of the Act, all cheques, promissory notes, draft, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.

12.5 **Location of Meetings.** The Board of Directors may hold meetings, both regular and special, either within or outside the British Virgin Islands.

12.6 **Regular Meetings.** Regular meetings of the Board of Directors may be held without additional notice being given to the directors at such time and at such place as shall from time to time be determined by the Board of Directors, provided the date, time and place of such regularly scheduled meeting has been notified to all directors in accordance with the procedures set forth for special meetings in Article 12.7.

12.7 **Special Meetings.** Special meetings of the Board of Directors may be called by any one director, the president, the treasurer or the Secretary upon notice to each director. Notice of any special meeting shall be given to each director at his business or residence in writing, or by telegram, facsimile transmission, telephone communication, email or other electronic transmission. Such notice shall be deemed adequately delivered and given to each director and to be reasonable: (a) if mailed, when deposited in the United States mail addressed to the director’s address stated on the register of directors, with postage thereon prepaid, at least seven (7) days before such meeting; (b) if sent by international courier, when prepaid and deposited with the courier company and addressed to the director’s address stated on the register of directors, at least three (3) days before such meeting (c) if by facsimile transmission, email or other electronic transmission, if sent at least twenty-four (24) hours before such meeting to the fax number or email address of the director; and (c) if by
telephone, at least twelve (12) hours prior to the time set for the meeting. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice of such meeting, except for amendments to the Memorandum and/or these Articles as provided under Clause 9 of the Memorandum or any proposal to remove a director pursuant to Article 12.15(b)(ii). A meeting may be held at any time without notice if all the directors are present (except as otherwise provided by law) or if those not present waive notice of the meeting in writing, either before or after such meeting.

12.8 **Voting Rights of Directors.** Without prejudice to Article 12.17, each director shall have one vote on any Resolution of Directors, Special Resolution of Directors and any other action by the Board of Directors or any committee of the Board of Directors on which such director serves as a committee member. Notwithstanding anything to the contrary in the Memorandum of the Articles or in any agreement to which the Company is a party, all references to a majority or other proportion of the directors of the Company for purposes of establishing a quorum or the action of the Board of Directors shall be deemed to be references to a majority or such other proportion of the votes that all of the directors of the Company are entitled to cast in the aggregate in respect of the relevant matter.

12.9 **Quorum.** At all meetings of the Board of Directors, the presence of such directors as are entitled to cast a majority of the votes of all those directors of the Company who are entitled to be present at the meeting for the relevant business (and who are not disqualified from attending and/or voting) shall constitute a quorum for the transaction of the relevant business. Any act of a majority of the directors present at any meeting at which there is a quorum shall be an act of the Board of Directors, except as may be otherwise specifically provided by the Act or the Memorandum or these Articles (including, without limitation, where a Special Resolution of Directors is required). If a quorum is not present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

12.10 **Action Without a Meeting.** Any action required or permitted to be taken at any meeting of the Board of Directors (or of any committee thereof) may be taken without a meeting, without prior notice to the Company or any other person and without a vote, if a consent in writing setting forth the action so taken, is signed in a manner permitted by law by all of the directors (or all of the members of the committee of directors, as the case may be) who are entitled to vote on the action in question. A copy of such written consent shall promptly be sent to any director who was not entitled to vote on the action in question pursuant to these Articles and who has not consented to the resolution (if any).
12.11 **Telephonic Meetings.** Members of the Board of Directors or any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or any committee, by means of conference telephone or other means of communication (including electronic means) by which all persons participating in the meeting are able to hear each other, and such participation shall constitute presence in person at the meeting.

12.12 **Committees.**

(a) Subject to the Act, the Board of Directors may designate one or more committees by Resolution of Directors, each committee to consist of one or more of the directors of the Company. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee.

(b) Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Company, and may authorize the seal of the Company to be affixed to all papers which may require it, but no such committee shall have the power or authority in reference to the following matters: (i) approving or adopting, or recommending to the shareholders, any action or matter expressly required by the Act to be submitted to shareholders for approval; (ii) adopting, amending or repealing any provision of the Memorandum or these Articles; or (iii) the matters specified in section 110(2) of the Act.

(c) With effect from the conclusion of the Company’s first Annual Meeting after the IPO Date, the Company’s audit committee must be made up of not less than three (3) directors who are Independent.

12.13 **Minutes of Meetings.** Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors when required.

12.14 **Compensation of Directors.** The Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Company in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.
Removal of Directors.

(a) This Article 12.15 shall apply to the exclusion of section 114(1), section 114(2), section 114(3) and section 114(5) of the Act, which shall not apply to the removal of directors of the Company.

(b) A director of the Company may only be removed:

(i) with Cause, by Special Resolution of Members at a duly convened and quorate meeting of members called for the stated purpose of removing the director or for stated purposes including the removal of the director; or

(ii) with Cause, by Special Resolution of Directors (but excluding the votes by the director proposed to be removed from office from both the numerator and denominator in calculating whether the requisite proportion of votes have been obtained, and, for the avoidance of doubt, a resolution consented to in writing by two-thirds of those directors of the Company other than the director proposed to be removed from office (which must be more than one director) shall be effective to remove such director upon notice of that written resolution being given to all directors not consenting to the resolution);

in each case adopted in accordance with these Articles. A director may not be removed without Cause.

(c) For the purposes of this Article 12.15, “Cause” shall have the generally-accepted meaning under, and be construed in accordance with, the laws of the State of Delaware (United States).

Exclusion of Expedia Directors. In any action, whether by vote at a meeting of the Board of Directors or a committee thereof or by written consent, relating to any transaction, agreement or arrangement with respect to which (i) Expedia is a counterparty or has a material economic interest in the counterparty or (ii) in the reasonable opinion of a majority of the members of the Board of Directors that are not designated or nominated by, or employed by, Expedia, there would exist a Conflict of Interest between the interests of Expedia, on the one hand, and that of the Company, on the other hand, the Expedia Directors may be excluded solely from the relevant portion of such Board or relevant committee meetings or relevant Resolution of Directors; provided, that Expedia shall be entitled to notice in writing of any such exclusion and the basis therefor. “Conflict of Interest” shall mean a specific material economic or competitive interest of Expedia in any potential transaction, agreement or arrangement of the Company that would be reasonably likely to materially impair the independence or objectivity of the Expedia Directors in the discharge of their responsibilities and duties to the Company, in light of their affiliation to Expedia.
12.17 **Alternate Directors.** A director may at any time appoint any person (including another director) to be his alternate director and may at any time terminate such appointment. An appointment and a termination of appointment shall be by notice in writing signed by the director and deposited at the registered office or delivered at a meeting of the Board of Directors. The appointment of an alternate director shall terminate on the happening of any event which, if he were a director, would cause him to vacate such office or if his appointor ceases for any reason to be a director. An alternate director has the same rights as the appointing director in relation to any directors’ meeting and any written resolution circulated for written consent, save that he may not himself appoint an alternate director or a proxy. Any exercise by the alternate director of the appointing director’s powers in relation to the taking of decisions by the directors is as effective as if the powers were exercised by the appointing director. If an alternate director is himself a director or attends a meeting of the Board of Directors as the alternate director of more than one director, his voting rights shall be cumulative. Unless the Board of Directors determines otherwise, an alternate director may also represent his appointor at meetings of any committee of the directors on which his appointor serves; and this Article shall apply equally to such committee meetings as to meetings of the Board of Directors.

12.18 **Resignation of Directors.** A director may resign his office by giving written notice of his resignation to the Company and the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice.

12.19 **Vacancies and Newly Created Directorships.** The office of a director shall be vacated if the director is removed from office pursuant to these Articles, dies or becomes bankrupt or makes any arrangement or composition with his creditors generally, is or becomes of unsound mind or an order for his detention is made under the mental health laws of any jurisdiction, or resigns his office by notice in writing to the Company. The Board of Directors may act notwithstanding any vacancy in its number. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled exclusively by a Resolution of Directors of those directors then in office, notwithstanding that the directors passing such Resolution of Directors may represent less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office for the period contemplated in Article 12.2(h) and Article 12.2. The Board of Directors may determine that newly created directorships in a particular class of directors resulting from any increase in the authorized number of directors of that class shall be filled at the Annual Meeting at which elections are to take place for that class. If and only if there are no directors in office, then the Members may elect new directors by Resolution of Members to fill the vacancies. Subject to the foregoing, the continuing directors may act notwithstanding any vacancy in their body.
12.20 **Sole Director.** If the Company shall have only one director the provisions herein contained for Board meetings shall not apply but such sole director shall have full power to represent and act for the Company in all matters as are not by the Act or the Memorandum or these Articles required to be exercised by the Members of the Company.

12.21 **Additional Classes of Shares.** The provisions of this Article 12 shall be subject to the rights of each Additional Class of Shares authorised and issued by Resolution of Directors pursuant to Clause 7 of the Memorandum, if any, to appoint and/or remove additional directors, which rights may be set-out in the Memorandum or in these Articles.

### NOTICES

13. **Notices**

13.1 **Notice of Board Meetings and Director Notices.** Notices of Board Meetings, and any other notice to be given to a director under the Act, the Memorandum or the Articles, may be given in the manner contemplated by Article 12.7.

13.2 **Notice of Shareholder Meetings and Shareholder Notices.** Unless otherwise provided in the Memorandum or these Articles, whenever, under the provisions of the Act or of the Memorandum or these Articles, notice is required to be given to any shareholder (including, without limitation, for the purposes of convening any meeting of shareholders), it shall not be construed to mean personal notice, but such notice may be given:

   a. by mail, addressed to such shareholder, at his address as it appears on the register of members of the Company, with postage thereon prepaid, and such notice shall be deemed to be given on the seventh day after which the same shall be deposited in the United States mail;

   b. by pre-paid courier service or registered mail, addressed to such shareholder, at his address as it appears on the register of members of the Company, and such notice shall be deemed to be given on the third day after which the same shall be deposited with the courier company or post office; or

   c. in accordance with Article 13.3.
13.3 **Electronic Notice.**

(a) *Electronic Transmission.* Without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice, information or written statement to shareholders given by the Company under any provision of the Act, the Memorandum or these Articles shall be effective if given by a form of electronic transmission. Each person who is or who at any time becomes a Member or otherwise acquires any interest in shares of the Company shall be deemed to have notice of, and to have consented to, the provisions of this Article 13.3.

(b) **Effective Date of Notice.** Notice given pursuant to Article 13.3(a) shall be deemed given: (1) if by facsimile telecommunication, when directed to a fax number at which the shareholder has provided to receive notice; (2) if by electronic mail, when sent to an electronic mail address which the shareholder has provided to receive notice; (3) if by a posting on an electronic network together with separate notice to the shareholder of such specific posting, upon the later of (i) such posting and (ii) the giving of such separate notice; and (4) if by any other form of electronic transmission (including, without limitation, such forms of electronic transmission notified to shareholders by the Transfer Agent from time to time), when directed to the shareholder. An affidavit of the Secretary or of the Transfer Agent or other agent of the Company that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) **Form of Electronic Transmission.** For purposes of the Memorandum and these Articles, “electronic transmission” means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

13.4 **Waiver of Notice.** Without prejudice to Articles 11.8 and 12.7, whenever any notice is required to be given under the provisions of the Act or of the Memorandum or these Articles, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

13.5 **Notice to the Company.** Notice may be given to the Company as prescribed in the Act.
OFFICERS

14. Officers and Agents

14.1 Required and Permitted Officers. The officers of the Company shall be chosen by the Board of Directors by Resolution of Directors and shall be a president, treasurer and a secretary. The Board of Directors shall elect from among its members a Chairman of the Board and may (but shall not have any obligation to) elect from among its members a Vice-Chairman of the Board. The Board of Directors may (but shall not have any obligation to) also choose one or more vice presidents, assistant secretaries and assistant treasurers. Any number of offices may be held by the same person.

14.2 Appointment of Officers. The Board of Directors shall appoint a president, treasurer and a secretary and may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and, subject to the Act, shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors.

14.3 Authority of Directors, President and other Officers to Sign Documents. Each director, the president, the treasurer, the Secretary and each other person authorised by Resolution of Directors (an “Authorised Person”) may (acting jointly with any other Authorised Person) execute bonds, mortgages, deeds, powers of attorney, contracts requiring a seal, bank account opening documents and all other contracts, agreements and documents to be entered into by the Company that the Authorised Person reasonably believes are within the scope of his or her express or implied authority to act on behalf of the Company. Where there is any doubt as to the scope of such authority, the document shall not be executed by an Authorised Person until approved by Resolution of Directors.

14.4 Officer Compensation. The salaries and emoluments of all officers and agents of the Company shall be fixed by the Board of Directors.

14.5 Term of Office: Vacancies. The officers of the Company shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by Resolution of Directors. Any vacancy occurring in any office of the Company shall be filled by the Board of Directors.

15. The Chairman Of The Board

15.1 Chairman Presides. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the shareholders at which he or she shall be present. Subject to the Act, he or she shall have and may exercise the powers of Chairman and such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law or these Articles.
15.2 Absence of Chairman. In the absence of the Chairman of the Board (or if one is not elected), the Vice-Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the shareholders at which he or she shall be present. If there is no Vice-Chairman or the Vice-Chairman is absent, the president or such other director appointed by Resolution of Directors shall act as Chairman in such absence. Subject to the Act, he or she shall have and may exercise such powers as are, from time to time, assigned to him by the Board of Directors and as may be provided by law or these Articles.

16. The President and Vice Presidents

16.1 Powers of President. The president shall be the chief executive officer of the Company; in the absence of the Chairman and Vice-Chairman of the Board he or she shall preside at all meetings of the shareholders and the Board of Directors; subject to the Act, he or she shall have general and active management of the business of the Company and shall see that all orders and resolutions of the Board of Directors are carried into effect.

16.2 Absence of President. In the absence of the president or in the event of his inability or refusal to act, the vice president, if any, (or in the event there be more than one vice president, the vice presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Subject to the Act, the vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

17. The Secretary and Assistant Secretary

17.1 Duties of Secretary. The Secretary shall attend all meetings of the Board of Directors and all meetings of the shareholders and record all the proceedings of the meetings of the Company and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He or she shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he or she shall be. He or she shall have custody of the corporate seal of the Company and he or she, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Company and to attest the affixing by his signature.
17.2 **Duties of Assistant Secretary.** The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the Secretary or in the event of his inability or refusal to act, on written request perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

18. **The Treasurer And Assistant Treasurers**

18.1 **Duties of Treasurer.** The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys and other valuable effects in the name and to the credit of the Company in such depositories as may be designated by the Board of Directors.

18.2 **Disbursements and Financial Reports.** He or she shall disburse the funds of the Company as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the Company.

18.3 **Duties of Assistant Treasurer.** The assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of the treasurer’s inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

**DISTRIBUTIONS**

19. **Distributions and Dividends**

19.1 The Board of Directors may, by Resolution of Directors, authorise a Distribution by the Company to Members at such time and of such an amount and pursuant to such method or methods of payment or other distribution as it thinks fit if it is satisfied, on reasonable grounds, that immediately after the Distribution, the value of the Company’s assets exceeds its liabilities and the Company is able to pay its debts as they fall due. The resolution shall include a statement to that effect. Distributions may be paid in cash, in property or in shares.

19.2 The Board of Directors may determine that a Distribution shall be paid wholly or partly by the distribution of specific assets (which may consist of shares of the Company or securities of any other entity) and may settle all questions concerning such distribution. Without limiting the generality of the foregoing, the Board of
Directors may fix the value of such specific assets, may determine that cash payments shall be made to some Members in lieu of specific assets and may vest any such specific assets in a liquidating or other trust on such terms as the Board of Directors thinks fit.

19.3 The Board of Directors may deduct from Distributions payable to any Member any or all monies then due from such Member to the Company.

19.4 Notice of any Distribution that may have been authorised shall be given to each Member entitled to the Distribution in accordance with these Articles and all Distributions unclaimed for three years after having been authorised may be forfeited by Resolution of Directors for the benefit of the Company. All unclaimed Distributions may be invested or otherwise made use of by the Board of Directors for the benefit of the Company pending claim or forfeiture as aforesaid. No Distribution shall bear interest against the Company.

19.5 A Member may agree to waive its right to receive a dividend or other Distribution and, if such a waiver has been given to the Company in writing, the Company may retain such dividend or other Distribution for the benefit of the Company or pay such dividend or other Distribution to those Members that have not waived their rights to receive the dividend or other Distribution.

19.6 If two or more persons are registered as joint holders of any shares, any one of such persons may give an effectual receipt for any Distribution payable in respect of such shares.

19.7 If, after a Distribution is authorised and before it is made, the directors cease to be satisfied on reasonable grounds that immediately after the Distribution the value of the Company’s assets exceeds its liabilities and the Company is able to pay its debts as they fall due, such Distribution is deemed not to have been authorised. A Distribution made to a Member at a time when, immediately after the Distribution, the value of the Company’s assets did not exceed its liabilities and the Company was not able to pay its debts as they fell due, is subject to recovery in accordance with the provisions of the Act.

20. Reserve for Distributions

Before payment of any dividend, there may be set aside out of any funds of the Company available for dividends such sum or sums as the directors from time to time, in their sole discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Company, or for such other purposes as the directors think conducive to the interests of the Company, and the directors may modify or abolish any such reserve in the manner in which it was created.
GENERAL PROVISIONS

21. **Checks.** All checks or demands for money and notes of the Company shall be signed by such director, officer or officers or such other person or persons as the Board of Directors may from time to time designate.

22. **Fiscal Year.** The fiscal year of the Company shall be the calendar year ending on December 31, or such other annual period as fixed by Resolution of Directors from time to time.

23. **Corporate Seal.** The Board of Directors shall provide for the safe custody of the Seal. An imprint thereof shall be kept at the office of the registered agent of the Company. The Seal when affixed to any written instrument shall be witnessed by any one director, the Secretary or by any person or persons so authorised from time to time by Resolution of Directors.

DIRECTOR CONFLICTS AND INDEMNIFICATION

24. **Indemnification**

24.1 To the fullest extent permitted by law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which the Company is permitted to provide indemnification under applicable law) through provisions in these Memorandum and Articles, agreements with such directors, officers agents or other persons, vote of disinterested directors or otherwise, subject only to limits created by the Act.

24.2 Any amendment, repeal or modification of Article 24.1 or Article 24.3 shall not adversely affect any right or protection of a director, officer, agent, or other person existing at the time of, or increase the liability of any director of the Company with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

24.3 Without prejudice to the foregoing, but subject to Article 24.4, the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

(a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director, an officer or a liquidator of the Company; or

(b) is or was, at the request of the Company, serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.
24.4 Article 24.3 does not apply to a person referred to in that Article unless the person acted honestly and in good faith and in what he believed to be the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

24.5 The decision of the Board of Directors as to whether the person acted honestly and in good faith and in what he believed to be the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of these Articles, unless a question of law is involved.

24.6 The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.

24.7 If a person referred to in this Article has been successful in defence of any proceedings referred to therein, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

24.8 Expenses, including legal fees, incurred by a director (or former director) in defending any legal, administrative or investigative proceedings may be paid by the Company in advance of the final disposition of such proceedings upon receipt of an undertaking by or on behalf of the director (or former director, as the case may be) to repay the amount if it shall ultimately be determined that the director (or former director, as the case may be) is not entitled to be indemnified by the Company.

24.9 The indemnification and advancement of expenses provided by, or granted under, these Articles are not exclusive of any other rights to which the person seeking indemnification or advancement of expenses may be entitled under any agreement, resolution of disinterested directors or otherwise, both as to acting in the person’s official capacity and as to acting in another capacity while serving as a director of the Company.

24.10 The Company may purchase and maintain insurance in relation to any person who is or was a director, an officer or a liquidator of the Company, or who at the request of the Company is or was serving as a director, an officer or a liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability under Article 24.3. The Company’s obligation to provide indemnification under this Article 24 shall be offset to the extent of any other source of indemnification or any otherwise applicable insurance coverage under a policy maintained by the Company or any other person.
24.11 The foregoing provisions of this Article 24 shall be deemed to be a contract between the Company and each director or officer who serves in such capacity at any time while this Article is in effect, and any repeal or modification thereof shall not affect any rights or obligations then existing with respect to any state of facts then or theretofore existing or any action, suit or proceeding theretofore or thereafter brought based in whole or in part upon any such state of facts.

24.12 The Board of Directors in its sole discretion shall have power on behalf of the Company to indemnify any person, other than a director or officer, made a party to any action, suit or proceeding by reason of the fact that he or she, his testator or intestate, is or was an officer or employee of the Company.

25. Conflicts of Interest

25.1 Subject to Article 25.2, a director shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to the Board of Directors, unless the transaction or proposed transaction (a) is between the director and the Company and (b) is to be entered into in the ordinary course of the Company’s business and on usual terms and conditions.

25.2 A disclosure to the Board of Directors to the effect that a director is a member, director, officer, employee or trustee of another named company or other person and is to be regarded as interested in any transaction which may, after the date of the entry or disclosure, be entered into with that company or person or any of its affiliates, is a sufficient disclosure of interest in relation to that transaction.

25.3 A transaction entered into by the Company in respect of which a director is interested is voidable by the Company unless the director complies with Article 25.1 or (a) the material facts of the interest of the director in the transaction are known by the Members entitled to vote at a meeting of Members and the transaction is approved or ratified by a Resolution of Members; or (b) the Company received fair value for the transaction.

25.4 For the purposes of this Article, but subject to Article 25.2, a disclosure is not made to the Board of Directors unless it is made or brought to the attention of every director on the Board of Directors.

25.5 Subject to Article 12.16, a director who is interested in a transaction entered into or to be entered into by the Company is entitled to vote on a matter relating to the transaction, attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum, consent in writing to the transaction pursuant to Article 12.10 and sign a document on behalf of the Company, or do any other thing in his capacity as director that relates to the transaction.
26. Expedia Directors

26.1 The Company and the shareholders acknowledge that (i) certain directors of the Company have served and may serve as directors, officers, employees and agents of Expedia, Inc., a Washington corporation, or its affiliates (collectively, “Expedia” and such directors, the “Expedia Directors”), (ii) the Company and its affiliates may engage in the same, similar or related lines of business as those engaged in by Expedia and other business activities that overlap with or compete with those in which Expedia may engage, and (iii) the Company may have an interest in the same areas of business opportunity as Expedia. This Article 26 will, to the fullest extent permitted by law, regulate and define the conduct of business and affairs of the Company and its directors who are Expedia Directors in connection with any Potential Business Opportunities (as defined below).

26.2 If an Expedia Director is presented or offered, or otherwise acquires knowledge of, a potential transaction or matter that may constitute or present a business opportunity for the Company, in which the Company could, but for the provisions of this Article 26, have an interest or expectancy (any such transaction or matter, and any such actual or potential business opportunity, a “Potential Business Opportunity”): (i) such Expedia Director will, to the fullest extent permitted by law, and subject to compliance with the confidentiality obligations to which the Expedia Director is subject pursuant to any non-disclosure agreement entered into between such director and the Company, have no duty or obligation to refrain from referring such Potential Business Opportunity to Expedia and, if such Expedia Director refers such Potential Business Opportunity to Expedia, such Expedia Director shall have no duty or obligation to refer such Potential Business Opportunity to the Company or any of its shareholders or give any notice to the Company or any of its shareholders regarding such Potential Business Opportunity; (ii) if such Expedia Director refers a Potential Business Opportunity to Expedia, such Expedia Director, to the fullest extent permitted by Law, and subject to compliance with the confidentiality obligations to which the Expedia Director is subject pursuant to any non-disclosure agreement entered into between such director and the Company, will not be liable to the Company or any of its shareholders as a director, shareholder or otherwise, for any failure to refer such Potential Business Opportunity to the Company, or for referring such Potential Business Opportunity to Expedia, or for any failure to give any notice to the Company or any shareholder regarding such Potential Business Opportunity or any matter relating thereto; (iii) Expedia may participate, engage or invest in any such Potential Business Opportunity notwithstanding that such Potential Business Opportunity may have been referred to Expedia by an Expedia Director; and (iv) if a director who is an
Expedia Director refers a Potential Business Opportunity to Expedia, then, as between the Company, on the one hand, and Expedia on the other hand, the Company shall be deemed to have renounced any interest, expectancy or right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom solely as a result of such Expedia Director having been presented or offered, or otherwise acquiring knowledge of, such Potential Business Opportunity, unless in each case referred to in clause (i), (ii) (iii) or (iv), such Potential Business Opportunity was presented or offered to the Expedia Director solely in his or her capacity as a director of the Company or for the benefit of the Company (a “Restricted Potential Business Opportunity”). In the event the Board of Directors pursuant to a resolution approved by the majority of the directors (excluding the Expedia Directors) declines to pursue a Restricted Potential Business Opportunity, the Expedia Directors shall be free to refer such Restricted Potential Business Opportunity to Expedia. For the avoidance of doubt, the Company or any Subsidiaries of the Company shall not be prohibited from pursuing any Potential Business Opportunity with respect to which it has been deemed to have renounced any interest or expectancy as a result of this Article 26. Nothing in this Article 26 shall be construed to allow any Expedia Director to usurp a Restricted Potential Business Opportunity of the Company solely for his or her personal benefit.

CORPORATE RECORDS

27. Documents to be Kept

27.1 The original books of the Company may be kept (subject to any provision contained in the Act) outside the British Virgin Islands at such place or places as may be designated from time to time by the Board of Directors or in these Articles.

27.2 The Company shall keep the following documents at the office of its registered agent:

(a) the Memorandum and these Articles;
(b) the register of members or a copy of the register of members;
(c) the register of directors or a copy of the register of directors;
(d) the register of charges or a copy of the register of charges;
(e) copies of all notices and other documents filed by the Company in the previous ten years.

27.3 Where the Company keeps a copy of its register of members or register of directors at the office of its registered agent, it shall within 15 days of any change in the register, notify the registered agent, in writing, of the change, and it shall provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
27.4 Where the place at which the original register of members or the original register of directors is changed, the Company shall provide the registered agent with the physical address of the new location of the records within 14 days of the change of location.

27.5 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the Board of Directors may determine (a) the minutes of meetings and Resolutions of Members and of classes of Members; and (b) the minutes of meetings and Resolutions of Directors and committees of directors.

27.6 Where any of the minutes or resolutions described in the Article 27.5 are kept at a place other than at the office of the Company’s registered agent, the Company shall provide the registered agent with a written record of the physical address of the place or places at which the records are kept.

27.7 Where the place at which any of the records described in Article 27.5 is changed, the Company shall provide the registered agent with the physical address of the new location of the records within 14 days of the change of location.

27.8 The Company’s records shall be kept in written form or either wholly or partly as electronic records.

27.9 The Company may have offices at such places both within and without the British Virgin Islands as the Board of Directors may from time to time determine or the business of the Company may require.

ACCOUNTS

28. Books of Account

The Company shall keep records and underlying documentation that:

(a) are sufficient to show and explain the Company’s transactions; and

(b) will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
29. **Form of Records**

29.1 The records required to be kept by the Company under the Act, the Mutual Legal Assistance (Tax Matters Act), 2003, the Memorandum or these Articles shall be kept in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act (British Virgin Islands).

29.2 The records and underlying documentation shall be kept for a period of at least five years from the date of completion of the relevant transaction or the company terminates the business relationship to which the records and underlying documentation relate.

30. **Financial Statements**

30.1 The Board of Directors may cause to be made out and served on the Members or laid before a meeting of Members a profit and loss account and balance sheet of the Company for such period and on such recurring basis as they think fit.

**AUDITS**

31. **Audit**

The Company may by Resolution of Directors call for the accounts to be examined by an auditor.

32. **Appointment of Auditor**

32.1 The auditor shall be appointed (and may be removed and replaced from time to time) by Resolution of Directors for such period and on such terms and conditions as the Board of Directors (or committee thereof authorised for such purpose) thinks fit.

32.2 The remuneration of the auditor of the Company shall be fixed by the Board of Directors (or committee thereof authorised for such purpose).

**VOLUNTARY LIQUIDATION**

33. **Liquidation**

With the prior approval of a Resolution of Directors, the Company may be liquidated in accordance with the Act if (a) it has no liabilities; or (b) it is able to pay its debts as they fall due and the value of its assets equals or exceeds its liabilities. The Board of Directors shall be permitted to pass a Resolution of Directors for the appointment of an eligible individual as a voluntary liquidator (or two or more eligible individuals as joint voluntary liquidators) of the Company if the Members have, by a Resolution of Members, approved the liquidation plan in accordance with the Act.
34. **Changes**

Notwithstanding section 175 of the Act, the Board of Directors may sell, transfer, lease, exchange or otherwise dispose of the assets of the Company without the sale, transfer, lease, exchange or other disposition being authorised by a Resolution of Members.

35. **Continuation under Foreign Law**

The Company may with the approval of both a Resolution of Directors and Resolution of Members continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

**EXCLUSIVE JURISDICTION**

36. **Exclusive Jurisdiction**

36.1 Subject to Article 36.2, to the fullest extent permitted by applicable law:

(a) each party hereby agrees that, unless the Board of Directors consents in writing to the selection of an alternative forum, the courts of the British Virgin Islands shall have exclusive jurisdiction to hear and determine all Disputes and, for such purposes, hereby irrevocably submits to the jurisdiction of the courts of the British Virgin Islands; and

(b) each party hereby irrevocably waives any objection which it might now or hereafter have to the courts of the British Virgin Islands being nominated as the forum to hear and determine any such Dispute and undertakes and agrees not to claim any such court is not a convenient or appropriate forum.

36.2 To the fullest extent permitted by applicable law, unless the Board of Directors consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act.

36.3 Each person who is or who at any time becomes a Member or otherwise acquires any interest in shares of the Company shall be deemed to have notice of, and to have consented to, the provisions of this Article 36.
36.4 For the purposes of this Article 36:

(a) “Dispute” means (i) any dispute, suit, action, proceedings, controversy or claim of any kind arising out of or in connection with the Memorandum and/or these Articles, including, without limitation, claims for set-off and counterclaims and any dispute, suit, action, proceedings, controversy or claim of any kind arising out of or in connection with: (x) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, the Memorandum and/or these Articles; or (y) any non-contractual obligations arising out of or in connection with the Memorandum and/or these Articles; or (ii) any dispute, suit, action (including, without limitation, any derivative action or proceeding brought on behalf or in the name of the Company or any application for permission to bring a derivative action), proceedings, controversy or claim of any kind relating or connected to the Company, the Board, the Company’s officers, the Company’s management or the Members arising out of or in connection with the Act, the Insolvency Act, 2003 of the British Virgin Islands, any other legislation or common law of the British Virgin Islands affecting any relationship between the Company, its Members and/or its directors and officers (or any of them) or any rights and duties established thereby (including, without limitation, Division 3 of Part VI and Part XI of the Act and section 162(1)(b) of the Insolvency Act, 2003, and any fiduciary or other duties owed by any director, officer or shareholder of the Company to the Company or the Company’s shareholders); and

(b) “party” means (i) the Company, (ii) each Member, (iii) each former Member (with the intention and effect that each former Member shall continue to be bound by this Article 36 notwithstanding that such former Member has transferred all its Shares or otherwise ceased to be a Member); (iv) each director and officer of the Company; (v) each former director and officer (with the intention and effect that each former director and officer shall continue to be bound by this Article 36 notwithstanding that such former Member has ceased to be a director or officer); and (vi) any successor, assignee or other person claiming through a person referred to in (i), (ii), (iii), (iv) or (v) above.
We, CODAN TRUST COMPANY (B.V.I.) LTD., registered agent of the Company, of Commerce House, Wickhams Cay 1, PO Box 3140, Road Town, Tortola, British Virgin Islands VG1110 for the purpose of incorporating a BVI Business Company under the laws of the British Virgin Islands hereby sign these Articles of Association on the 10th February, 2017:

Incorporator

CODAN TRUST COMPANY (B.V.I.) LTD.

Per: Michael Wood
For and on behalf of
Codan Trust Company (B.V.I.) Ltd.
SIXTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

TABLE OF CONTENTS

1. Definitions
   1.1 Defined Terms
   1.2 Other Defined Terms

2. Registration Rights
   2.1 Request for Registration
   2.2 Company Registration
   2.3 Form S-3 or Form F-3 Registration
   2.4 Obligations of the Company
   2.5 Information from Holder
   2.6 Expenses of Registration
   2.7 Delay of Registration
   2.8 Indemnification
   2.9 Reports Under the 1934 Act
   2.10 Assignment of Registration Rights
   2.11 Limitations on Subsequent Registration Rights
   2.12 “Market Stand-Off” Agreement
   2.13 Termination of Registration Rights
   2.14 Initial Offering

3. Covenants of the Company
   3.1 Delivery of Financial Statements
   3.2 Inspection
   3.3 Termination of Information and Inspection Covenants
   3.4 Right of First Offer prior to Initial Offering
   3.5 Expedia Right of First Offer Upon and After Initial Offering
   3.6 [Reserved]
   3.7 Protective Provisions
   3.8 Directors’ and Officers’ Insurance
   3.9 Observation Rights
   3.10 Anti-Bribery Covenants
   3.11 Company Compliance
   3.12 Non-Disclosure and Proprietary Rights Assignment Agreements
   3.13 Termination of Certain Rights
   3.14 Expedia Shareholder Standstill
   3.15 Potential Business Opportunities; Other Agreements

4. Management Shareholders Rights to Put; Company Right to Repurchase Management Shareholders Shares
   4.1 Termination Without Cause or for Good Reason
   4.2 Termination for Cause or Voluntary Resignation
<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.3</td>
<td>Termination Due to Death or Disability</td>
<td>33</td>
</tr>
<tr>
<td>4.4</td>
<td>Determination of Fair Market Value</td>
<td>34</td>
</tr>
<tr>
<td>5.</td>
<td>Expedia Right to Put</td>
<td>34</td>
</tr>
<tr>
<td>5.1</td>
<td>Put Option</td>
<td>34</td>
</tr>
<tr>
<td>5.2</td>
<td>Exercise Price</td>
<td>34</td>
</tr>
<tr>
<td>5.3</td>
<td>Put Closing</td>
<td>34</td>
</tr>
<tr>
<td>5.4</td>
<td>Termination of Rights as a Shareholder</td>
<td>35</td>
</tr>
<tr>
<td>5.5</td>
<td>Expenses; Further Assurances</td>
<td>35</td>
</tr>
<tr>
<td>5.6</td>
<td>Determination of Fair Market Value</td>
<td>35</td>
</tr>
<tr>
<td>6.</td>
<td>Miscellaneous</td>
<td>37</td>
</tr>
<tr>
<td>6.1</td>
<td>Successors and Assigns</td>
<td>37</td>
</tr>
<tr>
<td>6.2</td>
<td>Governing Law; Jurisdiction</td>
<td>37</td>
</tr>
<tr>
<td>6.3</td>
<td>Titles and Subtitles</td>
<td>38</td>
</tr>
<tr>
<td>6.4</td>
<td>Notices</td>
<td>38</td>
</tr>
<tr>
<td>6.5</td>
<td>Expenses</td>
<td>39</td>
</tr>
<tr>
<td>6.6</td>
<td>Entire Agreement; Amendments and Waivers</td>
<td>39</td>
</tr>
<tr>
<td>6.7</td>
<td>Confidentiality</td>
<td>40</td>
</tr>
<tr>
<td>6.8</td>
<td>Non-Solicitation</td>
<td>40</td>
</tr>
<tr>
<td>6.9</td>
<td>Severability</td>
<td>41</td>
</tr>
<tr>
<td>6.10</td>
<td>Aggregation of Stock</td>
<td>41</td>
</tr>
<tr>
<td>6.11</td>
<td>Effect on Prior Agreement</td>
<td>41</td>
</tr>
</tbody>
</table>

**SCHEDULES**

- **SCHEDULE A**  Tiger Shareholders
- **SCHEDULE B**  Management Shareholders
- **SCHEDULE C**  Other Investor Shareholders
- **SCHEDULE D**  Expedia Shareholder

**EXHIBITS**

- **EXHIBIT A**  Expedia Information Requirements
SIXTH AMENDED AND RESTATED INVESTORS’ RIGHTS AGREEMENT

Whereas, the Company is party to that certain Fifth Amended and Restated Investors’ Rights Agreement, dated as of March 6, 2015, by and among the Company and the holders of the Ordinary Shares listed on Schedules A, B, C and D thereto, as amended through the date of this Agreement, (the “Fifth Amended and Restated Investors’ Rights Agreement”);

Whereas, the Fifth Amended and Restated Investors’ Rights Agreement may be amended (except with respect to certain provisions) with the consent of each of the Company, the Expedia Shareholder and the Tiger Shareholders;

Whereas, the Company is undertaking an Initial Offering (as defined below); and

Whereas, in connection with the Initial Offering, the Company, the Expedia Shareholder and the Tiger Shareholders desire to amend and restate the Fifth Amended and Restated Investors’ Rights Agreement in the form of this Agreement, which shall supersede and replace the Fifth Amended and Restated Investors’ Rights Agreement in its entirety;

Whereas, the Company and the Expedia Shareholder are parties to that certain Common Stock Subscription Agreement entered into as of March 3, 2015 (the “Stock Subscription Agreement”), pursuant to which the Expedia Shareholder subscribed for certain shares of common stock of the Company’s predecessor, which were subsequently exchanged for Ordinary Shares issued by the Company; and

Whereas, the Company and the Existing Shareholders identified therein are parties to that certain Stock Repurchase Agreement entered into as of March 3, 2015 (the “Stock Repurchase Agreement”), pursuant to which the Company’s predecessor purchased certain shares of its common stock from such Existing Shareholders.
NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the Company, the Expedia Shareholder and the Tiger Shareholders hereby agree that the Fifth Amended and Restated Investors’ Rights Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties hereto further agree as follows:

This Sixth Amended and Restated Investors’ Rights Agreement shall become effective immediately prior to the consummation of the Initial Offering.

1. Definitions.

1.1 Defined Terms. Capitalized terms used, but not defined elsewhere in this Agreement, will have the meanings set forth in this Section 1.1 for all purposes of this Agreement.


(ii) The term “Act” means the Securities Act of 1933, as amended.

(iii) The term “Affiliate” means, with respect to any Person, any other Person that, alone or together with any other Person, controls or is controlled by or is under common control with such Person. For purposes of this definition, “control” (including the correlative terms “controlled by” and “under common control with”), as used in respect of any Person, means the power, directly or indirectly, to direct or cause the direction of the management and policies of such Person whether through the ownership of voting securities, by contract or otherwise. The term “Affiliate” with respect to the Expedia Shareholder will mean Expedia, Inc., a Delaware corporation, and only those Persons over which Expedia, Inc., a Delaware corporation, has control and will not be interpreted to include any of the following: (i) IAC/InterActiveCorp and its Affiliates (other than Expedia and its subsidiaries), (ii) Liberty Interactive Corporation and its Affiliates (other than Expedia and its subsidiaries), (iii) eLong, Inc. and its subsidiaries, (iv) AAE Travel Pte. Ltd. and its Affiliates (other than Expedia and its Subsidiaries), or (v) trivago GmbH and its subsidiaries, unless, in the case of each of clauses (iii), (iv) and (v) solely to the extent such Person is not a direct or indirect wholly owned Subsidiary (excluding directors’ qualifying shares) of Expedia, Inc., a Delaware corporation. For purposes of this Agreement, (i) neither the Company nor its Affiliates will be deemed to be Affiliates of any Shareholder or its Affiliates and (ii) neither any Shareholder nor any of its Affiliates will be deemed to be Affiliates of the Company and its Affiliates.

(iv) The term “beneficial ownership” (including the correlative term “beneficially own”) shall have the meaning given to such term in Rule 13d-3 and Rule 13d-5 of the 1934 Act; provided, however, that a Person will be deemed to be the beneficial owner of any security that may be acquired by such Person, whether upon the conversion, exchange or exercise of any rights, options, warrants or similar securities to subscribe for, purchase or otherwise acquire such security.

(v) The term “Board of Directors” or “Board” means the board of directors of the Company.
(vi) The term “Cause” means:
(a) An unauthorized use or disclosure by the Management Shareholder of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company;
(b) A material breach by the Management Shareholder of any agreement between the Management Shareholder and the Company;
(c) A material failure by the Management Shareholder to comply with the Company’s written policies or rules;
(d) The Management Shareholder’s conviction of, or plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State thereof;
(e) The Management Shareholder’s gross negligence or willful misconduct, in each case in the performance of such Management Shareholder’s duties to the Company;
(f) A continuing failure by the Management Shareholder to perform assigned duties, subject to compliance with applicable law and consistent with such Management Shareholder’s position, after receiving written notification of such failure from the Board of Directors; or
(g) A failure by the Management Shareholder to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested the Management Shareholder’s cooperation.
(vii) The term “Contract” means any note, bond, mortgage, lien, indenture, lease, license, contract, agreement, or legally binding arrangement or understanding.
(viii) The term “Disability” means that the Management Shareholder is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.
(ix) The term “Expedia” means, collectively, the Expedia Shareholder and its Affiliates.
(xi) The term “Expedia Lodging Outsourcing Agreement” means that certain Amended and Restated Lodging Outsourcing Agreement, dated as of July 12, 2017, by and among the Expedia Shareholder, Travel Reservations S.R.L, Decolar.com, Inc. (a Subsidiary of the Company) and each of the subsidiaries thereof set forth on the signature page thereto, as amended, supplemented or modified.
(xii) The term “FD Investor Ownership Percentage” of a Person means, as of the date of determination, the ratio, expressed as a percentage, of (a) the voting or economic power of the then-outstanding capital stock of the Company on a Fully-Diluted Basis beneficially owned by such Person to (b) the aggregate voting or economic power of the then-outstanding capital stock of the Company on a Fully-Diluted Basis.

(xiii) The term “First Refusal and Co-Sale Agreement” means the Third Amended and Restated First Refusal and Co-Sale Agreement, entered into as of March 6, 2015 by and among the Company (as successor to Decolar.com, Inc., a Delaware corporation, thereunder), the Tiger Shareholders, the Management Shareholders, the Other Investor Shareholders, the Expedia Shareholder and the Additional Shareholders (as defined therein).

(xiv) The terms “Form F-3” and “Form S-3” means such form under the Act as in effect on the date hereof or any registration form under the Act subsequently adopted by the SEC that permits inclusion or incorporation of substantial information by reference to other documents filed by the Company with the SEC.

(xv) The term “Fully-Diluted Basis” means, with reference to Ordinary Shares, at any date as of which the number of shares thereof is to be determined, (a) all Ordinary Shares outstanding at such date, (b) all Ordinary Shares issuable upon exercise of all the Company’s options to purchase Ordinary Shares outstanding on such date and (c) Ordinary Shares issuable upon conversion of the Company’s outstanding convertible securities, rights, options and warrants to acquire Ordinary Shares of the Company.

(xvi) The term “Good Reason” means the occurrence, without the Management Shareholder’s written consent of any of the following circumstances: (i) if the Company requires such Management Shareholder to relocate his principal office to a location more than thirty (30) kilometers from his current office, (ii) a change in the Management Shareholder’s position with the Company after the date hereof that materially reduces such Management Shareholder’s level of authority or responsibility as of the date hereof, or (iii) a reduction in the Management Shareholder’s base salary by more than ten percent (10%) (unless a corresponding reduction has been made in the base salary of all employees at such Management Shareholder’s level of authority) or a failure of the Company to pay such Management Shareholder’s base salary in accordance with the Company’s normal payroll practices.

(xvii) The term “Governmental Body” means any U.S. or non-U.S. national, state, provincial, municipal or local or similar government, regulatory or taxing authority, governmental department, agency, commission, bureau, official, minister, court, body, board, tribunal, or dispute settlement panel or other Law, rule or regulation-making organization or entity (including any travel industry regulatory or administrative body): (i) having jurisdiction on behalf of any nation, territory, state or other geographic or political subdivision of any of them; or (ii) exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Shareholder or any of its Affiliates.
The term “Holder” means any Person owning or having the right to acquire Registrable Securities or any assignee thereof in accordance with Section 2.10 hereof.

The term “Initial Offering” means the Company’s first firm commitment underwritten public offering of its Ordinary Shares under the Act.

The term “Law” means any federal, state, local, municipal or foreign law (including common law) statute, constitution, code, ordinance, rule, regulation or other requirement or guideline, or any award, decision, decree, injunction, judgment, order, ruling, subpoena, or verdict entered, issued, made, or rendered by any Governmental Body.

The term “Lien” means any mortgage, lien, deed of trust, pledge, charge, hypothecation, proxy, voting trust or similar arrangement, restrictive covenant, easement, restriction on transfer, right of first offer or refusal, option, security interest, encumbrance or other adverse claim of any kind.

The term “Liquidation Event” shall include (A) the closing of the sale, transfer or other disposition of all or substantially all of the Company’s assets, (B) the consummation of the merger or consolidation of the Company with or into another entity (except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold more than 50% of the voting or economic power of the outstanding capital stock of the Company (or the surviving or acquiring entity), (C) the closing of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a Person or “group” (within the meaning of Section 13(d)(3) of the 1934 Act) (other than an underwriter of the Company’s securities), of the Company’s securities if, after such closing, such Person or “group” (within the meaning of Section 13(d)(3) of the 1934 Act) would own more than 50% of voting or economic power of the outstanding capital stock of the Company (or the surviving or acquiring entity) or (D) a liquidation, dissolution or winding up of the Company; provided, however, that a transaction shall not constitute a Liquidation Event if its sole purpose is to change the jurisdiction of the Company’s incorporation or to create a holding company that will be owned in the same proportions by the Persons who held the Company’s securities immediately prior to such transaction.

The term “OFAC Sanctions” means any sanctions program administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC”) under authority delegated to the Secretary of the Treasury (the “Secretary”) by the President of the United States or provided to the Secretary by statute, and any order or license issued by, or under authority delegated by, the President or provided to the Secretary by statute in connection with a sanctions program thus administered by OFAC. For ease of reference, and not by way of limitation, OFAC Sanctions programs are described on OFAC’s website at www.treas.gov/ofac.

The term “Person” means an individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a Governmental Body.
The term “Priceline Group” means (i) The Priceline Group Inc. or any of its Affiliates as it may be constituted at any point in time, (ii) the respective businesses of Booking.com, Agoda.com, Kayak.com and RentalCars.com (collectively, the “Specified Priceline Operations”), whether or not such businesses remain a part of the operations of The Priceline Group Inc., and (iii) any future business of The Priceline Group Inc. which is similar in size and nature to the Specified Priceline Operations, whether or not such business remains a part of the operations of The Priceline Group Inc.

The terms “register,” “registered,” and “registration” refer to a registration effected by preparing and filing a registration statement or similar document in compliance with the Act, and the declaration or ordering of effectiveness of such registration statement or document.

The term “Registrable Securities” means (i) the Ordinary Shares now owned or hereafter acquired by the Shareholders, (ii) the Ordinary Shares issued or issuable upon the exercise of the Options (as defined in Section 4.1) to purchase Ordinary Shares or other securities convertible into Ordinary Shares held by the Shareholders and (iii) any Ordinary Shares of the Company issued as (or issuable upon the conversion or exercise of any warrant, right or other security that is issued as) a dividend or other distribution with respect to, or in exchange for, or in replacement of, the shares referenced in (i) or (ii) above, excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which his rights under Section 2 are not assigned. The number of shares of Registrable Securities outstanding shall be determined by the number of Ordinary Shares outstanding that are, and the number of Ordinary Shares issuable pursuant to then exercisable or convertible securities that are, Registrable Securities.

The term “Representative” means, with respect to any Person, its directors, officers, partners, managers, members, shareholders, employees, independent contractors, agents, advisors (including accountants and financial and legal advisors) and other representatives.

The term “Restricted Party” means each of (a) the Company, (b) any current Subsidiary or controlled Affiliate of the Company and any Person that becomes a Subsidiary or controlled Affiliate of the Company, and (c) any Subsidiary, controlled Affiliate or business of the Company that represents a material portion of the Company’s operations and competes with the any of the businesses of Expedia that is separated from the Company (including by means of a sale, spin-off, split-off, public offering, merger with any Person not affiliated with the Company or otherwise).

The term “Rule 144” means Rule 144 under the Act.

The term “SEC” means the United States Securities and Exchange Commission.

The term “Subsidiaries” means, with respect to any Person, any Person of which the first Person (either alone or through or together with any other Subsidiary) either (a) has ordinary voting power to elect a majority of the board of directors or other individuals performing similar functions or (b) owns 50% or more of the outstanding equity interests. Unless otherwise required by the context, “Subsidiary” shall refer to a Subsidiary of the Company.
(xxxiii) The term "Transaction Documents" means, collectively, this Agreement, the Stock Repurchase Agreement, the Stock Subscription Agreement, the Voting Agreement, the First Refusal and Co-Sale Agreement and the Expedia Lodging Outsourcing Agreement.

(xxiv) The term "U.S. Person" means any U.S. citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or any person (individual or entity) in the United States, and, with respect to the Cuban Assets Control Regulations, also includes any corporation or other entity that is owned or controlled by one of the foregoing, without regard to where it is organized or doing business.

(xxxv) The term "Voting Agreement" shall mean the Third Amended and Restated Voting Agreement, entered into as of the date hereof by and among the Company, the Tiger Shareholders, the Management Shareholders, the Other Investor Shareholders, the Expedia Shareholder and the Additional Shareholders.

1.2 Other Defined Terms. Below is a list of terms defined elsewhere in this Agreement.

<table>
<thead>
<tr>
<th>Term</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accel</td>
<td>Section 3.7(a)</td>
</tr>
<tr>
<td>Agreement</td>
<td>Preamble</td>
</tr>
<tr>
<td>Company</td>
<td>Preamble</td>
</tr>
<tr>
<td>Company Restricted Employee</td>
<td>Section 6.8(a)</td>
</tr>
<tr>
<td>Dispute</td>
<td>Section 6.2(b)</td>
</tr>
<tr>
<td>Dispute Notice</td>
<td>Section 6.2(b)</td>
</tr>
<tr>
<td>Exercise Price</td>
<td>Section 5.2</td>
</tr>
<tr>
<td>Existing Shareholders</td>
<td>Recitals</td>
</tr>
<tr>
<td>Expedia Directors</td>
<td>Section 3.15(a)</td>
</tr>
<tr>
<td>Expedia Put Notice</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Expedia Put Triggering Event</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Expedia Put Option</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Expedia Put Option Closing</td>
<td>Section 5.3</td>
</tr>
<tr>
<td>Expedia Put Option Closing Date</td>
<td>Section 5.3</td>
</tr>
<tr>
<td>Expedia Put Shares</td>
<td>Section 5.1</td>
</tr>
<tr>
<td>Expedia Restricted Employee</td>
<td>Section 6.8(b)</td>
</tr>
<tr>
<td>Expedia Shareholder</td>
<td>Preamble</td>
</tr>
<tr>
<td>Fair Market Value</td>
<td>Section 5.2</td>
</tr>
<tr>
<td>Fair Market Value Notice</td>
<td>Section 5.6(b)(ii)</td>
</tr>
<tr>
<td>FCPA</td>
<td>Section 3.10</td>
</tr>
<tr>
<td>Fifth Amended and Restated Investors’ Rights Agreement</td>
<td>Recitals</td>
</tr>
<tr>
<td>Fully-Exercising Shareholder</td>
<td>Section 3.4(b)</td>
</tr>
<tr>
<td>GAAP</td>
<td>Section 3.1(a)</td>
</tr>
</tbody>
</table>
2. Registration Rights. The Company covenants and agrees as follows:

2.1 Request for Registration.

(a) Subject to the conditions of this Section 2.1, if the Company shall receive at any time after six (6) months after the effective date of the Initial Offering, a written request from (i) the Tiger Shareholders, so long as they own five percent (5%) or more of the Registrable Securities then outstanding, (ii) the Expedia Shareholder, so long as it owns five percent (5%) or more of the Registrable Securities then outstanding, or (iii) the Holders of ten percent (10%) or more of the Registrable Securities then outstanding (it being understood that so long as the Tiger Shareholders or the Expedia Shareholder, as applicable, hold or hold in excess of five percent (5%) or more of the Registrable Securities, it shall be limited to making requests pursuant to clause (i) or (ii), respectively but thereafter may join a request pursuant to this clause (iii)) (for purposes of this Section 2.1, each, an “Initiating Holder” or if a demand is made jointly, the “Initiating Holders”) that the Company file a registration statement under the Act covering the registration of Registrable Securities with an anticipated aggregate offering price of at least $2,500,000, then the Company shall, within twenty (20) days of the receipt thereof, give written notice of such request to all Holders, and
subject to the limitations of this Section 2.1, use all commercially reasonable efforts to effect, as soon as practicable, the registration under the Act of all Registrable Securities that the Holders request to be registered in a written request received by the Company within twenty (20) days of the mailing of the Company’s notice pursuant to this Section 2.1(a).

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.1 and the Company shall include such information in the written notice referred to in Section 2.1(a). In such event the right of any Holder to include its Registrable Securities in such registration shall be conditioned upon such Holder’s participation in such underwriting and the inclusion of such Holder’s Registrable Securities in the underwriting (unless otherwise mutually agreed by a majority in interest of the Initiating Holders and such Holder) to the extent provided herein. The Initiating Holder, or the majority in interest of the Initiating Holders, shall select the underwriter or underwriters (which underwriter or underwriters shall be reasonably acceptable to the Company) and shall determine the pricing of the Registrable Securities offered pursuant to any registration statement in connection with the Initiating Holders’ demand, applicable underwriting discount and other financial terms (including the material terms of the applicable underwriting agreement) and determine the timing of any such registration and sale. All Holders proposing to distribute their securities through such underwriting shall enter into an underwriting agreement in customary form. Notwithstanding any other provision of this Section 2.1, if the underwriter advises the Company that marketing factors require a limitation on the number of securities underwritten (including Registrable Securities), then the Company shall so advise all Holders of Registrable Securities that would otherwise be underwritten pursuant hereto, and the number of shares that may be included in the underwriting shall be allocated to the Holders of such Registrable Securities pro rata based on the number of Registrable Securities held by all such Holders (including the Initiating Holders). In no event shall any Registrable Securities be excluded from such underwriting unless all other securities are first excluded. Any Registrable Securities excluded or withdrawn from such underwriting shall be withdrawn from the registration.

(c) Notwithstanding the foregoing, the Company shall not be required to effect a registration pursuant to this Section 2.1:

(i) in any particular jurisdiction in which the Company would be required to execute a general consent to service of process in effecting such registration, unless the Company is already subject to service in such jurisdiction and except as may be required under the Act; or

(ii) after the Company has effected (x) two (2) registrations where the Tiger Shareholders were the Initiating Holders, (y) two (2) registrations where the Expedia Shareholder was the Initiating Holder, and (z) two registrations where Holders holding in excess of ten percent (10%) or more of the Registrable Securities then outstanding (excluding the Tiger Shareholders or the Expedia Shareholder) were the Initiating Holders, in each case, pursuant to this Section 2.1, and such registrations have been declared or ordered effective (it being understood that if a demand is made jointly, the number of demands available in the future to any Holder shall be reduced by one half (1/2)); or
(iii) during the period starting with the date sixty (60) days prior to the Company’s good faith estimate of the date of the filing of and ending on a date one hundred eighty (180) days following the effective date of a Company-initiated registration subject to Section 2.2 below, provided that the Company is actively employing in good faith all commercially reasonable efforts to cause such registration statement to become effective; or

(iv) if the Initiating Holders propose to dispose of Registrable Securities that may be registered on Form S-3 or Form F-3 pursuant to Section 2.3 hereof; or

(v) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.1 a certificate signed by the Company’s Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board of Directors, it would be seriously detrimental to the Company and its Shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12)-month period and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such one hundred twenty (120) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization, merger or acquisition or transaction under Rule 145 of the Act, or a registration in which the only Ordinary Shares being registered is Ordinary Shares issuable upon conversion of debt securities that are also being registered).

2.2 Company Registration.

(a) If (but without any obligation to do so) the Company proposes to register (including for this purpose a registration effected by the Company for shareholders other than the Holders) any of its stock or other securities under the Act in connection with the public offering of such securities (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization, merger or acquisition or transaction under Rule 145 of the Act, or a registration in which the only Ordinary Shares being registered is Ordinary Shares issuable upon conversion of debt securities that are also being registered), the Company shall, at such time, promptly give each Holder written notice of such registration. Upon the written request of each Holder given within twenty (20) days after mailing of such notice by the Company in accordance with Section 6.4, the Company shall, subject to the provisions of Section 2.2(c), use all commercially reasonable efforts to cause to be registered under the Act (and make any applicable qualification under any state Blue Sky laws) all of the Registrable Securities that each such Holder requests to be registered.

(b) Right to Terminate Registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 prior to the effectiveness of such registration whether or not any Holder has elected to include securities in such registration. The expenses of such withdrawn registration shall be borne by the Company in accordance with Section 2.6 hereof.
(c) Underwriting Requirements. In connection with any offering involving an underwriting of shares of the Company, the Company shall not be required under this Section 2.2 to include any of the Holders’ securities in such underwriting unless they accept the terms of the underwriting as agreed upon between the Company and the underwriters selected by the Company (or by other Persons entitled to select the underwriters) and enter into an underwriting agreement in customary form with such underwriters, and then only in such quantity as the underwriters determine in their sole discretion will not jeopardize the success of the offering by the Company. If the total amount of securities, including Registrable Securities, requested by the Holders to be included in such offering exceeds the amount of securities sold other than by the Company that the underwriters determine in their sole discretion is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, that the underwriters determine in their sole discretion will not jeopardize the success of the offering. In no event shall any Registrable Securities be excluded from such offering unless all other shareholders’ securities have been first excluded. In the event that the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be apportioned pro rata among the selling Holders based on the number of Registrable Securities held by all selling Holders or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall the amount of securities of the selling Holders included in the offering be reduced below twenty percent (20%) of the total amount of securities included in such offering, unless such offering is the initial public offering of the Company’s securities, in which case the selling Holders may be excluded if the underwriters make the determination described above and no other shareholder’s securities are included in such offering. For purposes of the preceding sentence concerning apportionment, for any selling shareholder that is a Holder of Registrable Securities and that is a venture capital fund, partnership or corporation, the affiliated venture capital funds, partners, retired partners and shareholders of such Holder (or, in the case of the Expedia Shareholder, only its Affiliates), or the estates and family members of any such partners and retired partners and any trusts for the benefit of any of the foregoing Persons shall be deemed to be a single “selling Holder,” and any pro rata reduction with respect to such “selling Holder” shall be based upon the aggregate amount of Registrable Securities owned by all such related entities and individuals.

2.3 Form S-3 or Form F-3 Registration. In case the Company shall receive at any time from the Holders of ten percent (10%) or more of the Registrable Securities (for purposes of this Section 2.3, each, an “Initiating Holder” and if the demand is made jointly, the “Initiating Holders”) a written request or requests that the Company effect a registration on Form S-3 or Form F-3 pursuant to Rule 415 promulgated under the Act (or any successor rule) and any related qualification or compliance with respect to all or a part of the Registrable Securities owned by such Holder or Holders, the Company shall:

(a) promptly give written notice of the proposed registration, and any related qualification or compliance, to all other Holders; and

(b) use all commercially reasonable efforts to effect, as soon as practicable, such registration and all such qualifications and compliances as may be so requested.

11
and as would permit or facilitate the sale and distribution of all or such portion of such Holders’ Registrable Securities as are specified in such request, together with all or such portion of the Registrable Securities of any other Holders joining in such request as are specified in a written request given within fifteen (15) days after receipt of such written notice from the Company, provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance, pursuant to this Section 2.3:

(i) if the Company is not eligible to file a shelf registration statement on Form S-3 or Form F-3 pursuant to Rule 415 of the Act (or any successor rule);

(ii) if the Holders, together with the holders of any other securities of the Company entitled to inclusion in such registration, propose to register Registrable Securities and such other securities (if any) at an aggregate price to the public (net of any underwriters’ discounts or commissions) of less than $2,500,000;

(iii) if the Company shall furnish to Holders requesting a registration statement pursuant to this Section 2.3 a certificate signed by the Company’s Chief Executive Officer or Chairman of the Board stating that in the good faith judgment of the Board of Directors, it would be seriously detrimental to the Company and its shareholders for such registration statement to be effected at such time, in which event the Company shall have the right to defer such filing for a period of not more than one hundred twenty (120) days after receipt of the request of the Initiating Holders, provided that such right shall be exercised by the Company not more than once in any twelve (12)-month period and provided further that the Company shall not register any securities for the account of itself or any other shareholder during such one hundred twenty (120) day period (other than a registration relating solely to the sale of securities of participants in a Company stock plan, a registration relating to a corporate reorganization, merger or acquisition or transaction under Rule 145 of the Act, or a registration in which the only Ordinary Shares being registered is Ordinary Shares issuable upon conversion of debt securities that are also being registered);

(iv) if the Company has, within the twelve (12) month period preceding the date of such request, already effected two registrations on Form S-3 or Form F-3 for any Holders pursuant to this Section 2.3; or

(v) in any particular jurisdiction in which the Company would be required to qualify to do business or to execute a general consent to service of process in effecting such registration, qualification or compliance.

(b) If the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to this Section 2.3 and the Company shall include such information in the written notice referred to in Section 2.3(a). The provisions of Section 2.1(b) shall be applicable to such request (with the substitution of Section 2.3 for references to Section 2.1).
(c) Subject to the foregoing, the Company shall file a registration statement covering the Registrable Securities and other securities so requested to be registered as soon as practicable after receipt of the request or requests of the Initiating Holders. Registrations effected pursuant to this Section 2.3 shall not be counted as requests for registration effected pursuant to Section 2.1.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall use its commercially reasonable efforts to, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use all commercially reasonable efforts to cause such registration statement to become effective within one hundred eighty (180) days after the initial filing thereof with the SEC, and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred and eighty (180) days or, if earlier, until the distribution contemplated in the registration statement has been completed;

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection with such registration statement as may be necessary to comply with the provisions of the Act with respect to the disposition of all securities covered by such registration statement;

(c) provide the Holders and their respective counsel with a reasonable opportunity to review and comment on such registration statement and each prospectus included therein (and each amendment or supplement thereto) prior to filing with the SEC, as well as any related correspondence responding to comments from the SEC;

(d) furnish to the Holders, without charge, such number of copies of a prospectus, including a preliminary prospectus and any free writing prospectus, in conformity with the requirements of the Act, including any amendments or supplements thereto, and other documents incident thereto, and such other documents as they may reasonably request in order to facilitate the disposition of Registrable Securities owned by them;

(e) use all commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or Blue Sky laws of such jurisdictions as shall be reasonably requested by the Holders, provided that the Company shall not be required in connection therewith or as a condition thereto to qualify to do business or to file a general consent to service of process in any such states or jurisdictions;

(f) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the managing underwriter of such offering;
(g) notify each Holder of Registrable Securities covered by such registration statement at any time when a prospectus relating thereto is required to be delivered under the Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and, at the request of any Holder, prepare and furnish to such seller a reasonable number of copies of a supplement to or an amendment of such prospectus or free writing prospectus (to the extent prepared by or on behalf of the Company) as may be necessary so that, as thereafter delivered to the purchasers of such shares, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or incomplete in the light of the circumstances then existing;

(h) notify each Holder and its counsel of the issuance by the SEC or any state securities authority of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose and take all reasonable action required to prevent the entry of such stop order or similar notice or to remove it if entered;

(i) cause all such Registrable Securities registered pursuant to this Section 2 to be listed on a national exchange or trading system and on each securities exchange and trading system on which similar securities issued by the Company are then listed; and

(j) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration.

Notwithstanding the provisions of this Section 2, the Company shall be entitled to postpone or suspend, for a reasonable period of time, the filing, effectiveness or use of, or trading under, any registration statement if the Board of Directors shall determine in their good faith judgment that any such filing or the sale of any securities pursuant to such registration statement would:

(i) materially impede, delay or interfere with any material pending or proposed financing, acquisition, corporate reorganization or other similar transaction involving the Company for which the Board of Directors has authorized negotiations;

(ii) materially adversely impair the consummation of any pending or proposed material offering or sale of any class of securities by the Company; or

(iii) require disclosure of material nonpublic information that, if disclosed at such time, would be materially harmful to the interests of the Company and its shareholders; provided, however, that during any such period all executive officers and directors of the Company are also prohibited from selling securities of the Company (or any security of any of the Company’s subsidiaries or Affiliates).
In the event of the suspension of effectiveness of any registration statement pursuant to this Section 2.4, the applicable time period during which such registration statement is to remain effective shall be extended by that number of days equal to the number of days the effectiveness of such registration statement was suspended.

2.5 Information from Holder. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as shall be reasonably required to effect the registration of such Holder’s Registrable Securities.

2.6 Expenses of Registration. All expenses other than underwriting discounts and commissions incurred in connection with registrations, filings or qualifications pursuant to Sections 2.1, 2.2 and 2.3, including (without limitation) all registration, filing and qualification fees, printers’ and accounting fees, fees and disbursements of counsel for the Company and the reasonable fees and disbursements of one counsel for the selling Holders shall be borne by the Company. Notwithstanding the foregoing, the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 or Section 2.3 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all participating Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless, in the case of a registration requested under Section 2.1, the Holders of a majority of the Registrable Securities agree to forfeit their right to one demand registration pursuant to Section 2.1 and provided, however, that if at the time of such withdrawal, the Holders have learned of a material adverse change in the condition, business or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness following disclosure by the Company of such material adverse change, then the Holders shall not be required to pay any of such expenses and shall retain their rights pursuant to Sections 2.1 and 2.3.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any such registration as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. In the event any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each Holder, the partners, officers, directors and shareholders of each Holder, legal counsel and accountants for each Holder, any underwriter (as defined in the Act) for such Holder and each Person, if any, who controls such Holder or underwriter within the meaning of the Act or the 1934 Act, against any expenses, losses, claims, damages or liabilities (joint or several) to which they may become subject under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, insofar as such expenses, losses, claims, damages, or liabilities (or actions in respect thereof) arise out of or are based upon any of the following statements, omissions or violations (collectively, a “Violation”): (i) any untrue statement or alleged untrue statement of a material fact contained
in such registration statement, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto, (ii) the omission or alleged omission to state in such registration statement a material fact required to be stated therein, or necessary to make the statements therein not misleading or (iii) any violation or alleged violation by the Company of the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, and the Company will reimburse each such Holder, each of its officers, directors, partners, legal counsel, and accountants, underwriter, controlling Person or other aforementioned Person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Company (which consent shall not be unreasonably withheld), nor shall the Company be liable in any such case for any such loss, claim, damage, liability or action to the extent that it arises out of or is based upon a Violation that occurs in reliance upon and in conformity with written information furnished expressly for use in connection with such registration by any such Holder, underwriter, controlling Person or other aforementioned Person; provided further, however, that the foregoing indemnity agreement with respect to any preliminary prospectus shall not inure to the benefit of any Holder or underwriter, controlling Person or other aforementioned Person, or any Person controlling such Holder or underwriter, from whom the Person asserting any such losses, claims, damages or liabilities purchased shares in the offering, if a copy of the most current prospectus was not sent or given by or on behalf of such Holder or underwriter or other aforementioned Person to such Person, if required by law to have been so delivered, at or prior to the written confirmation of the sale of the shares to such Person, and if the prospectus (as so amended or supplemented) would have cured the defect giving rise to such loss, claim, damage or liability.

(b) To the extent permitted by law, each selling Holder will indemnify and hold harmless the Company, each of its directors, each of its officers who has signed the registration statement, each Person, if any, who controls the Company within the meaning of the Act, legal counsel and accountants for the Company, any underwriter, any other Holder selling securities in such registration statement and any controlling Person of any such underwriter or other Holder, against any losses, claims, damages or liabilities (joint or several) to which any of the foregoing Persons may become subject, under the Act, the 1934 Act, any state securities laws or any rule or regulation promulgated under the Act, the 1934 Act or any state securities laws, insofar as such losses, claims, damages or liabilities (or actions in respect thereto) arise out of or are based upon any Violation, in each case to the extent (and only to the extent) that such Violation occurs in reliance upon and in conformity with written information furnished by such Holder expressly for use in connection with such registration; and each such Holder will reimburse any Person intended to be indemnified pursuant to this Section 2.8(b) for any legal or other expenses reasonably incurred by such Person in connection with investigating or defending any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such loss, claim, damage, liability or action if such settlement is effected without the consent of the Holder (which consent shall not be unreasonably withheld), and provided that in no event shall any indemnity under this Section 2.8(b) exceed the net proceeds from the offering received by such Holder.
(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action), such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, deliver to the indemnifying party a written notice of the commencement thereof and the indemnifying party shall have the right to participate in, to the extent the indemnifying party so desires, jointly with any other indemnifying party similarly noticed, to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such proceeding. The failure to deliver written notice to the indemnifying party within a reasonable time of the commencement of any such action, if prejudicial to its ability to defend such action, shall relieve such indemnifying party of liability to the indemnified party under this Section 2.8, but the omission to so deliver written notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8. No indemnifying party, in the defense of any such claim or litigation, shall, except with the consent of each indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect to such claim or litigation.

(d) If the indemnification provided for in this Section 2.8 is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, then the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other hand in connection with the statements or omissions that resulted in such loss, liability, claim, damage or expense, as well as any other relevant equitable considerations; provided, however, that no contribution by any Holder, when combined with any amounts paid by such Holder pursuant to Section 2.8(b), shall exceed the net proceeds from the offering received by such Holder. The relative fault of the indemnifying party and the indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying party or by the indemnified party and the parties’ relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.
The obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration statement under this Section 2.

2.9 Reports Under the 1934 Act. With a view to making available to the Holders the benefits of Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3 or Form F-3, the Company agrees to:

(a) make and keep public information available, as those terms are understood and defined in Rule 144, at all times after the effective date of the Initial Offering;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Act and the 1934 Act; and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) a written statement by the Company that it has complied with the reporting requirements of Rule 144 (at any time after ninety (90) days after the effective date of the first registration statement filed by the Company), the Act and the 1934 Act (at any time after it has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 or Form F-3 (at any time after it so qualifies), (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company, and (iii) such other information as may be reasonably requested to avail any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration or pursuant to such form.

2.10 Assignment of Registration Rights. The rights to cause the Company to register Registrable Securities pursuant to this Section 2 may be assigned (but only with all related obligations) by the Expedia Shareholder or a Holder that is an Investor Shareholder or a Management Shareholder on the date hereof to a transferee or assignee of such securities that (i) is an affiliate, parent, partner, limited partner, retired partner or shareholder of such Shareholder (or, in the case of the Expedia Shareholder, only its Affiliates) or (ii) is a family member or trust for the benefit of such Shareholder, provided: (a) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being assigned; (b) such transferee or assignee agrees in writing to be bound by and subject to the terms and conditions of this Agreement, including, without limitation, the provisions of Section 2.12 below; and (c) such assignment shall be effective only if immediately following such transfer the further disposition of such securities by the transferee or assignee is restricted under the Act.

2.11 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective
holder (a) to include any of such securities in any registration filed under Section 2.1, Section 2.2 or Section 2.3 hereof, unless under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the amount of the Registrable Securities of the Holders that are included or (b) to demand registration of their securities.

2.12 “Market Stand-Off” Agreement.

(a) Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the Company’s Initial Offering and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472 or any successor or similar rule or regulation) (i) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable for Ordinary Shares held immediately prior to the effectiveness of the registration statement for such offering, or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Ordinary Shares, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash or otherwise. In addition, if (x) during the last 17 days of the 180-day (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472) restricted period, the Company issues an earnings release or material news or a material event relating to the Company occurs; or (y) prior to the expiration of the 180-day (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472) restricted period, the Company announces that it will release earnings results during the 16-day period beginning on the last day of the 180-day (or such longer period as the underwriters or the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472) restricted period, the Company shall request in order to facilitate compliance with FINRA Rule 2711 or NYSE Member Rule 472) restricted period, the restrictions imposed by this Section 2.12 shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The foregoing provisions of this Section 2.12 shall apply only to the Company’s Initial Offering, and shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement. The underwriters in connection with the Company’s Initial Offering are intended third-party beneficiaries of this Section 2.12 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in the Company’s Initial Offering that are consistent with this Section 2.12 or that are necessary to give further effect thereto.

In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to the Registrable Securities of each Holder (and the shares or securities of every other Person subject to the foregoing restriction) until the end of such period.
(b) Each Holder agrees that a legend reading substantially as follows shall be placed on all certificates representing all Registrable Securities of each Holder (and the shares or securities of every other Person subject to the restriction contained in this Section 2.12):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP PERIOD OF UP TO 180 DAYS (OR SUCH LONGER PERIOD AS MAY BE REQUIRED TO COMPLY WITH FINRA OR [INSERT APPLICABLE STOCK EXCHANGE OR OTC MARKET] MEMBER RULES) AFTER THE EFFECTIVE DATE OF THE ISSUER’S REGISTRATION STATEMENT FILED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AS SET FORTH IN AN AGREEMENT BETWEEN THE COMPANY AND THE ORIGINAL HOLDER OF THESE SECURITIES, A COPY OF WHICH MAY BE OBTAINED AT THE ISSUER’S PRINCIPAL OFFICE. SUCH LOCK-UP PERIOD IS BINDING ON TRANSFEREES OF THESE SHARES.

2.13 Termination of Registration Rights. No Holder shall be entitled to exercise any right provided for in this Section 2 (i) after five (5) years following the consummation of the Initial Offering, (ii) as to such Holder, such earlier time after the Initial Offering at which (A) all of the Registrable Securities held by such Holder have been registered or (B) all of the Registrable Securities held by such Holder (together with any Affiliate of the Holder with whom such Holder must aggregate its sales under Rule 144) can be sold in any three (3)-month period without registration under Rule 144 or (iii) after the consummation of a Liquidation Event.

2.14 Initial Offering.

(a) Each Shareholder acknowledges the Initial Offering shall be effected in such manner as determined by a majority of the Board of Directors, including in relation to the timing and terms of the Initial Offering, subject to the Company’s compliance with and adherence to the terms and conditions of this Agreement and the Transaction Documents.

(b) In the event of the Initial Offering, the Company and each of the Shareholders shall cooperate and use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary to assist the Company to consummate the Initial Offering, including, without limitation, to the extent requested by the Company (i) consenting to actions for which the consent of any Shareholders may be required or reasonably requested in furtherance of the Initial Offering and the sale of Ordinary Shares pursuant thereto, (ii) delivering all documents and information necessary or reasonably requested in furtherance of the Initial Offering and sale of Ordinary Shares pursuant thereto, including causing any directors appointed by it to enter into customary lockup agreements and timely prepare D&O questionnaires, (iii) consenting to and adopting a new Memorandum of Association and Articles of Association of the Company in customary form for a listed public company, as approved by a majority of the Board of Directors, (iv) consenting to and taking all actions required in order to effectuate any reorganization of the
Company’s share capital that the Board of Directors determines to be necessary for the Initial Offering (provided that no material tax losses arise for such Shareholder as a result of such reorganization, and provided that no Shareholder shall be adversely disproportionately affected (other than insubstantial differences) relative to any other Shareholder), and (v) complying with the market stand-off provisions in Section 2.12.

3. **Covenants of the Company.**

3.1 **Delivery of Financial Statements.** The Company shall, upon request, deliver to each Shareholder (or transferee of a Shareholder):

   (a) (i) for fiscal year 2014, as soon as practicable, but in any event within one hundred and fifty (150) days after the end of fiscal year 2014, and (ii) beginning with fiscal year 2015, as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company, an income statement for such fiscal year, a balance sheet of the Company and statement of shareholders’ equity as of the end of such year, and a statement of cash flows for such year, such year-end financial reports to be in reasonable detail, prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), and audited and certified by independent public accountants of nationally recognized standing selected by the Company;

   (b) (i) for each fiscal quarter of 2015, as soon as practicable, but in any event within sixty (60) days after the end of each such fiscal quarter, and (ii) beginning with the first fiscal quarter of 2016, as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, an unaudited income statement, statement of cash flows for such fiscal quarter and an unaudited balance sheet as of the end of such fiscal quarter;

   (c) (i) for each calendar month of 2015 subsequent to the Closing, as soon as practicable, but in any event within forty-five (45) days of the end of each such month and (ii) beginning with the first calendar month of 2016, within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows and balance sheet for and as of the end of such month, in reasonable detail;

   (d) beginning with fiscal year 2016, as soon as practicable, but in any event at least thirty (30) days prior to the end of each fiscal year, a budget and business plan for the next fiscal year, prepared on a monthly basis, including balance sheets, income statements and statements of cash flows for such months and, as soon as prepared, any other budgets or revised budgets prepared by the Company;

   (e) with respect to the financial statements called for in subsections (b) and (c) of this Section 3.1, an instrument executed by the Chief Financial Officer or Chief Executive Officer of the Company certifying that such financials were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (with the exception of footnotes that may be required by GAAP) and fairly present the financial condition of the Company and its results of operation for the period specified, subject to year-end audit adjustments;
(f) at the sole expense of such Shareholder, any information about the Company and its Subsidiaries reasonably required by a requesting Shareholder in order for such Shareholder to comply with applicable Laws and any investor or regulatory requirements (other than with respect to tax matters);

(g) any information about the Company and its Subsidiaries required by a Shareholder in order for such Shareholder (or its Affiliate) (1) to comply with any applicable U.S. federal, state, local or foreign tax reporting requirements, which shall include information reasonably required for the timely preparation of tax returns and disclosures of such Shareholder (or of any of its Affiliates) (with the Company further agreeing to deliver such information no later than such time as may be reasonably requested by such Shareholder), as well as (2) at the sole expense of such Shareholder, to conduct any audit, investigation, dispute or appeal or any other communication with the United States Internal Revenue Service or any state, local or foreign taxing authority (with the Company further agreeing to retain for so long as may reasonably be required by a Shareholder, any documentation supporting any tax-related information that may have been requested pursuant to this subsection (g));

(h) with respect to the Expedia Shareholder, the additional information set forth on Exhibit B hereto. If the Expedia Shareholder becomes required to account for its investment in the Company using the equity method, the Company agrees to work with the Expedia Shareholder in good faith to provide to the Expedia Shareholder the information the Expedia Shareholder reasonably deems necessary or advisable in order to ensure its compliance with GAAP; and

(i) such other information relating to the financial condition, financial outlook, cash position, business or corporate affairs of the Company as such Shareholder may from time to time reasonably request;

provided, however, that the Company shall not be obligated under Sections 3.1(f), (g), (h), (i) or any other subsection of Section 3.1 to provide information to any Shareholder that a majority of the Board of Directors, without the participation of any director appointed by the Shareholder seeking such information, reasonably deems in good faith, having taken into account any confidentiality agreement or similar obligation by which the Shareholder is bound or will agree to be bound, (i) to be Proprietary Information, which, if provided to the requesting Shareholder, would reasonably be expected to cause the Company, the Shareholder or any of their respective Affiliates to be in violation of any antitrust or competition Law or, in the case of Section 3.1(i) only, would reasonably be expected to cause the Company or its Subsidiaries a competitive disadvantage as to the requesting Shareholder or any of its Affiliates, or (ii) would adversely affect the attorney-client privilege between the Company and its counsel on the basis that such Shareholder or any of its Affiliates is adverse to the Company or any of its Affiliates in respect of the matter to which the information relates. In the event the Board of Directors makes the determination set forth in the preceding proviso, the Chairman of the Board of Directors shall (x) provide written notice to the Shareholder of such determination, and the reasons therefore, and (y) work in good faith with to agree on acceptable disclosure in accordance with this Section 3.1 based on redacted or otherwise-summarized information, or pursuant to additional undertakings by the Shareholder (including, e.g., to provide the information pursuant to customary “clean team” procedures). The term “Proprietary

22
Information” means technology, non-public data, inventions, trade secrets, improvements, or know-how or other information, including technical, business, marketing, commercial and/or financial data of a proprietary or confidential nature, including customer and supplier lists, costs and pricing and any other similar information.

3.2 Inspection. The Company shall permit each Shareholder, at such Shareholder’s expense, to visit and inspect the Company’s properties, to examine its books of account and records and to discuss the Company’s affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Shareholder; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide information that a majority of the Board of Directors, without the participation of any director appointed by the Shareholder seeking such information, reasonably deems in good faith, having taken into account any confidentiality agreement or similar obligation by which the Shareholder is bound or will agree to be bound, (i) to be Proprietary Information, which, if provided to the requesting Shareholder, would reasonably be expected to cause the Company, the Shareholder or any of their respective Affiliates to be in violation of any antitrust or competition Law or, in the case of Section 3.1(i) only, would reasonably be expected to cause the Company or its Subsidiaries to be at a competitive disadvantage as to the requesting Shareholder or any of its Affiliates, or (ii) would adversely affect the attorney-client privilege between the Company and its counsel on the basis that such Shareholder or any of its Affiliates is adverse to the Company or any of its Affiliates in respect of the matter to which the information relates. In the event the Board of Directors makes the determination set forth in the preceding proviso, the Chairman of the Board of Directors shall (x) provide written notice to the Shareholder of such determination, and the reasons therefore, and (y) work in good faith with to agree on acceptable disclosure in accordance with this Section 3.2 based on redacted or otherwise-summarized information, or pursuant to additional undertakings by the Shareholder (including, e.g., to provide the information pursuant to customary “clean team” procedures). For the avoidance of doubt, the requesting Shareholder shall not be prohibited from receiving information pursuant to this Section 3.2 that it would be entitled to receive pursuant to Section 3.1.

3.3 Termination of Information and Inspection Covenants. The covenants set forth in Sections 3.1 and 3.2 shall terminate and be of no further force or effect upon the earlier to occur of (i) the consummation of the Initial Offering, (ii) when the Company first becomes subject to the periodic reporting requirements of Sections 12(g) or 15(d) of the 1934 Act, or (iii) the consummation of a Liquidation Event, provided that in the case of clauses (i) and (ii), except with respect to any Shareholder that beneficially owns at least five percent (5%) of the Ordinary Shares.

3.4 Right of First Offer prior to Initial Offering. Prior to the Initial Offering, and subject to the terms and conditions specified in this Section 3.4, the Company hereby grants to each Shareholder a right of first offer with respect to future sales by the Company of its Shares (as hereinafter defined). For purposes of this Section 3.4, the term “Shareholder” includes any partners and Affiliates of a Holder that is a Shareholder on the date hereof. A Shareholder shall be entitled to apportion the right of first offer hereby granted it among itself and its partners and Affiliates in such proportions as it deems appropriate.
Each time the Company proposes to offer any shares of, or securities convertible into or exchangeable or exercisable for any shares of, the Company ("Shares"), the Company shall first make an offering of such Shares to each Shareholder in accordance with the following provisions:

(a) The Company shall deliver a notice in accordance with Section 6.4 ("Notice") to the Shareholders stating (i) its bona fide intention to offer such Shares, (ii) the number of such Shares to be offered and (iii) the price and terms upon which it proposes to offer such Shares.

(b) By written notification received by the Company within twenty (20) calendar days after the giving of Notice, each Shareholder may elect to purchase, at the price and on the terms specified in the Notice, up to that portion of such Shares in proportion to the FD Investor Ownership Percentage of such Shareholder. The Company shall promptly, in writing, inform each Shareholder that elects to purchase all the shares available to it (a "Fully-Exercising Shareholder") of any other Shareholder’s failure to do likewise. During the ten (10) day period commencing after such information is given, each Fully-Exercising Shareholder may elect to purchase that portion of the Shares for which Shareholders were entitled to subscribe, but which were not subscribed for by the Shareholders, that is equal to the proportion that the number of Ordinary Shares issued and held by such Fully-Exercising Shareholder bears to the total number of Ordinary Shares held by all Fully-Exercising Shareholders who wish to purchase some of the unsubscribed shares.

(c) If all Shares that Shareholders are entitled to obtain pursuant to Section 3.4(b) are not elected to be obtained as provided in Section 3.4(b) hereof, the Company may, during the one hundred twenty (120) day period following the expiration of the period provided in Section 3.4(b) hereof, offer the remaining unsubscribed portion of such Shares to any Person or Persons at a price not less than that, and upon terms no more favorable in the aggregate to the offeree than those, specified in the Notice. If the Company does not enter into an agreement for the sale of the Shares within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the rights provided hereunder shall be deemed to be revived and such Shares shall not be offered unless first reoffered to the Shareholders in accordance herewith.

(d) The right of first offer in this Section 3.4 shall not be applicable to (i) the issuance or sale of Ordinary Shares (or options therefor) to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Board of Directors, (ii) the consummation of the Initial Offering, subject to the rights of the Expedia Shareholder in Section 3.5, (iii) the issuance of Ordinary Shares by reason of a dividend, stock split or split-up, or (iv) the issuance of securities in connection with a Liquidation Event or a bona fide business acquisition by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise.

(e) The Expedia Shareholder’s rights pursuant to this Section 3.4 shall be subject to the limitations set forth in Section 3.14.
(f) The covenants set forth in this Section 3.4 shall terminate and be of no further force or effect upon the consummation of (i) the Initial Offering or (ii) a Liquidation Event.

3.5 Expedia Right of First Offer Upon and After Initial Offering. Upon and including the Initial Offering and thereafter, and subject to the terms and conditions specified in this Section 3.5, the Company hereby grants to the Expedia Shareholder a right of first offer with respect to future sales by the Company of its Shares.

Upon and including the Initial Offering and thereafter, each time the Company proposes to offer any Shares, the Company shall first make an offering of such Shares to the Expedia Shareholder in accordance with the following provisions:

(a) If the Company proposes to offer Shares in an offer registered with the SEC:

(i) The Company shall deliver a Notice to the Expedia Shareholder stating (A) its bona fide intention to offer such Shares, and (B) the number of such Shares to be offered in the public offering.

(ii) By written notification received by the Company within three (3) calendar days after the giving of Notice and before the commencement of the marketing of such Shares, the Expedia Shareholder may elect to purchase a number of such Shares in proportion of the FD Investor Ownership Percentage of Expedia.

(iii) The price per share for purchase of Shares by the Expedia Shareholder pursuant to this Section 3.5(a) shall be the same price per share paid by the investors in such public offering, as determined by the Company and the underwriters in a bookbuilding process customary for transactions of this nature upon the conclusion of the marketing of such Shares; provided that the closing of the Shares sold to the Expedia Shareholder pursuant to this Section 3.5 shall occur simultaneously, and conditioned upon, the closing of the public offering, without giving consideration to the exercise of any overallotment options. For the avoidance of doubt, and subject to the other provisions of this Section 3.5, the Expedia Shareholder shall have a right to purchase Shares pursuant to this Section 3.5 only in cases when the Company successfully consummates a sale of Shares in a related public offering.

(b) If the Company proposes to offer Shares in a bona fide private transaction:

(i) The Company shall deliver a Notice to the Expedia Shareholder stating (A) its bona fide intention to offer such Shares, (B) the number of such Shares to be offered in the private transaction and (C) the price and terms upon which it proposes to offer such Shares.

(ii) By written notification received by the Company within thirty (30) calendar days after the giving of Notice, the Expedia Shareholder may elect to purchase (subject to Section 3.5(e)) up to a number of such Shares in proportion to the FD Investor Ownership Percentage of Expedia.

25
(iii) The price per share for purchase of Shares by the Expedia Shareholder pursuant to this Section 3.5(b) shall be the same price with the applicable third party. For the avoidance of doubt, and subject to the other provisions of this Section 3.5, the Expedia Shareholder shall have a right to purchase Shares pursuant to this Section 3.5 only in cases when the Company successfully consummates a sale of Shares in a bona fide private transaction.

(c) Expedia’s right of first offer in Section 3.5(a) or 3.5(b) shall not be applicable to (i) the issuance or sale of Ordinary Shares (or options therefor) to employees, directors, consultants and other service providers for the primary purpose of soliciting or retaining their services pursuant to plans or agreements approved by the Board of Directors, (ii) the issuance of Ordinary Shares by reason of a dividend, stock split or split-up, or (iii) the issuance of securities in connection with a Liquidation Event or a bona fide business acquisition by the Company, whether by merger, consolidation, sale of assets, sale or exchange of stock or otherwise.

(d) The Expedia Shareholder’s rights pursuant to this Section 3.5 shall be subject to the limitations set forth in Section 3.14.

(e) The covenants set forth in this Section 3.5 shall terminate and be of no further effect when Expedia’s FD Investor Ownership Percentage is less than five percent (5%).

3.6 [ Reserved ].

3.7 Protective Provisions.

(a) (i) So long as Sequoia US GF Holdings, Ltd., SCGE Fund, L.P., SCHF (M) PV, L.P. and their Affiliates (collectively, “Sequoia”) hold at least 1,596,972 Ordinary Shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval of the holders of a majority of the Ordinary Shares then held by Sequoia, (ii) so long as Insight Venture Partners VII L.P., Insight Venture Partners (Cayman) VII L.P., Insight Venture Partners VII (Co-Investors), L.P., Insight Venture Partners (Delaware) VII L.P. and their Affiliates (collectively, “Insight”) hold at least 1,190,664 Ordinary Shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval of the holders of a majority of the Ordinary Shares then held by Insight, (iii) so long as Accel Growth Fund II L.P., Accel Growth Fund II Strategic Partners L.P. and Accel Growth Fund 2012 Investors L.L.C. and their Affiliates (collectively, “Accel”) hold at least 446,504 Ordinary Shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval of the holders of a majority of the Ordinary Shares then held by Accel and (iv) so long as General Atlantic Partners (Bermuda) II, L.P., GAPCO GmbH & Co. KG, GAP Coinvestments CDA, L.P., GAP Coinvestments III, LLC and GAP Coinvestments IV, LLC and their Affiliates (collectively, “General Atlantic”) hold at least 2,381,417 Ordinary Shares.
(as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall not (by amendment, merger, consolidation or otherwise) without first obtaining the approval of the holders of a majority of the Ordinary Shares then held by General Atlantic, as applicable:

1. consummate a Liquidation Event that results in proceeds payable per share of Ordinary Shares of less than $22.8206 (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like);

2. amend, alter or repeal any provision of the Company’s Memorandum of Association and Articles of Association, or any provision of the Certificate of Incorporation or Bylaws of any of the Company’s subsidiaries, so as to adversely affect Sequoia, Insight, Accel or General Atlantic, as applicable, in a manner different from the other Shareholders;

3. redeem, purchase or otherwise acquire (or pay into or set aside for a sinking fund for such purpose) any share or Ordinary Shares; provided, however, that this restriction shall not apply to (i) the repurchase of Ordinary Shares from employees, officers, directors, consultants or other persons performing services for the Company or any subsidiary pursuant to agreements under which the Company has the option to repurchase such shares upon the occurrence of certain events, such as the termination of employment or service, or pursuant to a right of first refusal, (ii) the repurchase of Ordinary Shares pursuant to Section 4 of this Agreement or Section 2.1(b) of the First Refusal and Co-Sale Agreement or (iii) the repurchase or redemption of any equity securities of the Company offered or made proportionally to all holders of equity securities of the Company;

4. liquidate, dissolve or wind up the affairs of the Company or any of its subsidiaries, effect a recapitalization or reorganization, or reincorporate the Company under the laws of a jurisdiction other than the British Virgin Islands;

5. effect a conversion of the Company into a different legal form (except where such conversion is in connection with the Initial Offering);

6. enter into any transaction with any current director or officer of the Company or any “associate” (as defined in Rule 12b-2 promulgated under the 1934 Act) of any such Person (i) in excess of $1,000,000 or (ii) involving the transfer of any intellectual property by the Company, except in each case of (i) and (ii) for (A) transactions contemplated by this Agreement, the Stock Subscription Agreement and the other Transaction Documents (as defined in the Stock Subscription Agreement), (B) compensation arrangements for services provided to the Company, as any employee, consultant, director or otherwise, that are approved by the Board, (C) transactions made in the ordinary course of business and pursuant to reasonable requirements of the Company’s business and upon fair
and reasonable terms, (D) the repurchase of Ordinary Shares pursuant to Section 4 of this Agreement or Section 2.1(b) of the First Refusal and Co-Sale Agreement, (E) the issue and sale of Shares offered to the Shareholders in accordance with Section 3.4, and (F) any transaction between the Company or any of its Subsidiaries, on the one hand, and the Expedia Shareholder or any of its Affiliates, on the other hand, including without limitation amendments or modifications to, or waivers of, the terms and conditions of the Expedia Lodging Outsourcing Agreement;

(7) enter into any exclusive license for all or substantially all of the Company’s products or technologies to a third party (other than a subsidiary or Affiliate of the Company); or

(8) adopt any new employee option or equity ownership plan or arrangement.

(b) Notwithstanding anything to the contrary in this Agreement (including without limitation Section 3.13), prior to the Initial Offering and until the date that is the third (3rd) anniversary of the closing of the Initial Offering, no Restricted Party shall (by amendment, merger, consolidation or otherwise), without first obtaining the approval of the Expedia Shareholder, enter into any commercial arrangement, Contract, financing arrangement, business combination, partnership, joint venture or any other strategic transaction or arrangement whatsoever with the Priceline Group, or directly or indirectly receive the benefit of, or access to, any Contract, transaction or arrangement that any third party may have with the Priceline Group which has the effect of circumventing the restrictions set forth in this Section 3.7(b); provided, however, that this Section 3.7(b) shall be without further effect if the Expedia Lodging Outsourcing Agreement is validly terminated in accordance with its terms, unless the Expedia Lodging Outsourcing Agreement is validly terminated by Expedia pursuant to Section 11.2.3(b) or (e) thereof (in which case this Section 3.7(b) shall remain in effect until the earliest to occur of (i) the third (3rd) anniversary of the closing of the Initial Offering, (ii) the seventh (7th) anniversary of the date of the Expedia Lodging Outsourcing Agreement if all amounts payable in accordance with Section 11.2.2(c) of the Expedia Lodging Outsourcing Agreement have been paid to Expedia; (iii) the Expedia Shareholder selling any of the Expedia Put Shares in a manner that would give rise to the right of the Company to terminate the Expedia Lodging Outsourcing Agreement if such agreement were still in effect; and (iv) a material and uncured breach by the Expedia Shareholder of Section 3.14 hereof. None of the Company, any Subsidiary or controlled Affiliate thereof shall take any actions, or fail to take any action, which would reasonably be expected to conflict with or frustrate the purpose and intent of this Section 3.7(b).

(c) [Reserved]

3.8 Directors’ and Officers’ Insurance. Within 60 days following the date of this Agreement, at the request of any Shareholder, the Company shall enter into and maintain an insurance policy or policies providing liability insurance for directors and officers of the Company (any such person, an “Indemnitee”) on terms reasonably satisfactory to the Board (including the affirmative vote or consent of the directors designated by General Atlantic,
Sequoia and Expedia). For the avoidance of doubt, any such policy or policies shall provide that notwithstanding any rights to indemnification, advancement of expenses and/or insurance of any such Indemnitees provided by any venture fund, private equity fund, corporation or other enterprise (or any Affiliate of any such entity), the Company shall be the indemnitor of first resort (i.e., the Company’s obligations to any Indemnitee are primary and any other such obligations to advance expenses or to provide indemnification for the same expenses or liabilities incurred by Indemnitee are secondary).

3.9 Observation Rights

(a) As long as Insight holds at least 1,190,664 Ordinary Shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall invite a representative of Insight to attend all meetings of the Board in a nonvoting observer capacity with no veto rights and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust, and not use for any other purpose other than to monitor such Shareholder’s investment in the Company, all such information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of confidential information or trade secrets or a conflict of interest.

(b) As long as Accel holds at least 446,504 Ordinary Shares (as adjusted for any stock splits, stock dividends, combinations, subdivisions, recapitalizations or the like), the Company shall invite a representative of Accel to attend all meetings of the Board in a nonvoting observer capacity with no veto rights and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors; provided, however, that such representative shall agree to hold in confidence and trust, and not use for any other purpose other than to monitor such Shareholder’s investment in the Company, all such information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of confidential information or trade secrets or a conflict of interest.

3.10 Anti-Bribery Covenants. The Company covenants that it shall not, and shall cause its controlled Affiliates and any of its or their respective officers, directors, employees, and agents not to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any third party, including any officer, agent or employee of a non-U.S. government or non-U.S. government-owned enterprise or any agency, department or instrumentality thereof or political party or public international organization or a candidate for non-U.S. government or political office or an agent, officer, or employee of any entity owned by a non-U.S. government, in each case, in violation of the Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”) or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall, and shall cause each of its controlled Affiliates to, maintain systems of internal controls and internal auditing, and an anticorruption compliance program which includes corporate, communications and monitoring policies, procedures and training, reasonably designed to ensure compliance with the FCPA and applicable anti-bribery and anti-corruption laws.
3.11 Company Compliance.

(a) The Company shall not, and shall cause each of its Subsidiaries and controlled Affiliates not to, take any actions or conduct any business or operations in any country (a) in which the Company and its Subsidiaries are not conducting business or operations as of the date of this Agreement, and in which the OFAC Sanctions or comparable foreign Law prohibits a U.S. Person from engaging in transactions where any Expedia Director would be required to recuse himself or herself from any discussions with or actions taken by the Board of Directors regarding such action proposed to be taken or business or operations proposed to be conducted in such jurisdiction, and (b) where the taking of such actions or the conducting of such business or operations in such country would reasonably be expected to subject Expedia or any of its Representatives to liability under OFAC Sanctions or comparable foreign Law. The Expedia Shareholder covenants to promptly inform the Company in writing of any jurisdictions of which it becomes aware in which the Company’s obligations pursuant to this Section 3.11 may be implicated.

(b) The Company shall use reasonable best efforts to arrange for management and maintenance of all of the Company’s and its Subsidiaries’ domain names by a domain name service provider reasonably acceptable to the Expedia Shareholder.

(c) From the date of this Agreement, the Company shall use its reasonable best efforts to, and to cause each of its Subsidiaries to, comply with all applicable tax laws (including documentation and information reporting requirements) relating to related party transactions, transfer pricing and the collection and withholding of taxes.

3.12 Non-Disclosure and Proprietary Rights Assignment Agreements. The Company shall require each officer, employee, independent contractor and consultant of the Company or any of its Subsidiaries that has access to material confidential information or trade secrets of the Company or any of its Subsidiaries (a “Service Provider”) to execute a non-disclosure and proprietary rights assignment agreement enforceable in the jurisdiction where such Service Provider resides and in form and substance provided to the Other Investor Shareholders and reasonably acceptable to Sequoia (a “Proprietary Rights Agreement”). If at any time the Company or any of its Subsidiaries has a Service Provider who has not executed a Proprietary Rights Agreement, the Company shall promptly require such Service Provider to execute a Proprietary Rights Agreement.

3.13 Termination of Certain Rights. The covenants set forth in Section 3.6 (“Certain Actions of the Company”), Section 3.7 (“Protective Provisions”) (other than, in the case of the consummation of an Initial Offering, the covenant in Section 3.7(b)), Section 3.9 (“Observation Rights”) and Section 3.12 (“Non-Disclosure and Proprietary Rights Assignment Agreements”) shall terminate and be of no further force or effect (i) immediately before the consummation of the Initial Offering or (ii) upon the closing of a Liquidation Event.
3.14 Expedia Shareholder Standstill.

(a) Until the date which is the third (3rd) anniversary of the closing of the Initial Offering, the Expedia Shareholder shall not, and shall cause its Affiliates not to, directly or indirectly, and acting solely or in concert with other parties, acquire record or beneficial ownership of any additional Shares if and to the extent that, after giving effect to such acquisition, Expedia would beneficially own more than 35% of the voting or economic power of the outstanding capital stock of the Company; provided that Expedia shall have the right to authorize or make a tender offer, exchange offer or other offer to acquire record or beneficial ownership of all (but not less than all) of the issued and outstanding capital stock of the Company (with any such tender offer, exchange offer or other offer to be governed by, and effected in accordance with, applicable statutory takeover laws); provided, further, that Expedia shall only have the right to consummate such tender offer, exchange offer or other offer to the extent that, after giving effect to such acquisition, Expedia would beneficially own more than 75% of the voting or economic power of the outstanding capital stock of the Company entitled to vote in the election of the Board of Directors.

(b) At any time after completion of the Initial Offering, if (i) the Company enters into a definitive agreement providing for a Liquidation Event, (ii) a tender or exchange offer which if consummated would constitute a Liquidation Event is made (by a person other than Expedia) for securities of the Company and the Board of Directors of the Company either accepts such offer or fails to recommend that its shareholders reject such offer within ten (10) business days from the date of commencement of such offer, or (iii) the Board of Directors of the Company resolves to engage in a formal process which is intended to result in a transaction which, if consummated, would constitute a Liquidation Event, then, notwithstanding clause (a) of this Section 3.14, with respect to clauses (i) and (ii), Expedia shall be entitled to make an offer for and acquire shares of the Company in a transaction for at least as many shares or equivalent as contemplated in the relevant Liquidation Event, and, with respect to clause (iii), Expedia shall be entitled to participate in such process on the same terms and conditions as the other participants.

3.15 Potential Business Opportunities; Other Agreements.

(a) The Company and the Shareholders acknowledge that (i) certain directors of the Company have served and may serve as directors, officers, employees and agents of Expedia (the “Expedia Directors”), (ii) the Company and its Affiliates may engage in the same, similar or related lines of business as those engaged in by Expedia and other business activities that overlap with or compete with those in which Expedia may engage, and (iii) the Company may have an interest in the same areas of business opportunity as Expedia. This Section 3.15 will, to the fullest extent permitted by Law, regulate and define the conduct of business and affairs of the Company and its directors who are Expedia Directors in connection with any Potential Business Opportunities (as defined below).

(b) If an Expedia Director is presented or offered, or otherwise acquires knowledge of, a potential transaction or matter that may constitute or present a business opportunity for the Company, in which the Company could, but for the provisions of this Section 3.15, have an interest or expectancy (any such transaction or matter, and any such actual or
potential business opportunity, a “Potential Business Opportunity”): (i) such Expedia Director will, to the fullest extent permitted by Law, and subject to compliance with the confidentiality obligations to which the Expedia Director is subject pursuant to any non-disclosure agreement entered into between such director and the Company, have no duty or obligation to refrain from referring such Potential Business Opportunity to Expedia and, if such Expedia Director refers such Potential Business Opportunity to Expedia, such Expedia Director shall have no duty or obligation to refer such Potential Business Opportunity to the Company or any of its Shareholders or give any notice to the Company or any of its Shareholders regarding such Potential Business Opportunity; (ii) if such Expedia Director refers a Potential Business Opportunity to Expedia, such Expedia Director, to the fullest extent permitted by Law, and subject to compliance with the confidentiality obligations to which the Expedia Director is subject pursuant to any non-disclosure agreement entered into between such director and the Company, will not be liable to the Company or any of its Shareholders as a director, shareholder or otherwise, for any failure to refer such Potential Business Opportunity to the Company, or for referring such Potential Business Opportunity to Expedia, or for any failure to give any notice to the Company or any Shareholder regarding such Potential Business Opportunity or any matter relating thereto; (iii) Expedia may participate, engage or invest in any such Potential Business Opportunity notwithstanding that such Potential Business Opportunity may have been referred to Expedia by an Expedia Director, and (iv) if a director who is an Expedia Director refers a Potential Business Opportunity to Expedia, then, as between the Company, on the one hand, and Expedia on the other hand, the Company shall be deemed to have renounced any interest, expectancy or right in or to such Potential Business Opportunity or to receive any income or proceeds derived therefrom solely as a result of such Expedia Director having been presented or offered, or otherwise acquiring knowledge of, such Potential Business Opportunity, unless in each case referred to in clause (i), (ii) (iii) or (iv), such Potential Business Opportunity was presented or offered to the Expedia Director solely in his or her capacity as a director of the Company or for the benefit of the Company (a “Restricted Potential Business Opportunity”). In the event the Board of Directors pursuant to a resolution approved by the majority of the directors (excluding the Expedia Directors) declines to pursue a Restricted Potential Business Opportunity, the Expedia Directors shall be free to refer such Restricted Potential Business Opportunity to Expedia. For the avoidance of doubt, the Company or any Subsidiaries of the Company shall not be prohibited from pursuing any Potential Business Opportunity with respect to which it has been deemed to have renounced any interest or expectancy as a result of this Section 3.15. Nothing in this Section 3.15 shall be construed to allow any Expedia Director to usurp a Restricted Potential Business Opportunity of the Company solely for his or her personal benefit.

(c) The Company and each of its Shareholders on the one hand, and Expedia on the other, mutually acknowledge that each of the Company and Expedia is a corporation that conducts operations, pursues multiple lines of business and has entities, assets, properties and employees in multiple jurisdictions across the world, some of which may be competitive with Expedia’s or the Company’s businesses. The Company and each of its Shareholders on the one hand, and Expedia on the other, mutually agree, subject to the Company’s and the Expedia Shareholder’s compliance with the specific terms and conditions herein and therein and applicable Law, that no term or condition of this Agreement or the Transaction Documents or the existence of the Expedia Shareholder’s investment in the Company shall be deemed to limit, modify, restrict or in any way affect the Company or the
Expedia Shareholder, their respective Subsidiaries, their respective Affiliates and any of their respective directors, officers, shareholders, partners, managers, members, employees, agents, contractors or advisors, including without limitation, their respective operations, business plans, business strategies, pursuit of growth opportunities (including both organic opportunities as well as business combination, acquisition, partnership, joint venture, commercial agreements and similar transactions with third parties), the pursuit of new lines of business, expansion into new jurisdictions and the disposal of any existing entities, assets, properties or lines of business.


4.1 Termination Without Cause or for Good Reason. In the event that the employment of a Management Shareholder by the Company is terminated without Cause or is terminated by the Management Shareholder for Good Reason (each, an “Involuntary Termination”), such Management Shareholder shall have the right for a period of ninety (90) days following the date of such Involuntary Termination (which period of time shall not be less than the period of time that such Management Shareholder shall be entitled to exercise his Options (as defined below) under the Company’s 2008 Stock Plan (the “Stock Plan”)) to sell all outstanding Ordinary Shares acquired pursuant to the Stock Plan and held by him to the Company at a per share price equal to the fair market value as of the date of such termination determined in accordance with Section 4.4. In connection with an Involuntary Termination, the Company agrees that, all options issued to such Management Shareholder to acquire Ordinary Shares pursuant to the Stock Plan (“Options”) shall immediately vest in full and such Management Shareholder shall have the amount of time to exercise such Options provided in accordance with such Management Shareholder’s option agreements, and any Ordinary Shares acquired upon such exercise shall be subject to the Management Shareholder’s right to put his shares to the Company pursuant to this Section 4.1.

4.2 Termination for Cause or Voluntary Resignation. In the event that the employment of a Management Shareholder by the Company is terminated for Cause or due to the voluntary resignation of such Management Shareholder without Good Reason, the Company shall have the right, for a period of ninety (90) days following the date of such termination or resignation, to repurchase all outstanding Ordinary Shares held by him, whether now owned or hereafter acquired (including all Ordinary Shares acquired upon exercise of Options), at a price per share equal to the fair market value as of the date of such termination determined in accordance with Section 4.4.

4.3 Termination Due to Death or Disability. In the event that the employment of a Management Shareholder by the Company is terminated due to the death or Disability of such Management Shareholder, subject to Section 4.2, if applicable, such Management Shareholder, his legal representative or his estate shall have the right for a period of ninety (90) days following the date of such event (which period of time shall not be less than the period of time that such Management Shareholder, his legal representative or his estate shall be entitled to exercise Options under the Stock Plan) to sell all outstanding Ordinary Shares acquired pursuant to the Stock Plan and held by him to the Company at a price per share equal to the fair market value of such shares on the date of such termination determined in accordance with Section 4.4. Upon the occurrence of an event described in this Section 4.3, the Company...
agrees that the Management Shareholder (or such Management Shareholder’s legal representative or estate) shall have a reasonable amount of time to exercise such Management Shareholder’s Options in accordance with such Management Shareholder’s option agreements, and any Ordinary Shares acquired upon such exercise shall be subject to the Management Shareholder’s (or such Management Shareholder’s legal representative’s or estate’s) right to put his shares to the Company pursuant to this Section 4.3.

4.4 Determination of Fair Market Value. The fair market value of the shares to be repurchased or sold under this Section 4 shall be determined by an independent appraiser selected by the Board of Directors and the selling Management Shareholder (or such Management Shareholder’s legal representative or estate) and such fair market value shall be final and binding on the Company and the Management Shareholder (or such Management Shareholder’s legal representative or estate).

5. Expedia Right to Put.

5.1 Put Option. In the event that the Company terminates the Expedia Lodging Outsourcing Agreement pursuant to Section 11.2.2(c) thereof (the “Expedia Put Triggering Event”), the Expedia Shareholder shall have the option to sell, and the Company shall have the obligation to buy, all or any of the Ordinary Shares the Expedia Shareholder purchased pursuant to the Stock Subscription Agreement (the “Expedia Put Shares”) to the Company in accordance with this Section 5 (the “Expedia Put Option”) by delivering a notice to the Company to this effect (the “Expedia Put Notice”) within ninety (90) days after the occurrence of such Expedia Put Triggering Event.

5.2 Exercise Price. The “Exercise Price” will be an amount equal to the fair market value of such Shares as of the date of the Expedia Put Triggering Event (the “Fair Market Value”), as determined pursuant to the procedures set forth in Section 5.6. The Exercise Price shall be determined in U.S. dollars.

5.3 Put Closing. Following the exercise of the Expedia Put Option, the Company shall promptly take all steps necessary to consummate the purchase and sale of the Expedia Put Shares (the “Expedia Put Option Closing”) subject only to such conditions as are customary for this type of transactions. In any event, subject to receipt of any necessary approvals from any applicable Governmental Body, the Expedia Put Option Closing shall occur within forty-five (45) days of the receipt of the Expedia Put Notice, as the case may be, or within five (5) business days from receipt of such approvals, whichever is later (the “Expedia Put Option Closing Date”); provided that, in the event that the Company is required to register the Expedia Put Shares, the Expedia Put Option Closing Date shall only occur once the Expedia Put Shares have been sold in accordance with Section 5.6(a) below. On the Expedia Put Option Closing Date, (a) the Company shall pay the Exercise Price by wire transfer of immediately available funds to the account specified by the Expedia Shareholder and record the transfer of the Expedia Put Shares in the appropriate books and records of the Company and (b) the Expedia Shareholder shall transfer the Expedia Put Shares to the Company, free and clear of any Liens. In connection with any purchase and sale consummated in accordance with the provisions of this Section 5, the Expedia Shareholder shall be required to make customary representations and warranties for a transaction of this type, solely with respect to its good title to the Expedia Put Shares free and clear of Liens, its power and authority to consummate such purchase and sale, and the absence of any conflicts, required consents or legal proceedings in respect of the Expedia Shareholder which would restrict or prohibit such purchase and sale.

34
5.4 Termination of Rights as a Shareholder. The Expedia Shareholder shall, together with the delivery of Expedia Put Notice, deliver to the Company the Expedia Put Shares and agrees that as of the date of the Expedia Put Option Closing, it shall no longer have any rights as a holder of the Expedia Put Shares. Upon delivery of the Expedia Put Notice, the Expedia Shareholder shall use its best efforts to cause the members of the Board of Directors designated by the Expedia to resign their position effective as of the Expedia Put Option Closing as directors of the Company.

5.5 Expenses; Further Assurances. Each of the Company and the Expedia Shareholder shall bear its own costs and expenses in connection with any purchase and sale arising pursuant to this Section 5. From and after the date of the Expedia Put Notice, each of the Expedia Shareholder and the Company agrees to execute all such other documents and to use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary under applicable Laws to consummate the Expedia Put Option Closing in a timely manner, including any filings for approval of any Governmental Body required for the consummation of the Expedia Put Option Closing.

5.6 Determination of Fair Market Value. The Fair Market Value shall be determined pursuant to the following procedures:

(a) In the event that the Company shall have completed the Initial Offering and remains a public company with securities traded on a recognized securities exchange or market, at the time of the Expedia Put Notice, then (i) the Company shall use its best efforts to prepare and file with the SEC a registration statement in relation to the Expedia Put Shares as soon as reasonably practicable and use all commercially reasonable efforts to have the SEC declare such registration statement effective, (ii) upon such registration statement being declared effective, the Company, in conjunction with the Expedia Shareholder, shall request quotes from no fewer than five (5) internationally recognized underwriting banks with offices in New York City (each such bank, a “Quoting Bank”) for a firm and fully underwritten sale (i.e., a bona fide bought deal) of the Expedia Put Shares and (iii) the Company will assist the Expedia Shareholder in causing the Expedia Put Shares to be bought on a recognized securities exchange or market or otherwise, or, if the Expedia Put Shares are not able to be sold on a recognized exchange or market or otherwise, the Company shall itself purchase the Expedia Put Shares for the highest quoted price then available from the Quoting Banks.

(b) In the event that the Company shall have not completed the Initial Offering or is no longer a public company with securities traded on a recognized securities exchange or market at the time of the Expedia Put Notice, the Fair Market Value shall be determined as follows:

(i) Within 30 days after the date of delivery of the Expedia Put Notice, the Company and the Expedia Shareholder shall consult with each other and attempt in good faith to agree upon a Fair Market Value with the Fair Market Value being the price so agreed in writing if agreement is reached within such time period; the Company shall provide the Expedia Shareholder with such information as it may reasonably request for the purposes of their determination of the Fair Market Value;
(ii) If the Company and the Expedia Shareholder do not agree on the Fair Market Value within the time period set forth in subsection (i), then within five (5) business days after conclusion of the 30-day period (the “Trigger Date”), the Company, on the one hand, and the Expedia Shareholder, on the other hand, shall deliver in writing to the Expedia Shareholder and the Company, respectively, their determination of the Fair Market Value (each a “Fair Market Value Notice”). If the amounts determined by the Company and the Expedia Shareholder differ by ten percent (10%) or less from one another (i.e., the lower amount set out in one Fair Market Value Notice is within ten percent (10%) of the higher amount set out in the other Fair Market Value Notice), the Fair Market Value shall be the average of the two valuations.

(iii) If, however, the difference is higher than ten percent (10%), then each of the Company and the Expedia Shareholder shall appoint an arbitrator pursuant to clause (v) below to act as an expert and not as an arbitrator (the “Valuation Expert”), with such Valuation Expert to be selected by mutual agreement (not to be unreasonably withheld) by the Board of Directors (without the participation of the directors appointed by the Expedia Shareholder) and the Expedia Shareholder to determine the Fair Market Value within thirty (30) days after being appointed;

(iv) if Expedia and the Company fail to agree upon the selection of a Valuation Expert within 10 business days of the Trigger Date, each of the Company and the Expedia Shareholder shall appoint one independent investment banker from a reputable investment bank (that shall each not be an Affiliate or service provider of Expedia or the Company at the time of arbitration or such determination), who shall try to mutually agree on a third party Valuation Expert. If such independent investment bankers fail to mutually agree on such Valuation Expert, each of such independent investment bankers shall appoint two independent appraiser or additional independent investment bankers, and the Valuation Expert will be selected from among the four independent appraisers or independent investment bankers by drawing lots. Before the selection, each investment banker and/or independent appraiser being considered for selection as Valuation Expert shall be required to disclose the nature and scope of any relationship it has (or has had within the prior five years) with any of the Shareholders and the Company. The investment bankers shall, in selecting the independent appraiser or additional investment bankers, take into account the nature and scope of the relationships of such independent appraisers or additional investment bankers with the Shareholders and the Company and the likelihood that such relationships might prejudice any of the parties. Once appointed, the Valuation Expert shall conduct its own independent valuation and deliver to the Company the Expedia Shareholder the results thereof within thirty (30) days of its appointment. The Fair Market Value of the Expedia Put Shares will be the average of (A) the valuation made by the Valuation Expert and (B) the closer of the valuations by the Parties;

(v) The Fair Market Value of the Expedia Put Shares as determined in accordance with the above mentioned procedures shall be final and binding on the Company and the Expedia Shareholder;
(vi) The fees of any Valuation Expert, investment banker or independent appraiser appointed to determine the Fair Market Value in accordance with this Section 5.6(b) shall be shared equally by the Company and the Expedia Shareholder;

(vii) The director or directors appointed by the Expedia Shareholder shall not participate in any discussions of the Board of Directors with respect to the determination of the Exercise Price; and

(viii) For purposes of this Section 5.6(b) the Valuation Expert shall have timely access to all accounting records or other relevant documents of the Company and its Subsidiaries, subject to any confidentiality agreement reasonably required by the Company and shall not conduct any meetings or communicate with any of the parties unless both parties are present or have waived their right to be present.

6. Miscellaneous

6.1 Successors and Assigns. Except as otherwise provided herein, the terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and assigns of the parties (including transferees of any shares of Registrable Securities). Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

6.2 Governing Law; Jurisdiction.

(a) This Agreement, and all claims or causes of action (whether at law, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(b) In the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the enforcement or breach hereof, or any transactions contemplated hereby (a "Dispute"), any party hereto may send a written notice of such Dispute to the other parties hereto (a "Dispute Notice") and the parties hereto shall consult and negotiate with each other and, recognizing their mutual interests, attempt to reach a solution satisfactory to all parties. If they do not reach settlement within a period of thirty (30) days after the date that the Dispute Notice is given, then the parties may elect to pursue legal remedies in accordance with Sections 6.2(b) and (c). In addition, each of the parties hereto irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other party hereto or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery, or, if the Delaware Court of Chancery declines to accept
jurisdiction over a particular matter, any federal court within the State of Delaware, or, if both the Delaware Court of Chancery and the federal courts within the State of Delaware decline to accept jurisdiction over a particular matter, any other state court within the State of Delaware, and, in each case, any appellate court therefrom. Each of the parties hereto hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the parties hereto hereby irrevocably waives, and agrees not to assert as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 6.2, (ii) any claim that it or its property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by the applicable Law, any claim that (x) the suit, action or proceeding in such court is brought in an inconvenient forum, (y) the venue of such suit, action or proceeding is improper or (z) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the parties hereto agrees that service of process upon such party in any such action or proceeding shall be effective if such process is given as a notice in accordance with Section 6.4.

(c) EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY DIRECT OR INDIRECT ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR THE FINANCING. EACH PARTY (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (B) MAKES THIS WAIVER VOLUNTARILY, AND (C) ACKNOWLEDGES THAT EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS CONTAINED IN THIS SECTION 6.2.

6.3 Titles and Subtitles. The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

6.4 Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail (it being understood that any notices sent by electronic mail shall be accompanied by delivery of such notice by registered or certified mail) or facsimile if sent during normal business hours of the recipient; if not, then on the next business day, (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) two (2) days after deposit with an internationally recognized overnight courier, specifying second-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at the addresses set forth on the Offer or the notices of acceptance of the Offer, as applicable, to which this Annex A is attached (or at such other addresses as shall be specified by notice given in accordance with this Section 6.4).
6.5 Expenses. In the event that any dispute among the parties to this Agreement should result in litigation, the prevailing party in such dispute shall be entitled, in addition to any other relief to which such party is entitled, to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

6.6 Entire Agreement; Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof. Unless otherwise specified herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of each of the Company, the Expedia Shareholder and the Tiger Shareholders; provided, however, that the Expedia Shareholder shall not unreasonably withhold or delay its consent to the extent any such amendment or waiver is required in relation to additional equity financings of the Company, except in the event that such amendment or waiver adversely affects the obligations or rights of the Expedia Shareholder, in which case no such amendment or waiver shall be effective against the Expedia Shareholder if the Expedia Shareholder has not consented to it in writing; provided, further, however, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Management Shareholders in a different manner than the other Holders, no such amendment or waiver shall be effective against any Management Shareholder which has not consented to such amendment or waiver; and provided further, however, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Other Investor Shareholders in a different manner than the other Holders, no such amendment or waiver shall be effective against any Other Investor Shareholder, which has not consented to such amendment or waiver in writing. Any amendment of Sections 3.7(a) (“Protective Provisions”), 3.12 (“Non-Disclosure and Proprietary Rights Assignment Agreements”), 3.13 (“Termination of Certain Rights”) or this Section 6.6 (as it relates to those provisions) or this Agreement and any waiver of the observance of Sections 3.12 (“Non-Disclosure and Proprietary Rights Assignment Agreements”), 3.13 (“Termination of Certain Rights”) or this Section 6.6 (as it relates to those provisions) of this Agreement and any amendment and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) shall require the written consent of the holders of a majority of the then-outstanding Ordinary Shares then held by the Other Investor Shareholders. In addition, any amendment of, or waiver of the observance of, Sections 3.6(vii) (“Certain Actions of the Company”), 3.7(a)(i) (“Protective Provisions”), 3.8 (“Directors’ and Officers’ Insurance”), 3.12 (“Non-Disclosure and Proprietary Rights Assignment Agreements”), or 3.13 (“Termination of Certain Rights”) of this Agreement or this sentence of this Section 6.6 shall require the written consent of holders of a majority of the then-outstanding Ordinary Shares then held by Sequoia. In addition, any amendment to Sections 3.9(a) (“Observation Rights”) or 3.13 (“Termination of Certain Rights”), with respect to Sections 3.7(a)(ii) (“Protective Provisions) and 3.9(a) (“Observation Rights”), of this Agreement and any waiver of the observance of this sentence of
this Section 6.6 also shall require the written consent of holders of majority of the then-outstanding Ordinary Shares then held by Insight. In addition, any amendment to Sections 3.9(b) (“Observation Rights”) or 3.13 (“Termination of Certain Rights”), with respect to Sections 3.7(a)(iii) (“Protective Provisions”) and 3.9(b) (“Observation Rights”), of this Agreement and any waiver of the observance of this sentence of this Section 6.6 also shall require the written consent of holders of majority of the then-outstanding Ordinary Shares then held by Accel. In addition, any amendment of, or waiver of the observance of, Sections 3.6(vii) (“Certain Actions of the Company”), 3.7(a)(iv) (“Protective Provisions”), 3.8 (“Directors’ and Officers’ Insurance”) or 3.13 (“Termination of Certain Rights”) of this Agreement or this sentence of this Section 6.6 shall require the written consent of holders of a majority of the then-outstanding Ordinary Shares then held by General Atlantic. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each holder of any Registrable Securities, each future holder of all such Registrable Securities, and the Company.

6.7 Confidentiality. The Shareholders agree and acknowledge that any information furnished by the Company to the Shareholders in connection with the transactions contemplated hereby (including, for the avoidance of doubt, any information provided by the Company to the Expedia Shareholder prior to the date hereof, pursuant to the terms of the Expedia Confidentiality Agreement) will be kept strictly confidential and will not be disclosed by the Shareholders, except (a) as required by applicable Law, regulation or legal process, and (b) that the Investor Shareholders and the Expedia Shareholder may disclose such information to their respective Affiliates, Representatives or, in the case of the Investor Shareholders, prospective Representatives who need to know such information for the purpose of evaluating the transactions contemplated hereby, managing their respective investments in the Company and/or performing or exercising any of the respective rights under the Transaction Documents; provided, with respect to subsection (b) above, that the Shareholders agree to be responsible for any breach of this Section by their Affiliates or Representatives (it being understood that such responsibility shall be in addition to and not by way of limitation of any right or remedy the Company may have against such Representatives with respect to any such breach).

6.8 Non-Solicitation.

(a) The Expedia Shareholder hereby covenants to the benefit of the Company that, during the term of this Agreement and, thereafter, during the period that is one (1) year after Expedia’s FD Investor Ownership Percentage is less than ten percent (10%), it will not, and will not permit any of its Affiliates to, directly or indirectly, solicit, invite, or cause to be solicited or encouraged any Company’s or its Subsidiaries’ directors, officers or employees whose annual compensation is equivalent to or greater than $50,000 (each, a “Company Restricted Employee”) for the purpose of hiring, employing or otherwise retaining the services of such Company Restricted Employee, provided that the foregoing restriction shall not apply in the case of any such Company Restricted Employee who (i) responds to a general advertisement for recruitment without any other direct or indirect solicitation by, or encouragement from the Expedia Shareholder or its Affiliates by search firms, employment agencies, or other similar entities, (ii) initiates discussions regarding such employment without any direct or indirect solicitation by the Expedia Shareholder or its Affiliates or (iii) is no longer employed by the Company or any of its Subsidiaries prior to the commencement of employment discussions.
(b) The Company hereby covenants to the benefit of Expedia that, during the term of this Agreement and, thereafter, during the period that is one (1) year after Expedia’s FD Investor Ownership Percentage is less than ten percent (10%), the Company will not, and will not permit any of its Affiliates to, directly or indirectly, solicit, invite, or cause to be solicited or encouraged any the Expedia Shareholder’s or its Subsidiaries’ directors, officers or employees with the job title “Vice President” and above (each, an “Expedia Restricted Employee”) for the purpose of hiring, employing or otherwise retaining the services of such Expedia Restricted Employee to the extent the Company or its Subsidiaries, as applicable, first came into contact with such Expedia Restricted Employee in connection with the negotiation or performance of the Expedia Lodging Outsourcing Agreement, provided that the foregoing restriction shall not apply in the case of any such Expedia Restricted Employee who (i) responds to a general advertisement for recruitment without any other direct or indirect solicitation by, or encouragement from the Company or its controlled Affiliates by search firms, employment agencies, or other similar entities, (ii) initiates discussions regarding such employment without any direct or indirect solicitation by the Company that the Company or its Subsidiaries have been in contact with or (iii) is no longer employed by the Expedia Shareholder or any of its Subsidiaries prior to the commencement of employment discussions.

6.9 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision(s) shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

6.10 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates (including affiliated venture capital funds) shall be aggregated together for the purpose of determining the availability of any rights under this Agreement.

6.11 Effect on Prior Agreement. Upon the effectiveness of this Agreement, the Fifth Amended and Restated Investors’ Rights Agreement shall be superseded and replaced in its entirety by this Agreement and shall be of no further force or effect.

Remainder of page intentionally left blank.
IN WITNESS WHEREOF, the parties hereto have caused the Fourth Amended and Restated First Refusal and Co-Sale Agreement to be duly executed, all as of the date first written above.

DESPEGAR.COM, CORP.

By: /s/ Juan Pablo Alvarado
Name: Juan Pablo Alvarado
Title: Representative

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
EXPEDIA, INC.

By:  /s/ Mark D. Okerstrom

Name:  Mark D. Okerstrom
Title:  Authorized Person

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL PRIVATE INVESTMENT PARTNERS IV, L.P.

By: TIGER GLOBAL PIP PERFORMANCE IV, LLC
    Its General Partner

By: TIGER GLOBAL PIP MANAGEMENT IV, LTD.
    Its General Partner

By: /s/ Steven D. Boyd

Steven D. Boyd
General Counsel

Address: Campbell Corporate Services Limited
        Scotia Centre, P.O. Box 268
        Grand Cayman KY1-1104
        Cayman Islands

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL INVESTMENTS, L.P.

By: TIGER GLOBAL PERFORMANCE, LLC
    Its General Partner

By: /s/ Steven D. Boyd
    Steven D. Boyd
    General Counsel

Address: Campbell Corporate Services Limited
        Scotia Centre, P.O. Box 268
        Grand Cayman KY1-1104
        Cayman Islands

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
TIGER SHAREHOLDER:

By:  /s/ Scott Shleifer
Scott Shleifer, Investment Trustee of the Shleifer
2011 Descendants’ Trust pursuant to an agreement
dated as of January 20, 2011

Address:  9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
TIGER SHAREHOLDER:

By: /s/ Lee Fixel

Lee Fixel, as Investment Trustee of LFX Trust under an agreement dated as of January 26, 2011

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
TIGER SHAREHOLDER:

VENTOUX V LLC

By: /s/ Feroz Dewan
Feroz Dewan, Investment Manager

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Sixth Amended and Restated Investors’ Rights Agreement]
Tiger Shareholders

Tiger Global Private Investment Partners IV, L.P.
Tiger Global Investments, L.P.
The Scott Shleifer 2011 Descendants' Trust pursuant to an agreement dated as of January 20, 2011
LFX Trust under an agreement dated as of January 26, 2011
Ventoux V LLC
Management Shareholders

Porto Palma S.A.
Vistamare S.A.
Tielis Park S.A.
Prosventure S.A.
Pausania S.A.
Bynum Company S.A.
Birbey S.A.
Prefisul S.A.
Pranaguspi S.A.
Other Investor Shareholders

SC US GF V HOLDINGS, LTD.
SCGE FUND, L.P.
SCHF (M) PV, L.P.
INSIGHT VENTURE PARTNERS VII, L.P.
INSIGHT VENTURE PARTNERS (Cayman) VII, L.P.
INSIGHT VENTURE PARTNERS VII (Co-Investors), L.P.
INSIGHT VENTURE PARTNERS (Delaware) VII, L.P.
Accel Growth Fund II L.P.
Accel Growth Fund II Strategic Partners L.P.
Accel Growth Fund 2012 Investors L.L.C.
General Atlantic Partners (Bermuda) II, L.P.
GAPCO GmbH & Co. KG
GAP Coinvestments CDA, L.P.
GAP Coinvestments III, LLC
GAP Coinvestments IV, LLC
Expedia, Inc., a Washington corporation. If Expedia, Inc., a Washington corporation, transfers its Ordinary Shares to an Affiliate in accordance with Section 2.4(c) (ii) of the First Refusal and Co-Sale Agreement, all references to the “Expedia Shareholder” in this Agreement shall be deemed to be references to such Affiliate.

S-4
EXHIBIT A
EXPEDIA INFORMATION REQUIREMENTS

The Company shall deliver to the Expedia Shareholder:

a. Within 60 days subsequent to the end of the preceding fiscal quarter or fiscal year, as applicable, any quarterly or annual projections created for internal use, including any longer-term forecasts or external forecasts.

b. As promptly as practicable after such information becomes available, actual results for any fiscal quarter or fiscal year, as applicable, compared to the projected financial information provided in (a), with explanations in respect of any material deviations.

c. As promptly as practicable after completion, any internal or external valuations used to value any stock options or other equity instruments to be issued by the Company or any of its Subsidiaries.

d. As promptly as practicable after occurrence, notification of any material events that is disruptive or may cause significant disruption to the Company, including, for example, legal settlements or judgments, tax penalties or fines, orders from Governmental Bodies, etc.

e. As promptly as practicable after such information becomes available, the percentage of revenues and expenses of the Company as compared to the consolidated financial results generated from the Expedia Lodging Outsourcing Agreement, including future expectations on internal projections.

f. As promptly as practicable after such information becomes available, the percentage of revenues and expenses generated by the Company as compared to the consolidated financial results generated from Expedia and its Affiliates and the Company, including future expectations in internal projections.
FOURTH AMENDED AND RESTATE D FIRST REFUSAL AND CO-SA L E AGREEMENT

Parties: Despegar.com, Corp., a business company incorporated in the British Virgin Islands with company number 1936519 and whose registered office is at Commerce House, Wickhams Cay I, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110 (the “Company”), the holders of Ordinary Shares of the Company (“Ordinary Shares”) listed on Schedule A hereto (the “Tiger Shareholders”), the holders of Ordinary Shares listed on Schedule B hereto (the “Management Shareholders”), the holders of Ordinary Shares listed on Schedule C hereto (the “Other Investor Shareholders”), the holders of Ordinary Shares listed on Schedule D hereto (the “Expedia Shareholder”) and such persons who may be listed from time to time on Schedule E hereto (the “Additional Shareholders” and, together with the Management Shareholders, the Tiger Shareholders, the Other Investor Shareholders and the Expedia Shareholder, each, a “Shareholder” and, collectively, the “Shareholders”), in each case as such Schedules A, B, C, D or E may be amended hereafter as contemplated herein. This document, dated as of August 29, 2017, is referred to herein as the “Agreement” and may also be referred to as the “Fourth Amended and Restated First Refusal and Co-Sale Agreement.”

WITNESSETH:

WHEREAS, the Shareholders possess certain rights and obligations pursuant to that certain Third Amended and Restated First Refusal and Co-Sale Agreement dated as of March 6, 2015 by and among the Company and the Shareholders (the “Third Amended and Restated First Refusal and Co-Sale Agreement”);

WHEREAS, the Third Amended and Restated First Refusal and Co-Sale Agreement may be amended (subject to certain exceptions) with the consent of each of the Company, the Expedia Shareholder and the Tiger Shareholders;

WHEREAS, the Company is undertaking an Initial Offering (as defined below); and

WHEREAS, in connection with the Initial Offering, the Company, the Expedia Shareholder and the Tiger Shareholders desire to amend and restate the Third Amended and Restated First Refusal and Co-Sale Agreement in the form of this Agreement, which shall supersede and replace the Third Amended and Restated First Refusal and Co-Sale Agreement in its entirety.

NOW, THEREFORE, in consideration of the foregoing premises and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Tiger Shareholders and the Expedia Shareholder agree to amend and restate the Third Amended and Restated First Refusal and Co-Sale Agreement as follows, and the Parties further agree as follows:

This Fourth Amended and Restated First Refusal and Co-Sale Agreement shall become effective immediately prior to the consummation of an Initial Offering (as defined below).
1. Definitions.

1.1 Defined Terms. Capitalized terms used, but not defined elsewhere in this Agreement, will have the meanings set forth in this Section 1.1 for all purposes of this Agreement.

(a) Affiliate. For purposes of this Agreement, the term “Affiliate” shall have the meaning given to such term in the Investors’ Rights Agreement.

(b) Beneficial ownership. For purposes of this Agreement, the term “beneficial ownership” (including the correlative term “beneficially own.”) shall have the meaning given to such term in Rule 13d-3 and Rule 13d-5 of the 1934 Act; provided, however, that a Person will be deemed to be the beneficial owner of any security that may be acquired by such Person, whether upon the conversion, exchange or exercise of any rights, options, warrants or similar securities to subscribe for, purchase or otherwise acquire such security.

(c) Board of Directors. For purposes of this Agreement, the term “Board of Directors” shall mean the board of directors of the Company.

(d) Business Day. For purposes of this Agreement, the term “Business Day” means any day other than a Saturday or Sunday or a day on which banks in the State of New York are authorized or required to be closed.

(e) Company Security. For purposes of this Agreement, the term “Company Security” means any shares of, or other equity interest in, the Company, or any options, warrants, securities or other rights convertible into, or exercisable for, any such shares or equity interest.

(f) Delivery. For purposes of this Agreement, the term “Delivery” shall have the meaning set forth in Section 7 below.

(g) Equity Securities. For purposes of this Agreement, the term “Equity Securities,” shall mean any shares of Ordinary Shares now owned or hereafter acquired by a Shareholder (or a transferee in accordance with Section 2.4 hereof) having voting rights in the election of the Board of Directors of the Company.

(b) Expedia Lodging Outsourcing Agreement. For purposes of this Agreement, the term “Expedia Lodging Outsourcing Agreement,” shall mean that certain Lodging Outsourcing Agreement, dated as of the date hereof, by and among Travel Reservations S.R.L., Company and the Expedia Shareholder pursuant to which the Expedia Shareholder will supply certain services to the Company, as amended, supplemented or modified.

(i) FD Investor Ownership Percentage. For purposes of this Agreement, “FD Investor Ownership Percentage” shall have the meaning given to such term in the Investors’ Rights Agreement.

(j) Holders. For purposes of this Agreement, the term “Holders” shall mean the Shareholders listed on Schedule A, Schedule B, Schedule C, Schedule D and Schedule E hereto, or any person or entity that has acquired Equity Securities from any of such Shareholders, provided that such persons are eligible to acquire the rights of Holders in accordance with Section 3 hereof.
(k) **Initial Offering.** For purposes of this Agreement, the term “**Initial Offering**” shall have the meaning given to such term in the Investors’ Rights Agreement.

(l) **Liquidation Event.** For purposes of this Agreement, the term “**Liquidation Event**” shall have the meaning given to such term in the Investors’ Rights Agreement.

(m) **Parties.** For purposes of this Agreement, the term “**Parties**” shall mean the Company and the Shareholders, each a “**Party**.”

(n) **Person.** For purposes of this Agreement, the term “**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporation or Governmental Body (as defined in the Investors’ Rights Agreement).

(o) **Priceline Group.** For purposes of this Agreement, the term “**Priceline Group**” shall have the meaning given to such term in the Investors’ Rights Agreement.

(p) **Subsidiary.** For purposes of this Agreement, the term “**Subsidiary**” shall have the meaning given to such term in the Investors’ Rights Agreement.

(q) **Transfer.** For purposes of this Agreement, the term “**Transfer**” shall include any sale, assignment, encumbrance, hypothecation, pledge, conveyance in trust, gift, transfer by bequest, devise or descent, or other transfer or disposition of any kind, including, but not limited to, transfers pursuant to divorce or legal separation, transfers to receivers, levying creditors, trustees or receivers in bankruptcy proceedings or general assignees for the benefit of creditors, whether voluntary, involuntarily or by operation of law, directly or indirectly, of any Company Security.

1.2 **Other Defined Terms.** Below is a list of terms defined elsewhere in this Agreement.

<table>
<thead>
<tr>
<th>Term</th>
<th>Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional Shareholders</td>
<td>Preamble</td>
</tr>
<tr>
<td>Additional Transfer Notice</td>
<td>Section 2.1(c)</td>
</tr>
<tr>
<td>Agreement</td>
<td>Preamble</td>
</tr>
<tr>
<td>Company</td>
<td>Preamble</td>
</tr>
<tr>
<td>Dispute</td>
<td>Section 10(b)</td>
</tr>
<tr>
<td>Dispute Notice</td>
<td>Section 10(b)</td>
</tr>
<tr>
<td>Existing Shareholders</td>
<td>Recitals</td>
</tr>
<tr>
<td>Expedia Shareholder</td>
<td>Preamble</td>
</tr>
<tr>
<td>Fully Participating Holder</td>
<td>Section 2.1(d)(iv)</td>
</tr>
<tr>
<td>Initial Remaining Shares</td>
<td>Section 2.1(c)</td>
</tr>
<tr>
<td>Investors’ Rights Agreement</td>
<td>Section 2.1(d)(iv)</td>
</tr>
</tbody>
</table>
2. Agreements Among the Company and the Shareholders

2.1 Rights of Refusal

(a) **Transfer Notice.** If at any time a Shareholder proposes to Transfer Equity Securities (a “Selling Shareholder”), then the Selling Shareholder shall promptly give the Company and each Holder written notice of the Selling Shareholder’s intention to make the Transfer (the “Transfer Notice”). The Transfer Notice shall include (i) a description of the Equity Securities to be Transferred (“Offered Securities”), (ii) the name(s) and address(es) of the prospective transferee(s), (iii) the consideration, which shall consist solely of cash or marketable securities, and (iv) the other material terms and conditions upon which the proposed Transfer is to be made. The Transfer Notice shall certify that the Selling Shareholder has received a bona fide firm offer from the prospective transferee(s) and in good faith believes a binding agreement for the Transfer is obtainable on the terms set forth in the Transfer Notice. The Transfer Notice shall also include a copy of any written proposal, term sheet or letter of intent or other agreement relating to the proposed Transfer. In the event that the Transfer is being made pursuant to the provisions of Section 2.4, the Transfer Notice shall state under which specific subsection the Transfer is being made.

(b) **Company’s Right of First Refusal.** The Company shall have an option for a period of ten (10) days from Delivery of the Transfer Notice to elect to purchase all or any portion of the Offered Securities at the same price and subject to the same material terms and conditions as described in the Transfer Notice. The Company may exercise such purchase option and purchase all or any portion of the Offered Securities by notifying the Selling Shareholder in writing before expiration of such ten (10) day period as to the number of such
Offered Securities that it wishes to purchase. If the Company gives the Selling Shareholder notice that it desires to purchase such Offered Securities, then payment for the Offered Securities shall be by check or wire transfer, against delivery of the Offered Securities to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after Delivery to the Company of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s). If the Company fails to purchase any or all of the Offered Securities by exercising the option granted in this Section 2.1(b) within the 10-day period provided, the remaining Offered Securities shall be subject to the options granted to the Expedia Shareholder and the Holders pursuant to Section 2.1(d).

(c) Additional Transfer Notice. Subject to the Company’s option set forth in Section 2.1(b), if at any time the Selling Shareholder proposes a Transfer, then, within five (5) business days after the Company has declined to purchase all, or a portion, of the Offered Securities or the Company’s option to so purchase the Offered Securities has expired, the Selling Shareholder shall promptly give each Holder a “Additional Transfer Notice” that shall include all of the information and certifications required in a Transfer Notice and shall additionally identify the Offered Securities that the Company has declined to purchase (the “Initial Remaining Shares”) and briefly describe the Expedia Shareholder’s and the other Holders’ rights of first refusal and co-sale rights with respect to the proposed Transfer.

(d) Holders’ Right of First Refusal.

(i) The Expedia Shareholder shall have an option for a period of ten (10) days from the Delivery of the Additional Transfer Notice from the Selling Shareholder set forth in Section 2.1(c) to elect to purchase any or all of the Initial Remaining Shares at the same price and subject to the same material terms and conditions as described in the Additional Transfer Notice. The Expedia Shareholder may exercise such purchase option and purchase all or any portion of the Initial Remaining Shares by notifying the Selling Shareholder and the Company in writing, before expiration of the ten (10) day period as to the number of such Equity Securities that it wishes to purchase.

(ii) Subject to the Expedia Shareholder’s option set forth in Section 2.1(d)(i), if at any time the Selling Shareholder proposes a Transfer, then, within five (5) business days after the Expedia Shareholder has declined to purchase all, or a portion, of the Offered Securities or the Expedia Shareholder’s option to so purchase the Offered Securities has expired, the Selling Shareholder shall promptly give each other Holder a “Second Additional Transfer Notice” that shall include all of the information and certifications required in a Transfer Notice and shall additionally identify the Offered Securities that the Expedia Shareholder has declined to purchase (the “Remaining Shares”) and briefly describe the other Holders’ rights of first refusal and co-sale rights with respect to the proposed Transfer.

(iii) Each Holder shall have an option for a period of fifteen (15) days from the Delivery of the Second Additional Transfer Notice from the Selling Shareholder set forth in Section 2.1(d)(ii) to elect to purchase its respective pro rata share of the
Remaining Shares at the same price and subject to the same material terms and conditions as described in the Second Additional Transfer Notice. Each Holder may exercise such purchase option and purchase all or any portion of his, her or its pro rata share of the Remaining Shares (a “Participating Holder” for the purposes of Section 2.1(d) and 2.1(e)), by notifying the Selling Shareholder and the Company in writing, before expiration of the fifteen (15) day period as to the number of such Equity Securities that he, she or it wishes to purchase (the “Participating Holder Notice”). Each Holder’s pro rata share of the Remaining Shares shall be a fraction of the Remaining Shares, the numerator of which shall be the number of Equity Securities owned by such Holder on the date of the Transfer Notice and denominator of which shall be the total number of Equity Securities held by all Holders on the date of the Transfer Notice.

(iv) In the event any Holder elects not to purchase its pro rata share of the Remaining Shares available pursuant to its option under Section 2.1(d)(iii) within the time period set forth therein, then the Selling Shareholder shall promptly give written notice (the “Overallotment Notice”) to each Participating Holder that has elected to purchase all of its pro rata share of the Remaining Shares (each a “Fully Participating Holder”), which notice shall set forth the number of Remaining Shares not purchased by the other Holders, and shall offer the Fully Participating Holders the right to acquire the unsubscribed Remaining Shares. Each Fully Participating Holder shall have five (5) business days after Delivery of the Overallotment Notice to deliver a written notice to the Selling Shareholder (the “Participating Holders Overallotment Notice”) of its election to purchase its pro rata share of the unsubscribed Remaining Shares on the same terms and conditions as set forth in the Additional Transfer Notice and indicating the maximum number of the unsubscribed Remaining Shares that it will purchase in the event that any other Fully Participating Holder elects not to purchase its pro rata share of the unsubscribed Remaining Shares. For purposes of this Section 2.1(d)(iv), the numerator shall be the same as that used in Section 2.1(d)(iii) above and the denominator shall be the total number of Equity Securities owned by all Fully Participating Holders on the date of the Transfer Notice. Each Participating Holder shall be entitled to apportion Remaining Shares to be purchased among its partners and Affiliates (including in the case of a venture capital fund other venture capital funds affiliated with such fund), provided that such Participating Holder notifies the Selling Shareholder of such allocation and such partners and Affiliates agree to be bound by this Agreement, that certain Investors’ Rights Agreement entered into as of the date hereof by and among the Company, the Tiger Shareholders, the Management Shareholders, the Other Investor Shareholders and the Expedia Shareholder, as amended, restated or otherwise modified (the “Investors’ Rights Agreement”), and that certain Third Amended and Restated Voting Agreement entered into as of the date hereof by and among the Company, the Tiger Shareholders, the Management Shareholders, the Other Investor Shareholders, the Expedia Shareholder and the Additional Shareholders, as amended, restated or otherwise modified (the “Voting Agreement”).

(v) The right of the Expedia Shareholder to purchase Shares pursuant to this Section 2.1(d) shall be subject to Section 3.14 of the Investors’ Rights Agreement. To the extent that the Expedia Shareholder’s or its Affiliates’ FD Investor Ownership Percentage would (but for the limitations set forth in Section 3.14 of the Investors’ Rights Agreement) exceed 35% on the date of the Transfer Notice or Additional Transfer Notice, such excess Equity Securities owned by the Expedia Shareholders or its Affiliates shall be disregarded for purposes of the calculation of the pro rata share of the Shareholders as such calculations are required pursuant to the procedures in this Section 2.1.
(e) **Payment.** The Expedia Shareholder shall effect the purchase of the Initial Remaining Shares, and the Participating Holders shall effect the purchase of the Remaining Shares, with payment by check or wire transfer, against delivery of the Initial Remaining Shares or the Remaining Shares, as applicable, to be purchased at a place agreed upon between the parties and at the time of the scheduled closing therefor, which shall be no later than forty-five (45) days after Delivery to the Company of the Transfer Notice, unless the Transfer Notice contemplated a later closing with the prospective third-party transferee(s).

2.2 **Right of Co-Sale.**

(a) To the extent the Company and the Holders do not exercise their respective rights of refusal as to all of the Offered Securities pursuant to Section 2.1, then each Holder (a “Selling Holder” for purposes of this Section 2.2) that notifies the Selling Shareholder in writing within twenty (20) days after Delivery of the Additional Transfer Notice referred to in Section 2.1(c), shall have the right to participate in such sale of Equity Securities on the same terms and conditions as specified in the Transfer Notice. Such Selling Holder’s notice to the Selling Shareholder shall indicate the number of Equity Securities of the Company that the Selling Holder wishes to sell under his, her or its right to participate. To the extent one or more of the Holders exercise such right of participation in accordance with the terms and conditions set forth below, the number of Equity Securities that the Selling Shareholder may sell in the Transfer shall be correspondingly reduced.

(b) Each Selling Holder may sell all or any part of that number of Equity Securities of the Company equal to the product obtained by multiplying (i) the aggregate number of shares of Equity Securities covered by the Transfer Notice that have not been subscribed for pursuant to Section 2.1 by (ii) a fraction, the numerator of which is the number of Equity Securities owned by the Selling Holder on the date of the Transfer Notice and the denominator of which is the total number of Equity Securities owned by the Selling Shareholder and all of the Selling Holders on the date of the Transfer Notice.

(c) Each Selling Holder shall effect its participation in the sale by promptly delivering to the Selling Shareholder for transfer to the prospective purchaser one or more certificates, properly endorsed for transfer, which represent the type and number of shares of Equity Securities of the Company that such Selling Holder elects to sell.

(d) The certificate or certificates evidencing the Equity Securities that the Selling Holder delivers to the Selling Shareholder pursuant to Section 2.2(c) shall be transferred to the prospective purchaser in consummation of the sale of the Equity Securities pursuant to the terms and conditions specified in the Transfer Notice, and the Selling Shareholder shall concurrently therewith remit to such Selling Holder that portion of the sale proceeds to which such Selling Holder is entitled by reason of its participation in such sale. To the extent that any prospective purchaser or purchasers prohibits such assignment or otherwise refuses to purchase shares or other securities from a Selling Holder exercising its rights of co-sale hereunder, the Selling Shareholder shall not sell to such prospective purchaser or purchasers.
any Equity Securities unless and until, simultaneously with such sale, the Selling Shareholder shall purchase such shares or other securities from such Selling Holder for the same consideration and on the same terms and conditions as the proposed Transfer described in the Transfer Notice.

2.3 Non-Exercise of Rights. To the extent that the Company, the Expedia Shareholder and the Participating Holders have not exercised their rights to purchase the Offered Securities, the Initial Remaining Shares or the Remaining Shares within the time periods specified in Section 2.1 and the Holders have not exercised their rights to participate in the sale of the Remaining Shares within the time periods specified in Section 2.2, the Selling Shareholder shall have a period of thirty (30) days from the expiration of such rights in which to sell the Offered Securities, the Initial Remaining Shares or the Remaining Shares, as the case may be, upon terms and conditions (including the purchase price) no more favorable than those specified in the Transfer Notice, to the third-party transferee(s) identified in the Transfer Notice. The third-party transferee(s) shall acquire the Offered Securities, the Initial Remaining Shares and the Remaining Shares free and clear of subsequent rights of first refusal and co-sale rights under this Agreement. In the event Selling Shareholder does not consummate the sale or disposition of the Offered Securities, the Initial Remaining Shares and the Remaining Shares within the thirty (30) day period from the expiration of these rights, the Company’s first refusal rights and the Holders’ first refusal and co-sale rights shall continue to be applicable to any subsequent disposition of the Offered Securities, the Initial Remaining Shares or the Remaining Shares by the Selling Shareholder until such right lapses in accordance with the terms of this Agreement. Furthermore, the exercise or non-exercise of the rights of the Company and the Holders under this Section 2 to purchase Equity Securities from the Selling Shareholder or participate in sales of Equity Securities by the Selling Shareholder shall not adversely affect their rights to make subsequent purchases from the Selling Shareholder of Equity Securities or subsequently participate in sales of Equity Securities by the Selling Shareholder.

2.4 Limitations to Rights of Refusal and Co-Sale. Notwithstanding the provisions of Sections 2.1 and 2.2 of this Agreement, the first refusal rights of the Company and first refusal and co-sale rights of the Holders shall not apply to (a) the Transfer for bona fide estate planning purposes of Equity Securities to any spouse or member of a Shareholder’s immediate family, or to a custodian, trustee (including a trustee of a voting trust), executor, or other fiduciary for the account of a Shareholder’s spouse or members of a Shareholder’s immediate family, or to a trust for a Shareholder’s own self, or a charitable remainder trust, (b) any sale of Equity Securities to the public pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended, including without limitation the Initial Offering (c) (i) with respect to any Shareholder (other than the Expedia Shareholder) as of the date hereof, any Transfer to such Shareholder’s Subsidiary, parent, partner, limited partner, retired partner, Shareholder or in the case of a Shareholder that is an investment fund, any investment fund which is affiliated or under common control with such Shareholder or (ii) with respect to the Expedia Shareholder, any Transfer to an Affiliate of the Expedia Shareholder, or (d) any Transfer by a Management Shareholder to the Company pursuant to Section 4 of the Investors’ Rights Agreement or pursuant to those certain Repurchase Letter Arrangements entered into between the Company and each of the Management Shareholders on December 19, 2011 and December 19, 2012; provided, however, that in the event of any Transfer made pursuant to one of the

8
exemptions provided by clause(s) (a), (b) or (c) such Shareholder shall inform the Board of Directors of such Transfer prior to effecting it and in the case of clauses (a) or (c) each such transferee or assignee, prior to the completion of the Transfer, shall have executed documents assuming the obligations of such Shareholder under this Agreement, the Investors’ Rights Agreement and the Voting Agreement with respect to the transferred Equity Securities; provided, further, however, that any Transfer by the Expedia Shareholder to Lodging Partner Services Sarl, a private limited company organized pursuant to the laws of Switzerland (“LPS”), shall not require notice to the Board of Directors and if such Transfer is effected, all references to the “Expedia Shareholder” in this Agreement, the Investors’ Rights Agreement and the Voting Agreement shall be deemed to be references to LPS and LPS will assume all obligations of Expedia, Inc. a Washington Corporation hereunder and thereunder. Such transferred Equity Securities shall remain “Equity Securities” hereunder, and such pledgee, transforee or donee shall be treated as a Shareholder for purposes of this Agreement.

2.5 Prohibited Transfers.

(a) Except as otherwise provided in this Agreement, each Shareholder will not Transfer in any way, all of any part of or any interest in the Equity Securities. Any Transfer of Equity Securities not made in conformance with this Agreement shall be null and void and shall not be recognized by the Company.

(b) From the date hereof and until the date that is the third (3rd) anniversary of the closing of the Initial Offering, (a) the Company and its Subsidiaries shall not, directly or indirectly, issue or Transfer any Company Securities to the Priceline Group, and (b) each Shareholder shall not, and shall cause its Affiliates not to, directly or indirectly, Transfer any Company Securities to the Priceline Group; provided that nothing herein shall restrict the right of the Company, its Subsidiaries, a Shareholder or its Affiliates to sell shares of Ordinary Shares after the Initial Offering, to the extent that such sale is made through an offering registered with the Securities and Exchange Commission, or a broker, dealer or market maker on a securities exchange or in the over-the-counter market, so long as the Company, such Shareholder or such Affiliates have no knowledge that the Priceline Group is the buyer in such sale; provided, further, the provisions of this Section 2.5(b) shall cease to be of any force or effect if the Expedia Lodging Outsourcing Agreement is validly terminated in accordance with its terms, unless the Expedia Lodging Outsourcing Agreement is validly terminated by Expedia pursuant to Section 11.2.3(b) or (e) thereof (in which case this Section 2.5(b) shall remain in effect until the earliest to occur of (i) the third (3rd) anniversary of the closing of the Initial Offering; (ii) the seventh (7th) anniversary of the date of the Expedia Lodging Outsourcing Agreement if all amounts payable in accordance with Section 11.2.2(c) of the Expedia Lodging Outsourcing Agreement have been paid to Expedia; (iii) the Expedia Shareholder selling any of the Expedia Put Shares in a manner that would give rise to the right of the Company to terminate the Expedia Lodging Outsourcing Agreement if such agreement were still in effect; and (iv) a material and uncured breach by the Expedia Shareholder of Section 3.14 of the Investors’ Rights Agreement).
(c) In the event a Shareholder should sell any Equity Securities in contravention of the co-sale rights of the Holders under Section 2.2 (a “Prohibited Transfer”), the Holders, in addition to such other remedies as may be available at law, in equity or hereunder, shall have the put option provided below under Section 2.2(d), and such Shareholder shall be bound by the applicable provisions of such option.

(d) In the event of a Prohibited Transfer, each Holder shall have the right to sell to such Shareholder the type and number of shares of Equity Securities equal to the number of shares each Holder would have been entitled to transfer to the third-party transferee(s) under Section 2.2 hereof had the Prohibited Transfer been effected pursuant to and in compliance with the terms hereof. Such sale shall be made on the following terms and conditions:

(i) The price per share at which the shares are to be sold to such Shareholder shall be equal to the price per share paid by the third-party transferee(s) to such Shareholder in the Prohibited Transfer. The Shareholder shall also reimburse each Holder for any and all fees and expenses, including legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Holder’s rights under Section 2.2.

(ii) Within ninety (90) days after the later of the date on which the Holder (A) receives notice of the Prohibited Transfer or (B) otherwise becomes aware of the Prohibited Transfer, each Holder shall, if exercising the option created hereby, deliver to such Shareholder the certificate or certificates representing shares to be sold, each certificate to be properly endorsed for transfer.

(iii) Such Shareholder shall, upon receipt of the certificate or certificates for the shares to be sold by a Holder pursuant to this Section 2.5, pay the aggregate purchase price therefor and the amount of reimbursable fees and expenses, as specified in Section 2.5(d)(i), in cash or by other means acceptable to the Holder.

2.6 Time to Exercise Options. In connection with any exercise by a Management Shareholder of his rights of first refusal and co-sale in accordance with this Agreement, the Company agrees that the Management Shareholder shall have a reasonable amount of time to exercise such Management Shareholder’s vested options issued pursuant to the Company’s 2008 Stock Plan in accordance with such Management Shareholder’s option agreements, and any shares of Ordinary Shares acquired upon such exercise shall be subject to the Management Shareholder’s first refusal and co-sale rights hereunder.

3. Assignments and Transfers; No Third-Party Beneficiaries. This Agreement and the rights and obligations of the Parties hereunder shall inure to the benefit of, and be binding upon, their respective successors, assigns and legal representatives, but shall not otherwise be for the benefit of any third party. The rights of the Holders hereunder are only assignable (i) to any other Holder, (ii) to a partner or Affiliate of such Holder or (iii) in accordance with this Agreement, in each case to the extent such assignee agrees to be bound by the terms hereof and of the Investors’ Rights Agreement and the Voting Agreement.
4. **Legend.** Each existing or replacement certificate for shares now owned or hereafter acquired by a Shareholder shall bear the following legend upon its face:


5. **Effect of Change in Company’s Capital Structure.** If, from time to time, the Company pays a stock dividend or effects a stock split, reverse stock split, combination, reclassification or other change in the character or amount of any of the outstanding stock of the Company, then in such event any and all new, substituted or additional securities to which the Shareholders are entitled by reason of such Shareholders’ ownership of Equity Securities shall be immediately subject to the rights and obligations set forth in this Agreement with the same force and effect as the stock subject to such rights immediately before such event.

6. **Captions.** The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

7. **Notices.** All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail (it being understood that any notices sent by electronic mail shall be accompanied by delivery of such notice by registered or certified mail) or facsimile if sent during normal business hours of the recipient; if not, then on the next Business Day, (iii) five (5) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) two (2) business days after deposit with an internationally recognized overnight courier, specifying second-day delivery, with written verification of receipt; provided that notices received on a day that is not a Business Day or after the close of business on a Business Day will be deemed to be effective on the next Business Day. The occurrence of the events set forth in subsections (i) through (iv) above shall constitute “Delivery” of notice. All communications shall be sent to the respective Parties at the addresses set forth on the Offer or the notices of acceptance of the Offer, as applicable, to which this Annex B is attached (or at such other addresses as shall be specified by notice given in accordance with this Section 7).

8. **Further Instruments and Actions.** The Parties agree to execute such further instruments and to take such further action as may reasonably be necessary to carry out the intent of this Agreement. Each Shareholder agrees to cooperate affirmatively with the Company and the other Shareholders to enforce rights and obligations pursuant hereto.

9. **Term.** Except for the obligations set forth in Section 2.5(b) (which, together with Sections 1, 2, 6 through 14, and 16 through 18, shall survive until the third (3rd) anniversary of the Initial Offering), this Agreement shall terminate and be of no further force or effect upon (a) the consummation of an Initial Offering or (b) the consummation of a Liquidation Event. For purposes hereof, said definitions are hereby incorporated as if restated herein in their entirety.
Governing Law; Dispute Resolution.

(a) This Agreement, and all claims or causes of action (whether at law, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

(b) In the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the enforcement or breach hereof, or any transactions contemplated hereby (a “Dispute”), any Party hereto may send a written notice of such Dispute to the other Parties hereto (a “Dispute Notice”) and the Parties hereto shall consult and negotiate with each other and, recognizing their mutual interests, attempt to reach a solution satisfactory to all Parties. If they do not reach settlement within a period of thirty (30) days after the date that the Dispute Notice is given, then the Parties may elect to pursue legal remedies in accordance with Sections 10(b) and (c). In addition, each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery, or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal court within the State of Delaware, or, if both the Delaware Court of Chancery and the federal courts within the State of Delaware decline to accept jurisdiction over a particular matter, any other state court within the State of Delaware, and, in each case, any appellate court therefrom. Each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 10, (ii) any claim that it or its property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by the applicable law, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the Parties agrees that service of process upon such Party in any such action or proceeding shall be effective if such process is given as a notice in accordance with Section 7.
11. Amendments and Waivers. This Agreement (including the Exhibits hereto, if any) constitutes the full and entire understanding and agreement among the Parties with regard to, the subjects hereof and thereof. Unless otherwise specified herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company, the Expedia Shareholder and the Tiger Shareholders; provided, however, that the Expedia Shareholder shall not unreasonably withhold or delay its consent to the extent any such amendment or waiver is required in relation to additional equity financings of the Company, except in the event that such amendment or waiver adversely affects the obligations or rights of the Expedia Shareholder, in which case no such amendment or waiver shall be effective against the Expedia Shareholder if the Expedia Shareholder has not consented to it in writing; provided, further, however, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Management Shareholders in a different manner than the other Holders, no such amendment or waiver shall be effective against any Management Shareholder which has not consented to such amendment or waiver; provided, further, however, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Other Investor Shareholders in a different manner than the other Holders, no such amendment or waiver shall be effective against any Other Investor Shareholder which has not consented to such amendment or waiver in writing. Any amendment or waiver affected pursuant to this Section 11 shall be binding upon all the Parties hereto and their respective successors and assigns.

12. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

13. Attorney’s Fees. In the event that any dispute among the Parties to this Agreement should result in litigation, the prevailing Party in such dispute shall be entitled, in addition to any other relief to which such Party is entitled, to recover from the losing Party all fees, costs and expenses of enforcing any right of such prevailing Party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.
14. **Aggregation of Stock.** For the purposes of determining the availability of any rights under this Agreement, the holdings of any transferee and assignee of a Shareholder who is partner or Affiliate (including an affiliated investment fund) shall be aggregated together with the Shareholder for the purpose of exercising any rights or taking any action under this Agreement.

15. **Conflict with Other Rights of First Refusal.** For so long as this Agreement remains in existence, the right of first refusal provisions contained in this Agreement shall supersede the right of first refusal provisions contained in any other agreement between a Shareholder and the Company; provided, however, that the other provisions of any such agreement, including, without limitation, other restrictions on the transfer of securities, shall remain in full force and effect. If, however, this Agreement shall terminate, the right of first refusal provisions contained in any such agreement shall be in full force and effect in accordance with its terms.

16. **Entire Agreement.** This Agreement is intended to be the sole agreement of the Parties as it relates to the subject matter hereof and supersedes all other agreements of the Parties relating to the subject matter hereof; provided, however, that to the extent that any provision hereof conflicts with any provision of the Company’s Memorandum of Association and Articles of Association, to the extent permitted by applicable law, the provisions hereof shall control. The Prior Agreement is hereby amended and restated in its entirety and shall be of no further force or effect.

17. **Delays or Omissions.** No delay or omission to exercise any right, power or remedy accruing to any Party to this Agreement, upon any breach or default of any other Party under this Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting Party, nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default therefor or thereafter occurring. All remedies, either under this Agreement or by law or otherwise afforded to any Party, shall be cumulative and not alternative.

18. **Additional Shareholders.** Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Ordinary Shares or grants other rights to acquire shares of the Company after the date hereof, the Company may cause such purchaser or grantee to become a Party to this Agreement by executing and delivering an Adoption Agreement to this Agreement substantially in the form attached hereto as Exhibit A and thereafter shall be deemed a “Shareholder” for all purposes hereunder.

*Remainder of page intentionally left blank.*
IN WITNESS WHEREOF, the parties hereto have caused the Fourth Amended and Restated First Refusal and Co-Sale Agreement to be duly executed, all as of the date first written above.

DESPEGAR.COM, CORP.

By: /s/ Juan Pablo Alvarado

Name: Juan Pablo Alvarado
Title: Representative

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
EXPEDIA, INC.

By: /s/ Mark D. Okerstrom

Name: Mark D. Okerstrom
Title: Authorized Person

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL PRIVATE INVESTMENT PARTNERS IV, L.P.

By: TIGER GLOBAL PIP PERFORMANCE IV, LLC
    Its General Partner

By: TIGER GLOBAL PIP MANAGEMENT IV, LTD.
    Its General Partner

By: /s/ Steven D. Boyd
    Steven D. Boyd
    General Counsel

Address: Campbell Corporate Services Limited
        Scotia Centre, P.O. Box 268
        Grand Cayman KY1-1104
        Cayman Islands

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL INVESTMENTS, L.P.

By: TIGER GLOBAL PERFORMANCE, LLC
    Its General Partner

  By: /s/ Steven D. Boyd
      Steven D. Boyd
      General Counsel

Address: Campbell Corporate Services Limited
        Scotia Centre, P.O. Box 268
        Grand Cayman KY1-1104
        Cayman Islands

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
TIGER SHAREHOLDER:

By: /s/ Scott Shleifer
Scott Shleifer, Investment Trustee of the Shleifer 2011 Descendants’ Trust pursuant to an agreement dated as of January 20, 2011

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
TIGER SHAREHOLDER:

By: /s/ Lee Fixel
Lee Fixel, as Investment Trustee of LFX Trust under
an agreement dated as of January 26, 2011

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
TIGER SHAREHOLDER:

VENTOUX V LLC

By: /s/ Feroz Dewan
Feroz Dewan, Investment Manager

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Fourth Amended and Restated First Refusal and Co-Sale Agreement]
Tiger Shareholders

Tiger Global Private Investment Partners IV, L.P.
Tiger Global Investments, L.P.
Scott Shleifer, Investment Trustee of the Scott Shleifer 2011 Descendants’ Trust pursuant to an agreement dated as of January 20, 2011
Lee Fixel, as Investment Trustee of LFX Trust under an agreement dated as of January 26, 2011
Ventoux V LLC
Management Shareholders

Porto Palma S.A.
Vistamare S.A.
Tielis Park S.A.
Prosvnture S.A.
Pausania S.A.
Bynum Company S.A.
Birbey S.A.
Prefisul S.A.
Pranaguspi S.A.
Other Investor Shareholders

SC US GF V HOLDINGS, LTD.
SCGE FUND, L.P.
SCHF (M) PV, L.P.
INSIGHT VENTURE PARTNERS VII, L.P.
INSIGHT VENTURE PARTNERS (Cayman) VII, L.P.
INSIGHT VENTURE PARTNERS VII (Co-Investors), L.P.
INSIGHT VENTURE PARTNERS (Delaware) VII, L.P.
Accel Growth Fund II L.P.
Accel Growth Fund II Strategic Partners L.P.
Accel Growth Fund Investors 2012 L.L.C.
General Atlantic Partners (Bermuda) II, L.P.
GAPCO GmbH & Co. KG
GAP Cointvestments CDA, L.P.
GAP Cointvestments III, LLC
GAP Cointvestments IV, LLC
Expedia Shareholder

Expedia, Inc., a Washington corporation. If Expedia, Inc., a Washington corporation, transfers its shares of Ordinary Shares to an Affiliate in accordance with Section 2.4(c)(ii) of the First Refusal and Co-Sale Agreement, all references to the “Expedia Shareholder” in this Agreement shall be deemed to be references to such Affiliate.
Additional Shareholders

Nilesh Lakhani
Edgardo Sokolowicz
Alipio Camanzano
Ioannis S.A.
Busmont S.A.
Christian Adonjlo
Cristian Camsen
Daniel Goldstein
Michael Doyle
EXHIBIT A
ADOPTION AGREEMENT

This Adoption Agreement ("Adoption Agreement") is executed by the undersigned (the "Additional Shareholder") pursuant to the terms of that certain Third Amended and Restated First Refusal and Co-Sale Agreement dated as of March 6, 2015, as may be amended, restated or modified from time to time (the "Agreement"), by and among Despegar.com, Corp., a business company incorporated in the British Virgin Islands ("the Company"), and certain of its Shareholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Additional Shareholder agrees as follows:

Acknowledgment. The Additional Shareholder acknowledges that the Additional Shareholder is acquiring certain shares of the Company (the "Stock"), subject to the terms and conditions of the Agreement.

Agreement. The Additional Shareholder (i) agrees that the Stock acquired by the Additional Shareholder shall be bound by and subject to the terms of the Agreement, and (ii) hereby adopts the Agreement with the same force and effect as if the Additional Shareholder were originally a Party thereto.

Notice. Any notice required or permitted by the Agreement shall be given to the Additional Shareholder at the address listed beside the Additional Shareholder’s signature below.

EXECUTED AND DATED this _________ day of ______, 20__.

SHAREHOLDER:

By: __________________________________________
    Name and Title

Address: ______________________________________
Fax: ______________________________________

Accepted and Agreed:

DESPEGEAR.COM, CORP.

By: __________________________________________
Title: _______________________________________

E-1
FOURTH AMENDED AND RESTATED VOTING AGREEMENT

Parties: Despegar.com, Corp., a business company incorporated in the British Virgin Islands with company number 1936519 and whose registered office is at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands VG1110 (the “Company”), the holders of Ordinary Shares of the Company (“Ordinary Shares”) listed on Schedule A hereto (the “Tiger Shareholders”), the holders of Ordinary Shares listed on Schedule B hereto (the “Management Shareholders”), the holders of Ordinary Shares listed on Schedule C hereto (the “Other Investor Shareholders”), the holder of Ordinary Shares listed on Schedule D hereto (the “Expedia Shareholder”) and such persons who may be listed from time to time on Schedule E hereto (the “Additional Shareholders”), and together with the Expedia Shareholder, the Other Investor Shareholders, the Management Shareholders and the Tiger Shareholders, each, a “Shareholder” and collectively, the “Shareholders,” and the Company, the Tiger Shareholders, the Other Investor Shareholders, the Expedia Shareholder and the Management Shareholders are individually referred to herein as a “Party” and are collectively referred to herein as the “Parties.” The Company’s Board of Directors is referred to herein as the “Board.” This document, dated as of August 29, 2017, is referred to herein as the “Agreement” and may also be referred to as the “Fourth Amended and Restated Voting Agreement.”

WITNESSETH:

WHEREAS, the Company is party to that certain Third Amended and Restated Voting Agreement, dated as of March 6, 2015, by and among the Company and the holders of the Ordinary Shares listed on Schedules A, B, C, D and E thereto, as amended through the date of this Agreement (the “Third Amended and Restated Voting Agreement”);

WHEREAS, the Third Amended and Restated Voting Agreement may be amended (except with respect to certain provisions) with the consent of each of the Company, the Expedia Shareholder and the Tiger Shareholders;

WHEREAS, the Company is undertaking an Initial Offering (as defined below); and

WHEREAS, in connection with the Initial Offering, the Company, the Expedia Shareholder and the Tiger Shareholders desire to amend and restate the Third Amended and Restated Voting Agreement in the form of this Agreement, which shall supersede and replace the Third Amended and Restated Voting Agreement in its entirety.
NOW, THEREFORE, in consideration of the foregoing premises and certain other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, the Tiger Shareholders and the Expedia Shareholder agree to amend and restate the Third Amended and Restated Voting Agreement as follows, and the Parties further agree as follows:

This Fourth Amended and Restated Voting Agreement shall become effective immediately prior to the consummation of the Initial Offering, as defined in the Investors’ Rights Agreement.

1. Agreement to Vote. Each Shareholder, as a holder of Securities (as defined below), hereby agrees on behalf of itself and any transferee or assignee of such Securities to hold all of such Securities subject to, and to vote the Securities that they own (or as to which they have voting power), from time to time, at a regular or special meeting of shareholders (or by written consent) in accordance with, the provisions of this Agreement. For purposes of this Agreement, at any time of determination, the term “Securities” shall mean any securities of the Company owned by a Shareholder at such time of determination, and any securities of the Company issued with respect to or in exchange or substitution for such securities.

2. [Reserved].

3. Directors and Committees.

   (a) [Reserved]

   (b) Committee Membership. The directors designated by the Tiger Shareholders (the “Tiger Directors”), the directors designated by the Expedia Shareholder (the “Expedia Directors”), the director designated by holders of a majority of the Ordinary Shares then held by SC US GF V HOLDINGS, LTD., SCGE FUND, L.P. and SCHF (M) PV, L.P. (such entities, “Sequoia” and such director, the “Sequoia Director”) and the director designated by holders of a majority of the Ordinary Shares then held by General Atlantic Partners (Bermuda) II, L.P., GAPCO GmbH & Co. KG, GAP Coinvestments CDA, L.P., GAP Coinvestments III, LLC and GAP Coinvestments IV, LLC (such entities, “General Atlantic” and such director, the “GA Director”) shall have the right, but not the obligation, to serve on each committee of the Board.

   (c) Exclusion of Expedia Directors. In any action, whether by vote at a meeting of the Board or a committee thereof or by written consent, relating to any transaction, agreement or arrangement with respect to which (i) the Expedia Shareholder or any of its Affiliates (as defined in the Investors’ Rights Agreement) is a counterparty or has a material economic interest in the counterparty or (ii) in the reasonable opinion of a majority of the members of the Board that are not designated or nominated by, or employed by, the Expedia Shareholder or any of its Affiliates (as defined in the Investors’ Rights Agreement), there would exist a Conflict of Interest between the interests of the Expedia Shareholder or its Affiliates (as defined in the Investors’ Rights Agreement), on the one hand, and that of the Company, on the other hand, the Expedia Directors may be excluded solely from the relevant portion of such Board or relevant committee meetings; provided, that the Expedia Shareholder shall be entitled to notice in writing of any such exclusion and the basis therefor. “Conflict of Interest” shall mean a specific material economic or competitive interest of the Expedia Shareholder or any of its Affiliates (as defined in the Investors’ Rights Agreement) in any potential transaction, agreement or arrangement of the Company that would be reasonably likely to materially impair the independence or objectivity of the Expedia Directors in the discharge of their responsibilities and duties to the Company, in light of their affiliation to the Expedia Shareholder.
(d) **Non-Disclosure Agreements.** The Expedia Shareholder shall cause each Expedia Director upon his or her appointment to the Board to enter into a reasonable and customary non-disclosure agreement with the Company, which shall include terms that are substantially similar to those contained in non-disclosure agreements entered into between the Company and directors of the Company not appointed by Expedia.

(e) **Changes Due to Listing Requirements.** The Parties acknowledge that, notwithstanding anything to the contrary in this Agreement, in preparation for, and within ninety (90) days prior to, an Initial Offering (as defined in that certain Fifth Amended and Restated Investors’ Rights Agreement entered into as of the date hereof by and among the Tiger Shareholders, the Other Investor Shareholders, the Management Shareholders, the Expedia Shareholder and the Company, as amended, restated or otherwise modified (the “Investors’ Rights Agreement”)), Shareholders holding a majority of the Ordinary Shares may effect changes to the structure and composition of the Board, the committees thereof and to this Agreement consistent with the corporate governance requirements of applicable securities laws, the Securities and Exchange Commission and any relevant stock exchange, while otherwise adhering to the purpose of this Agreement to the fullest extent possible; provided, that (i) the Company shall avail itself of any available “controlled company” or similar or successor provision under applicable securities laws and the rules and regulations of the Securities and Exchange Commission and any relevant stock exchange, (ii) such changes shall not affect the rights of the Tiger Shareholders and the Expedia Shareholder under Sections 2 and 3(a) and (iii) if the Initial Offering (as defined in the Investor’ Rights Agreement) is not consummated by the end of such period, the Shareholders shall promptly take all necessary action to comply with the other terms of this Agreement. The Shareholders shall take all actions necessary in order to effect such changes to the structure and composition of the Board, the committees thereof and to this Agreement within the period specified in this Section 3(e).

4. **Removal; Vacancy.** Any director of the Company may be removed from the Board in the manner allowed by law and the Company’s Memorandum of Association and Articles of Association; provided, however, that the Tiger Directors may only be removed upon the approval or written consent of the Tiger Shareholders holding a majority of the Ordinary Shares held by all Tiger Shareholders, the Expedia Directors may only be removed upon the approval or written consent of the Expedia Shareholder, the director designated by the Management Shareholders holding a majority of the Ordinary Shares held by all Management Shareholders (the “Management Director”) may only be removed upon the approval or written consent of the Management Shareholders holding a majority of the Ordinary Shares held by all Management Shareholders, the Sequoia Director may only be removed upon the approval or written consent of holders of a majority of the Ordinary Shares then held by Sequoia and the GA Director may only be removed upon the approval or written consent of holders of a majority of the Ordinary Shares then held by General Atlantic. Upon the occurrence of a vacancy in a Tiger Director, Expedia Director, Management Director, Sequoia Director or GA Director board seat, such director shall be elected pursuant to the provisions of Section 3 above.

3
5. **Legend on Security Certificates.** Each certificate or instrument representing any Securities shall be endorsed by the Company with a legend reading substantially as follows:

“The Shares evidenced hereby are subject to a Voting Agreement (a copy of which may be obtained upon written request from the Issuer), and by accepting any interest in such Shares the person accepting such interest shall be deemed to agree to and shall become bound by all the provisions of said Voting Agreement.”

6. **Covenant of the Company.** The Company shall use commercially reasonable efforts to take all actions required to ensure that the rights given to the Shareholders hereunder are effective and that the Shareholders enjoy the benefits thereof. Such actions include, without limitation, the use of the Company’s commercially reasonable efforts to cause the nomination of the designees, as provided herein, for election as directors of the Company. The Company will not, by any voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all of the provisions of this Agreement and in the taking of all such actions as may be reasonably necessary or appropriate in order to protect the rights of the Shareholders against impairment.

7. **No Liability for Election of Recommended Directors.** Neither the Company, the Shareholders, nor any officer, director, shareholder, partner, employee or agent of any such Party, makes any representation or warranty as to the fitness or competence of the nominee of any Party hereunder to serve on the Board by virtue of such Party’s execution of this Agreement or by the act of such Party in voting for such nominee pursuant to this Agreement.

8. **Grant of Proxy.**

(a) Upon the failure of any Shareholder other than the Tiger Shareholders to vote his Securities in accordance with the terms of this Agreement, such Shareholder hereby grants to a shareholder designated by the Tiger Directors a proxy coupled with an interest in all Securities owned by such Shareholder to vote all such Securities in the manner provided in Sections 2 and 3 hereof. Upon the failure of any Tiger Shareholder to vote his Securities in accordance with the terms of this Agreement, such Tiger Shareholder hereby grants to a shareholder designated by the Management Director a proxy coupled with an interest in all Securities owned by such Tiger Shareholder to vote all such Securities in the manner provided in Sections 2 and 3 hereof. Any proxy granted, or deemed to have been granted under this Section 8 shall be irrevocable until this Agreement terminates pursuant to its terms or this Section 8 is amended to remove such grant of proxy in accordance with Section 15 hereof. Notwithstanding anything to the contrary, the grant of proxy contained herein is limited solely to voting on the matters contained in Sections 2 and 3 hereof related to the size of the Board and the election of directors, respectively.
(b) In the event that the Expedia Shareholder at any time holds a number of Ordinary Shares representing an ownership percentage in excess of 19.9% of the outstanding Ordinary Shares, the Expedia Shareholder shall have the right to provide the Company with a proxy with respect to the voting of some or all of its shares, which proxy shall be irrevocable or revocable at the Expedia Shareholder’s election. For the avoidance of doubt, if a revocable proxy is given to the Company, the Expedia Shareholder shall have the right to revoke any proxy so granted at any time in its sole discretion.

9. Specific Enforcement. It is agreed and understood that monetary damages would not adequately compensate an injured Party for the breach of this Agreement by any other Party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order. Further, each Party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach.

10. Execution by the Company. The Company, by its execution of this Agreement, agrees that it will cause the certificates issued after the date hereof evidencing the Securities to bear the legend required by Section 5 hereof, and it shall supply, free of charge, a copy of this Agreement to any holder of a certificate evidencing shares of the Company upon written request from such holder to the Company at its principal office. The Parties hereto do hereby agree that the failure to cause the certificates evidencing the Securities to bear the legend required by Section 5 hereof and/or failure of the Company to supply, free of charge, a copy of this Agreement, as provided under this Section 10, shall not affect the validity or enforcement of this Agreement.

11. Captions. The captions, headings and arrangements used in this Agreement are for convenience only and do not in any way limit or amplify the terms and provisions hereof.

12. Notices. All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed effectively given: (i) upon personal delivery to the party to be notified, (ii) when sent by confirmed electronic mail (it being understood that any notices sent by electronic mail shall be accompanied by delivery of such notice by registered or certified mail) or facsimile if sent during normal business hours of the recipient; if not, then on the next Business Day, (iii) five (5) Business Days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (iv) two (2) Business Days after deposit with an internationally recognized overnight courier, specifying second-day delivery, with written verification of receipt; provided that notices received on a day that is not a Business Day or after the close of business on a Business Day will be deemed to be effective on the next Business Day. All communications shall be sent to the respective Parties at the addresses set forth on the Offer or the notices of acceptance of the Offer, as applicable, to which this Annex C is attached (or at such other addresses as shall be specified by notice given in accordance with this Section 12). For purposes of this Section 12, the term “Business Day” means any day other than a Saturday or Sunday or a day on which banks in the State of New York are authorized or required to be closed.

13. Term. This Agreement shall terminate and be of no further force or effect upon (a) except Sections 3(c), 3(d), 3(e) and 8(b), the consummation of the Initial Offering, as defined in the Investors’ Rights Agreement, or (b) the consummation of a Liquidation Event, as defined in the Investors’ Rights Agreement. For purposes hereof, said definitions are hereby incorporated as if restated herein in their entirety. In any case, this Agreement shall terminate fifteen (15) years after the date hereof.
14. **Manner of Voting.** The voting of Securities pursuant to this Agreement may be effected in person, by proxy, by written consent or in any other manner permitted by applicable law.

15. **Amendments and Waivers.** Unless otherwise specified herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company, the Expedia Shareholder and the Tiger Shareholders; provided, however, that the Expedia Shareholder shall not unreasonably withhold or delay its consent to the extent any such amendment or waiver is required in relation to additional equity financings of the Company, except in the event that such amendment or waiver adversely affects the obligations or rights of the Expedia Shareholder, in which case no such amendment or waiver shall be effective against the Expedia Shareholder if the Expedia Shareholder has not consented to it in writing; provided, further, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Management Shareholders in a different manner than the other Shareholders, no such amendment or waiver shall be effective against any Management Shareholder which has not consented to such amendment or waiver; provided, further, however, notwithstanding the foregoing or anything to the contrary herein, that in the event that such amendment or waiver adversely affects the obligations or rights of the Other Investor Shareholders in a different manner than the other Shareholders, no such amendment or waiver shall be effective against any Other Investor Shareholder which has not consented to such amendment or waiver in writing. Notwithstanding the foregoing, the right of any Shareholder or group of Shareholders to designate directors as set forth in Section 3 shall not be amended and the observance of such right shall not be waived except with the written consent of holders of a majority of the then-outstanding Securities held by such Shareholders or group of Shareholders. Any amendment or waiver affected pursuant to this Section 15 shall be binding upon all the Parties hereto.

16. **Stock Splits, Stock Dividends, etc.** In the event of any issuance of shares of the Company’s voting securities hereafter to any of the Parties hereto (including, without limitation, in connection with any stock split, stock dividend, recapitalization, reorganization or the like), such shares shall become subject to this Agreement and shall be endorsed with the legend set forth in Section 5.

17. **Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.
18. **Binding Effect.** In addition to any restriction on transfer that may be imposed by any other agreement by which any Party hereto may be bound, this Agreement shall be binding upon the Parties, their respective heirs, successors, transferees and assigns and to such additional individuals or entities that may become shareholders of the Company and that desire to become Parties hereto; provided that for any such transfer to be deemed effective, the transferee shall have executed and delivered an Adoption Agreement substantially in the form attached hereto as Exhibit A. Upon the execution and delivery by a transferee (subject to compliance with any applicable provisions of the Investors’ Rights Agreement and that certain First Refusal and Co-Sale Agreement, entered into by and among the Tiger Shareholders, the Expedia Shareholder, the Other Investor Shareholders, the Management Shareholders, the Additional Shareholders and the Company) of an Adoption Agreement reasonably acceptable to the Company, such transferee shall be deemed to be a Party hereto as if such transferee’s signature appeared on the signature pages hereto. By its execution hereof or any Adoption Agreement, each of the Parties hereto appoints the Company as its attorney-in-fact for the purpose of executing any Adoption Agreement which may be required to be delivered hereunder.

19. **Governing Law; Arbitration.**

   (a) This Agreement, and all claims or causes of action (whether at law, in contract, in tort or otherwise) that may be based upon, arise out of or relate to this Agreement or the negotiation, execution or performance hereof, shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

   (b) In the event of any dispute, controversy or claim arising out of or relating to this Agreement, or the enforcement or breach hereof, or any transactions contemplated hereby, the Parties may elect to pursue legal remedies in accordance with Sections 19(b) and (c). In addition, each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement and the rights and obligations arising hereunder, or for recognition and enforcement of any judgment in respect of this Agreement and the rights and obligations arising hereunder brought by the other Party or its successors or assigns, shall be brought and determined exclusively in the Delaware Court of Chancery, or, if the Delaware Court of Chancery declines to accept jurisdiction over a particular matter, any federal court within the State of Delaware, or, if both the Delaware Court of Chancery and the federal courts within the State of Delaware decline to accept jurisdiction over a particular matter, any other state court within the State of Delaware, and, in each case, any appellate court therefrom. Each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect of its property, generally and unconditionally, to the personal jurisdiction of the aforesaid courts and agrees that it will not bring any action relating to this Agreement or any of the transactions contemplated by this Agreement in any court other than the aforesaid courts. Each of the Parties hereby irrevocably waives, and agrees not to assert as a defense, counterclaim or otherwise, in any action or proceeding with respect to this Agreement, (i) any claim that it is not personally subject to the jurisdiction of the above named courts for any reason other than the failure to serve in accordance with this Section 19, (ii) any claim that it or its property is exempt or immune from the jurisdiction of any such court or from any legal process commenced in such courts (whether through service of notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) and (iii) to the fullest extent permitted by the applicable law, any claim that (A) the suit, action or proceeding in such court is brought in an inconvenient forum, (B) the venue of such suit, action or proceeding is improper or (C) this Agreement, or the subject matter hereof, may not be enforced in or by such courts. Each of the Parties agrees that service of process upon such Party in any such action or proceeding shall be effective if such process is given as a notice in accordance with Section 12.
(c) EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY DIRECT OR INDIRECT ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR THE FINANCING. EACH PARTY (I) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER, (II) MAKES THIS WAIVER VOLUNTARILY, AND (III) ACKNOWLEDGES THAT EACH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS CONTAINED IN THIS SECTION 19.

20. Entire Agreement. This Agreement is intended to be the sole agreement of the Parties as it relates to the subject matter hereof and supersedes all other agreements of the Parties relating to the subject matter hereof; provided, however, that to the extent that any provision hereof conflicts with any provision of the Company’s Memorandum of Association and Articles of Association, to the extent permitted by applicable law, the provisions hereof shall control. The Third Amended & Restated Voting Agreement is hereby amended and restated in its entirety and shall be of no further force or effect.

Remainder of page intentionally left blank.
IN WITNESS WHEREOF, the parties hereto have caused the Fourth Amended and Restated Voting Agreement to be duly executed, all as of the date first written above.

DESPEGAR.COM, CORP.

By:  /s/ Juan Pablo Alvarado
Name: Juan Pablo Alvarado
Title: Representative

[Signature Page to the Fourth Amended and Restated Voting Agreement]
EXPEDIA, INC.

By:  /s/ Mark D. Okerstrom
Name: Mark D. Okerstrom
Title:  Authorized Person

[Signature Page to the Fourth Amended and Restated Voting Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL PRIVATE INVESTMENT PARTNERS IV, L.P.

By: TIGER GLOBAL PIP PERFORMANCE IV, LLC
   Its General Partner

By: TIGER GLOBAL PIP MANAGEMENT IV, LTD.
   Its General Partner

By: /s/ Steven D. Boyd
   Steven D. Boyd
   General Counsel

Address: Campbell Corporate Services Limited
         Scotia Centre, P.O. Box 268
         Grand Cayman KY1-1104
         Cayman Islands

[Signature Page to the Fourth Amended and Restated Voting Agreement]
TIGER SHAREHOLDER:

TIGER GLOBAL INVESTMENTS, L.P.

By: TIGER GLOBAL PERFORMANCE, LLC
    Its General Partner

By: /s/ Steven D. Boyd
    Steven D. Boyd
    General Counsel

Address: Campbell Corporate Services Limited
        Scotia Centre, P.O. Box 268
        Grand Cayman KY1-1104
        Cayman Islands

[Signature Page to the Fourth Amended and Restated Voting Agreement]
TIGER SHAREHOLDER:

By:  /s/ Scott Shleifer
Scott Shleifer, Investment Trustee of the Shleifer 2011 Descendants’ Trust pursuant to an agreement dated as of January 20, 2011

Address:  9 West 57th Street, 35th Floor
           New York, NY 10019

[Signature Page to the Fourth Amended and Restated Voting Agreement]
TIGER SHAREHOLDER:

By: /s/ Lee Fixel
Lee Fixel, as Investment Trustee of LFX Trust under
an agreement dated as of January 26, 2011

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Fourth Amended and Restated Voting Agreement]
TIGER SHAREHOLDER:

VENTOUX V LLC

By: /s/ Feroz Dewan
Feroz Dewan, Investment Manager

Address: 9 West 57th Street, 35th Floor
New York, NY 10019

[Signature Page to the Fourth Amended and Restated Voting Agreement]
SCHEDULE A

Tiger Shareholders

Tiger Global Private Investment Partners IV, L.P.
Tiger Global Investments, L.P.
Scott Shleifer, Investment Trustee of the Scott Shleifer 2011 Descendants’ Trust pursuant to an agreement dated as of January 20, 2011
Lee Fixel, as Investment Trustee of LFX Trust under an agreement dated as of January 26, 2011
Ventoux V LLC

S-1
Management Shareholders

Porto Palma S.A.
Vistamare S.A.
Tielis Park S.A.
Prosventure S.A.
Pausania S.A.
Bynum Company S.A.
Birbey S.A.
Prefisul S.A.
Pranaguspi S.A.
Other Investor Shareholders

SC US GF V HOLDINGS, LTD.
SCGE FUND, L.P.
SCHF (M) PV, L.P.
INSIGHT VENTURE PARTNERS VII, L.P.
INSIGHT VENTURE PARTNERS (Cayman) VII, L.P.
INSIGHT VENTURE PARTNERS VII (Co-Investors), L.P.
INSIGHT VENTURE PARTNERS (Delaware) VII, L.P.
Accel Growth Fund II L.P.
Accel Growth Fund II Strategic Partners L.P.
Accel Growth Fund Investors 2012 L.L.C.
General Atlantic Partners (Bermuda) II, L.P.
GAPCO GmbH & Co. KG
GAP Coinvestments CDA, L.P.
GAP Coinvestments III, LLC
GAP Coinvestments IV, LLC
SCHEDULE D

Expedia Shareholder

Expedia, Inc.

S-4
Additional Shareholders

Nilesh Lakhani
Edgardo Sokolowicz
Alipio Camanzano
Ioannis S.A.
Busmont S.A.
Christian Adonjlo
Cristian Camsen
Daniel Goldstein
Michael Doyle

S-5
EXHIBIT A

ADOPTION AGREEMENT

This Adoption Agreement ("Adoption Agreement") is executed by the undersigned (the "Shareholder") pursuant to the terms of that certain Third Amended and Restated Voting Agreement dated as of March 6, 2015, as may be amended, restated or modified from time to time (the "Agreement"), by and among Decolar.com, Inc., a Delaware corporation ("the Company"), and certain of its shareholders. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Agreement. By the execution of this Adoption Agreement, the Shareholder agrees as follows:

(a) Acknowledgment. Shareholder acknowledges that Shareholder is acquiring certain shares of the Company (the "Stock"), subject to the terms and conditions of the Agreement.

(b) Agreement. Shareholder (i) agrees that the Stock acquired by Shareholder shall be bound by and subject to the terms of the Agreement, and (ii) hereby adopts the Agreement with the same force and effect as if Shareholder were originally a Party thereto.

(c) Notice. Any notice required or permitted by the Agreement shall be given to Shareholder at the address provided by such Shareholder in accordance with the Offer.

E-1
Despegar.com, Corp.  
Commerce House  
Wickhams Cay 1  
Road Town, Tortola  
British Virgin Islands  

, 2017  

Dear Sirs,  

Re: Registration Statement on Form F-1 of Despegar.com, Corp.  
    (the “Company”)  

We have acted as special legal counsel in the British Virgin Islands to the Company in connection with its filing of a registration statement on Form F-1, as amended (File No. 333-219973) (the “Registration Statement”), which term does not include any other document or agreement whether or not specifically referred to therein or attached as an exhibit or schedule thereto) with the U.S. Securities and Exchange Commission (the “Commission”) relating to the registration under the Securities Act of 1933, as amended (the “Act”) of an aggregate of ordinary shares with par value of the Company, of which are being offered by the Company and are being offered by certain selling shareholders of the Company (the “Selling Shareholders”), together with an additional ordinary shares without par value of the Company subject to an over-allotment option granted to the underwriters by the Company. All such shares offered by
the Company (including pursuant to said over-allotment option) are referred to herein as the “New Shares”. All such shares offered by the Selling Shareholders are referred to herein as the “Issued Shares”, and together with the New Shares, as the “Common Shares”. The Common Shares are being sold to the several underwriters named in, and pursuant to, an underwriting agreement among the Company, the Selling Shareholders and such underwriters (the “Underwriting Agreement”).

For the purposes of giving this opinion, we have examined a copy of the Registration Statement.

We have also reviewed the certificate of incorporation of the Company dated February 10, 2017, the amended and restated memorandum and articles of association of the Company to be filed with the British Virgin Islands Registrar of Corporate Affairs and to be effective on , 2017 (the “IPO Memorandum and Articles”), a company search as obtained from the British Virgin Islands Registrar of Corporate Affairs on , 2017, signed minutes of a meeting of directors of the Company held on May 3, 2017, signed minutes of a meeting of directors of the Company held on August 10, 2017, signed minutes of a meeting of directors of the Company held on , 2017, written resolutions of the pricing committee of the board of directors of the Company dated 2017 (together with the signed minutes for the May 3rd, August 10th and meetings of directors, the “Board Resolutions”), written resolutions of shareholders of the Company to be effective on , 2017 (the “Shareholder Resolutions”), a certificate issued by Conyers Trust Company (BVI) Limited in its capacity as registered agent to the Company and dated , 2017 (the “Registered Agent’s Certificate”), the register of members of the Company as at the date hereof, and such other documents, and made such enquiries as to questions of law, as we have deemed necessary in order to render the opinion set forth below.

In giving this opinion, we have relied upon the following assumptions, which we have not independently verified: (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (b) the accuracy and completeness of all factual representations made in the Registration Statement, the Board Resolutions and the Shareholder Resolutions and other documents reviewed by us; (c) that there is no provision of the law of any jurisdiction, other than the British Virgin Islands, which would have any implication in relation to the opinions expressed herein; (d) that the Board Resolutions (and the resolutions, matters and transactions approved or

Page 2 of 4
otherwise contemplated therein) have not been subsequently revoked, altered or otherwise affected and remain in full force and effect as at the date hereof; (e) that the Shareholder Resolutions (and the resolutions, matters and transactions to be approved or otherwise contemplated therein) will be effective on the date the Common Shares are first listed on the New York Stock Exchange and are not subsequently revoked, altered or otherwise affected; (f) that there is no contractual or other prohibition (other than as arising under British Virgin Islands law) binding on the Company prohibiting it from entering into and performing its obligations under the Registration Statement or the Underwriting Agreement; (g) that the Company does not own any interest in land in the British Virgin Islands; and (h) that the contents of the Registered Agent’s Certificate and all attachments thereto are true and correct as at , 2017 and as at the date hereof.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than the British Virgin Islands. This opinion is to be governed by and construed in accordance with the laws of the British Virgin Islands and is limited to and is given on the basis of the current law and practice in the British Virgin Islands. This opinion is issued solely for the purposes of filing the Registration Statement and the offering of the Common Shares by the Company and the Selling Shareholders as described in the Registration Statement and is not to be relied upon by any person in respect of any other matter.

On the basis of and subject to the foregoing we are of the opinion that:

1. The Company is duly incorporated and existing under the laws of the British Virgin Islands, and is in good standing (which good standing means solely that the Company has not failed to make any filing with any British Virgin Islands governmental authority or to pay any British Virgin Islands government fee or tax which would make it liable to be struck off the Register of Companies of the British Virgin Islands and thereby cease to exist under the laws of the British Virgin Islands).

2. Upon the IPO Memorandum and Articles becoming effective, the Company will be authorised to issue an unlimited number of ordinary shares.

3. The issue of the New Shares to be issued by the Company as contemplated by the Registration Statement has been duly authorized by the Company and, upon issuance and delivery of such New Shares against payment therefor in accordance with the terms of the Registration Statement and the Underwriting Agreement and in accordance with the Board Resolutions, such New Shares will be validly issued, fully paid and non-assessable ordinary shares of the Company (which non-assessability means solely that no further sums are required to be paid by the holders of such ordinary shares in connection with the issue thereof).
4. Based solely upon a review of the Register of Members, the Issued Shares are validly issued, fully paid and non-assessable.

5. The statements under the caption “TAXATION – British Virgin Islands Tax Considerations” in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of British Virgin Islands law, are accurate in all material respects and that such statements constitute our opinion.

Except as explicitly stated herein, we make no comment with respect to any representations or warranties which may be made by or with respect to the Company in any of the documents or instruments cited in this opinion or otherwise with respect to the commercial terms of the transactions the subject of this opinion. This opinion is limited to the matters detailed herein and is not to be read as an opinion with respect to any other matter.

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the use of our name therein. In giving this consent, we do not hereby admit that we are experts within the meaning of Section 11 of the Act or that we are within the category of persons whose consent is required under Section 7 of the Act or the Rules and Regulations of the Commission promulgated thereunder.

This opinion letter is rendered as of the date hereof and we disclaim any obligation to advise you of any facts, circumstances, events or developments that may be brought to our attention after the effective date of the Registration Statement that may alter, affect or modify the opinions expressed herein.

Yours faithfully,

Conyers Dill & Pearman
NEW YORK, NEW YORK,
July 12, 2017

Decolar.com, Inc. and its affiliates
5201 Blue Lagoon Drive Suite 900
MIAMI FL 33126

RE: IRREVOCABLE OFFER

Ref: Amendment to the Lodging Outsourcing Agreement

Dear Sirs,

We address to you on behalf of Expedia, Inc., a Washington corporation (“Expedia”) in connection with the Lodging Outsourcing Agreement (the “Agreement”), entered by Expedia, Decolar.com, Inc. (“Decolar”), Travel Reservations S.R.L., a Uruguay corporation, and each of the subsidiaries of Decolar set forth on Schedule 1 to the Offer Letter dated as of March 6, 2015. Pursuant to our previous discussions, and for the sole purpose of including the revisions agreed by the Parties on Section 4, we hereby present you with an Amended and Restated Lodging Outsourcing Agreement attached here to as Annex A. The schedules of the Agreement not included herein remain unchanged and are included by reference.

This Offer shall terminate at 5:00 p.m. (New York City time) on July 22, 2017 (the “Expiration Time”) unless accepted prior thereto.

This Offer (including Annex A) shall be deemed unconditionally and irrevocably accepted by Decolar if the Company receives the updated notice information of Decolar for purposes of Section 15.8(b) of Annex A on or before the Expiration Time, upon delivery of which such Annex A shall be binding upon the Company Entities and Expedia.

Sincerely,

/s/ Mark Okerstrom

Expedia, Inc.

Name: Mark Okerstrom

Title: Authorized Person
TABLE OF CONTENTS

1. DEFINITIONS .......................... 1
2. LODGING SUPPLY ..................... 17
3. ECONOMIC TERMS .................... 24
4. CONFIDENTIALITY .................... 30
5. DATA; SECURITY ...................... 33
6. INTELLECTUAL PROPERTY; LICENSE 36
7. REPRESENTATIONS, WARRANTIES AND COVENANTS 38
8. COMPLIANCE; PROHIBITED ACTIVITIES; TERMS AND CONDITIONS; ADDITIONAL COVENANTS 39
9. INDEMNIFICATION .................... 45
10. LIMITATION OF LIABILITY ........... 50
11. TERM AND TERMINATION ............. 50
12. TAXES ................................ 53
13. DISPUTE RESOLUTION ............... 56
14. RELEASES/PUBLICITY ............... 57
15. GENERAL ............................ 57

Whereas, Expedia and Decolar have entered into a series of Transaction Agreements pursuant to which Expedia has agreed to purchase 9,590,623 shares of common stock of Decolar Parent (the "Transaction Shares");

Whereas, Decolar currently operates a Travel Solution in which it has access to and facilitates the booking of lodging supply;

Whereas, Decolar wishes Expedia to provide lodging supply for Decolar Travel Solutions for properties as set forth herein;

Whereas, Decolar and EAN.com, LP, a Delaware limited partnership ("Expedia"), are parties to that certain Affiliation Agreement, effective as of March 3, 2014 as amended by an amendment effective as of August 1, 2014 (the "Affiliation Agreement"), which agreement the Parties intend to supersede hereby; and

Whereas, Decolar Parent and Guarantors intend to fully and unconditionally guarantee the performance and payment of Decolar under this Agreement.

THEREFORE, the Parties hereby agree as follows:

1. DEFINITIONS

1.1 As used in this Agreement, the following terms have the following specified meanings:

"Accountant" means KPMG LLP, or if KPMG LLP becomes unavailable, shall then mean a certified public accounting firm chosen together by each Party’s auditors.

"Agreement" means this document, which may also be referred to as the “Lodging Outsourcing Agreement.”

"Affiliate" of a Person (for the purposes of this definition, the “First Person”) means another Person that either directly or indirectly, through one or more intermediaries, Controls, is Controlled by or is under common Control with, the First Person. The term "Affiliate" with respect to the Expedia will mean Expedia, Inc., a Delaware corporation, and only those Persons over which Expedia, Inc., a Delaware corporation, has Control and will not be interpreted to include any of the following: (a) IAC/InterActiveCorp and its Affiliates (other than Expedia and its subsidiaries), (b) Liberty Interactive Corporation and its Affiliates (other than Expedia and its subsidiaries), (c) eLong, Inc. and its subsidiaries, (d) AAE Travel Pte. Ltd. and its Affiliates (other than Expedia and its subsidiaries), (e) trivago GmbH and its subsidiaries or (f) Decolar parent and its Subsidiaries; provided, that in the case of clauses (c), (d) and (e) such Person shall
be considered an Affiliate if such Person becomes and remains a direct or indirect wholly owned Subsidiary of Expedia, Inc., a Delaware corporation. For purposes of this Agreement, (i) neither Decolar nor its Affiliates will be deemed to be Affiliates of Expedia and its Affiliates and (ii) neither Expedia nor any of its Affiliates will be deemed to be Affiliates of Decolar and its Affiliates.

“Affiliate-Collect Booking” means an Expedia-Sourced Travel Booking for which the Room Revenue is collected from the End User by Decolar at the time of the Transaction.

“Affiliation Agreement” has the meaning set forth in the Recitals.

“Agreement” means this Lodging Outsourcing Agreement, including all exhibits and schedules hereto and all amendments, addenda or restatements as permitted.

“Arbitrator” has the meaning set forth in Section 13.2.

“Bookings Shortfall” means, for a given quarter, the number of percentage points by which the Expedia-Sourced Travel Bookings for properties in the Expedia Territory as measured by Gross Booking Value is less than the Minimum Bookings Percentage.

“Business Day” means any day on which banks in New York, New York and Buenos Aires, Argentina are open for commercial banking business during normal banking hours, other than Saturday, Sunday or any federal or national holiday in the United States or Argentina.

“Change of Control” means (a) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all the assets of Decolar Parent and its Subsidiaries, taken as a whole, to any Strategic Party or (b) the acquisition by any Strategic Party, in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership, of more than 50% of the total voting or economic power of the securities of Decolar Parent or any direct or indirect parent of Decolar Parent.

“Claims” has the meaning set forth in Section 9.1.

“Compensation” means the amount of compensation designated as a commission or, for a non-commissionable rate, as a markup, that Expedia or any of its Affiliates receives or is entitled to retain from amounts received from Decolar or any of its Affiliates, an End User, other third party or the Travel Supply Provider, in each case, solely and directly in respect of a specific Travel Booking, excluding any and all Indirect Revenues, Service Fees, any Taxes and net of any amounts relating to fraud, cancellations, refunds or otherwise.

“Confidential Customer Personal Data” means any of the following information with respect to any individual:

(i) Contact information, including name, street address, phone number, and email address
(ii) IP address (depending on circumstances);
(iii) Demographic information (when linked to an individual);
(iv) Date of birth or age; and
(v) Citizenship.

“Confidential Information” has the meaning set forth in Section 4.1.

“Consumed” means, in the context of a Travel Booking booked through the Expedia API, that the accommodation underlying such Travel Booking has actually been provided to, and consumed by, the End User by the relevant lodging Travel Supply Provider or other provider and that the Compensation for such Travel Booking has been retained or otherwise received by Expedia or its Affiliates.

“Consumed Travel Booking” has the meaning set forth in Section 3.1.

“Control” means, with regard to any entity, the legal or beneficial ownership, directly or indirectly, of fifty percent (50%) or more of the shares (or other ownership interest, if not a corporation) of such entity through voting rights or through the exercise of rights pursuant to agreement, or the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such entity.

“Copyright Act” means the United States Copyright Act of 1976.

“Costs” shall mean any and all costs, fees, contra-revenues or other expenses consistent with Expedia’s accounting policies and procedures, which, in each case, is in connection with this Agreement.

“Costs of Service Percentage” means ***% or, if applicable, such percentage as determined from time to time in accordance to Section 3.8.

“Costs of Service” means any and all direct or indirect Costs arising out of, or related to, the servicing of a Transaction in connection with, or following the completion, of the booking, including Goodwill Modifications, refunds, chargebacks, relocations, disputes, uncollected payments, penalties, fines, customer support and service and other fees.

“Credit Amount” has the meaning set forth in Section 3.6.1.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
“Credit Card Fraud Costs” means any and all direct or indirect Costs related to, or arising out of, fraud, including amounts rebated, repaid, or refunded to any third party, including issuing banks, other credit and other payment card processors, merchants and Travel Supply Providers, in each case in connection with any Transaction.

“Credit Card Fraud Percentage” means ***% or, if applicable, such percentage as determined from time to time in accordance to Section 3.8.

“Credit Card Transaction Costs” means any and all direct or indirect Costs that are charged by payment processing providers or services, including credit and other payment card fees, merchant fees, payment exchange systems fees (including Bitcoin and other electronic and/or future currencies) and any and all interest and other charges associated with such payments, which are paid in connection with any Transaction.

“Credit Card Transaction Percentage” means ***% or, if applicable, such percentage as determined from time to time in accordance to Section 3.8.

“Customer Personal Data” means any Highly Sensitive Customer Personal Data, Sensitive Customer Personal Data and Confidential Customer Personal Data.

“Decolar” has the meaning set forth in the preamble to this Agreement.

“Decolar API” means Decolar’s XML application protocol interface, or any future method, conduit or medium of delivery or access, which makes Decolar Travel Products available for booking by customers on any third-party Travel Solution.

“Decolar Application” has the meaning set forth in Section 2.1.2.

“Decolar Bookings Percentage” has the meaning set forth in Section 2.1.5.

“Decolar Brand” means the Trademarks “Decolar.com” and “Despegar.com.”

“Decolar Channel” has the meaning set forth in Section 8.4.1.

“Decolar Customer Personal Data” has the meaning set forth in Section 5.1.2(a).

“Decolar End User Traffic” has the meaning set forth in Section 2.1.4(b).

“Decolar Indemnified Parties” has the meaning set forth in Section 9.1.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
“Decolar Parent” has the meaning set forth in the Preamble.

“Decolar Platform” means any and all of the platforms accessed or utilized by Decolar and its Affiliates, or supplied by Decolar or any of its Affiliates, or to which they provide Travel Products, to a third party, for booking Decolar Travel Products, including Decolar’s desktop and mobile Websites, telesales services and systems, mobile applications and any other tools or mediums now or hereafter developed, whether or not branded with the Decolar Brand.

“Decolar Privacy Policy” has the meaning set forth in Section 5.1.1.

“Decolar Predatory” has the meaning set forth in Section 8.4.1(a).

“Decolar Territory” means all countries in the South American continent and the countries of Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Curacao, Dominica, Dominican Republic, El Salvador, Grenada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Puerto Rico, Saba, Saint Barthélémy, Saint Kitts and Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, Sint Eustatius, Sint Maarten Trinidad and Tobago, Turks and Caicos Islands and U.S. Virgin Islands.

“Decolar Transactional Data” has the meaning set forth in Section 5.1.3(b).

“Decolar Travel Product” means any Travel Product which is offered, made available or otherwise permitted to be booked by, through or on behalf of Decolar and/or its Affiliates (other than through the Expedia API).

“Decolar Travel Solution” means a Travel Solution operated by or on behalf of, or otherwise powered (whether through the provision of Travel Products, technology or otherwise), supported or facilitated by Decolar or any of its Affiliates through the use of any Decolar Platform.

“Disclosing Party” has the meaning set forth in Section 4.1.

“Dispute” means any dispute, controversy or disagreement between the Parties arising out of, or relating to, any provision in this Agreement, including its negotiation, validity, interpretation, existence, breach, termination, construction or application, or the rights or obligations of, or compliance with such rights and obligations by, any Party, or the relationship between the Parties.

“Dynamic Package” means a combination of lodging with air, car rental, or rail travel products that have been selected by a consumer and booked together, including any offerings where lodging supply is paired with air, car rental or rail travel products, either at the time of booking or prior to or during the stay for such booking.

“Employer” has the meaning set forth in Section 15.2.
“End User” means a Person that is a consumer of a good or service.

“End User Traffic” means all End User traffic on any and all Decolar Travel Solutions.

“Existing Letter of Credit” has the meaning set forth in Section 3.6.1.

“Expedia” has the meaning set forth in the Recitals.

“Expedia Parent” has the meaning set forth in the preamble to this Agreement.

“Expedia Account” has the meaning set forth in Section 3.3.3.

“Expedia API” means Expedia’s XML application protocol interface, or any future method, conduit or medium of delivery or access, which makes Expedia’s travel products and services available for booking by customers on any third-party Travel Solution, including through the Decolar Platform or on any Decolar Travel Solution.

“Expedia Covered Lodging Supply” means Expedia Travel Products (whether such Travel Products are offered on a standalone basis, in a Dynamic Package or otherwise) for (i) all properties located in the Expedia Territory and (ii) for all Global Lodging Chain Properties located in the Decolar Territory for which (a) the consumer-facing, all-inclusive room rate and availability at which Decolar is permitted to display and (b) the Marketing Fee Payment allocable to Decolar for a Travel Booking for such Expedia Travel Product (taking into account the amount of incremental VAT or withholding tax (if any)) required to be remitted by Decolar to a taxing authority in respect of such Travel Booking solely as a direct result of such Travel Booking having been made by an End User in the Decolar Territory for travel within the same country in the Decolar Territory where such End User resides and Expedia not having the capability to produce an invoice or other documentation required by a local taxing authority for a refund of such Tax amounts in respect of such Travel Booking) is, in each case, better than or substantially equal to that which Decolar receives at such time for Identical Lodging Supply through a direct relationship with such Global Lodging Chain Properties, which, in the case of the preceding clauses (i) and (ii) are now or may in the future be received, delivered or otherwise made available or offered through the Expedia API.

“Expedia End User Traffic” has the meaning set forth in Section 2.1.4(b).

“Expedia Incremental Taxes” means any additional Taxes imposed on or payable by Expedia or any of its Affiliates arising out of or resulting from the failure by Decolar to, with respect to any Expedia-Sourced Travel Bookings booked after the date of this Agreement, separately state any Service Fees charged by Decolar from the Room Rate.

“Expedia Indemnified Parties” has the meaning set forth in Section 9.2.

“Expedia Information” has the meaning set forth in Section 6.1.
“Expedia-Sourced Travel Bookings” means Travel Bookings of Expedia Travel Products sourced through the Expedia API which are made on or through the Decolar Application or Decolar Platform, including any and all Decolar Travel Solutions.

“Expedia Specifications” has the meaning set forth in Section 2.1.2.

“Expedia Territory” means all destinations and locations world-wide other than those within the Decolar Territories.

“Expedia Transactional Data” has the meaning set forth in Section 5.1.2(a).

“Expedia Travel Product” means any Travel Product which is offered, made available or otherwise permitted to be booked by, through or on behalf of Expedia and/or its Affiliates.

“Expedia Travel Solution” means a Travel Solution operated by or on behalf of, or otherwise powered (whether through the provision of Travel Products, technology or otherwise), supported or facilitated by Expedia or its Affiliates through the use of an Expedia Platform.

“Expedia Travel Solution Taxes” means all Travel Solution Taxes (other than any Expedia Incremental Taxes) that are or may be imposed or incurred, with respect to any Expedia-Sourced Travel Bookings booked after the date of this Agreement to be paid, remitted or forwarded by or on behalf of Expedia or its Affiliates to any Travel Supply Provider or any Governmental Authority. For the avoidance of doubt, Transaction Taxes and Expedia Incremental Taxes are not included in Expedia Travel Solution Taxes.

“Expedia Travel Unclaimed Property Liabilities” has the meaning set forth in Section 12.2.2.

“Final Determination” has the meaning set forth in Section 12.4.

“First Refusal and Co-Sale Agreement” means that certain Third Amended and Restated First Refusal and Co-Sale Agreement entered into as of March 6, 2015, by and among Decolar Parent and the Stockholders (as defined therein).

“Global Lodging Chain Properties” means those properties with internationally recognized providers of lodging properties which own, operate or otherwise service 35 or more different lodging properties located both in the Expedia Territory and in the Decolar Territory, with less than or equal to 50% of such lodging properties located in the Decolar Territory.

“Goodwill Modifications” has the meaning set forth in Section 2.1.7.

“Governmental Authorities” means any national, state, provincial, municipal or local or similar governments, regulatory or taxing authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, courts, bodies, boards, tribunals, or dispute settlement panels or other Law, rule or regulation-making organizations or entities (including any travel industry regulatory or administrative body): (i) having or purporting to have jurisdiction on
behalf of any nation, territory, state, or other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or any Affiliate.

“Gross Booking Value” means, for a specified period, the total amount actually collected, or which should have been collected, or that will be collected when such Travel Booking is Consumed, from an End User (in each case, excluding the impact of any coupons, credits, promotions or other discounts offered or provided by a party other than Expedia) with respect to a Travel Booking for a Travel Product by the End User.

“Gross Profit” means an amount equal to (a) Compensation plus (b) Media Revenue less, (c) where applicable in relation to a Travel Booking, without duplication, Costs associated with any debit memo, replacement room nights, charge backs, and cancellation fees where applicable less (d) where applicable in relation to a Travel Booking, without duplication, the product of (i) (A) where Expedia or its Affiliate processes a credit card for a Transaction, the Credit Card Fraud Percentage in respect of Credit Card Fraud Costs; plus (B) where Expedia or its Affiliate processes a credit card for a Transaction, the Credit Card Transaction Percentage in respect of Credit Card Transaction Costs; plus (C) the Cost of Service Percentage; plus (D) the Insurance Cost Percentage in respect of the Insurance Costs; and plus (E) for each Property-Collect Booking Transaction, ***% and (ii) the Gross Booking Value with respect to Expedia-Sourced Travel Bookings.

“Guarantors” has the meaning set forth in the Preamble.

“Highly Sensitive Customer Personal Data” means any of the following information with respect to any individual:

(i) Financial/payment account numbers, including credit/debit card numbers;
(ii) Authentication data, such as passwords or PINs, for financial or medical accounts;
(iii) Social security numbers and other national identification numbers;
(iv) Driver’s license numbers;
(v) Passport numbers;

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
(vi) Email addresses;
(vii) Telephone numbers; and
(viii) Data related to racial or ethnic origin, political opinions, moral, religious or philosophical views, trade union affiliations, health and/or sexual preferences.

“Identical Lodging Supply” means standalone lodging supply that is identical with respect to all characteristics, offers and amenities, including property, room type, stay dates, special offers, inclusive packages, credits (such as for food or services) and other metrics used in the lodging industry.

“Indemnified Party” has the meaning set forth in Section 9.3.

“Indemnifying Party” has the meaning set forth in Section 9.3.

“Indirect Revenues” means, for a given period, the aggregate amount (without duplication) of any revenues received by a Party or its Affiliates indirectly related to any Travel Bookings or other transactions through a Travel Solution, including Overrides, marketing funds from Travel Supply Providers or other third parties, bonus payment processing revenues (such as credit card fees and rebates), and vendor bonuses.

“Insurance Costs” means any and all direct or indirect Costs arising from or relating to procuring and maintaining insurance coverage for, or otherwise self-insuring with respect to, Decolar’s Payment obligations under this Agreement, whether from a third-party provider or the reasonable equivalent cost with respect to any self-insurance program maintained by Expedia or any of Affiliates; provided, that Insurance Costs shall not be applicable over the exposure of Expedia to Decolar payment obligations hereunder already covered by the Letter of Credit, the Security Deposit or any other collateral.

“Insurance Costs Percentage” means ***% or, if applicable, such percentage as determined from time to time in accordance to Section 3.8.

“Intellectual Property Rights” means all technology, intellectual property or other proprietary rights in any jurisdiction (including People’s Republic of China) including: (i) rights in, arising out of, or associated with published and unpublished works of authorship, including rights in audiovisual works, collective works, computer programs (whether in source code or executable form and whether in open source or proprietary form), documentation, compilations,

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.

9
databases, derivative works, literary works, maskworks, and sound recordings, and rights granted under the Copyright Act or any similar Law of another jurisdiction; (ii) rights in, arising out of, or associated with databases, data compilations and collections and technical data; (iii) rights in, arising out of, or associated with inventions, discoveries, improvements, business methods, compositions of matter, machines, methods and processes and new uses for any of the preceding items, including rights granted under the Patent Act or any similar Law of another jurisdiction; (iv) rights in, arising out of, or associated with Trademarks, including without limitation rights granted under the Lanham Act or any similar Law of another jurisdiction and under the common law; (v) rights in, arising out of, or associated with information that is not generally known or readily ascertainable through proper means, whether tangible or intangible, including algorithms, customer lists, ideas, designs, formulas, know-how, methods, processes, programs, prototypes, systems and techniques, including rights granted under the Uniform Trade Secrets Act or any similar Law of another jurisdiction; (vi) rights in, arising out of, or associated with a person’s name, voice, signature, photograph, persona, or likeness, including rights of personality, privacy, and publicity; (vii) rights of attribution and integrity and other moral rights of an author; and (viii) rights in, arising out of, or associated with domain names, social media handles and other identifiers, web addresses and Websites.

“Interest Rate” means a rate per annum equal to the three (3)-month U.S. dollar LIBOR (as published by the British Bankers Association, or, if not published therein, in another authoritative source selected by the Parties), on the date such payment was required to be made (or, if unavailable, on the next preceding date for which such quotation is available) plus 500 basis points.

“Investors’ Rights Agreement” means that certain Fifth Amended and Restated Investors’ Rights Agreement, entered into as of March 6, 2015, by and among Decolar Parent and the Stockholders (as defined therein).


“Laws” means any law, common law, rule, statute, regulation, by-law, order, ordinance, protocol, code, guideline, treaty, policy, notice, direction or judicial, arbitral, administrative, tribunal, ministerial or departmental judgment, award, decree, treaty, directive, or other requirement or guideline published or in force at any time during the Term, which applies to or is otherwise intended to govern or regulate either or both Parties, property, transaction, activity, event or other matter, including any rule, order, judgment, directive or other requirement or guideline. provided, however, that in respect of any of the foregoing it is issued by any Governmental Authority. For the avoidance of doubt, Law includes Privacy Law.

“Letter of Credit” has the meaning set forth in Section 3.6.1.

“Licensee” has the meaning set forth in Section 6.2.

“Licensor” has the meaning set forth in Section 6.3.

“Marketing Fee Payments” has the meaning set forth in Section 3.2.1.
“Marketing Fee Statement” has the meaning set forth in Section 3.4.1.

“Marketing Fees” has the meaning set forth in Section 3.1.

“Marks” has the meaning set forth in Section 6.2.

“Materials” has the meaning set forth in Section 6.2.

“Media Revenue” means, for a given period, the aggregate amount (without duplication) earned or received by Decolar or any of its Affiliates or otherwise paid to Decolar or any of its Affiliates by third party advertisers for advertisement or similar placements comparing in the search results or booking path price, product, or service offerings from competitors for Travel Products on any Decolar Travel Solutions or displayed through the Decolar Platform with respect to or otherwise in connection with any Expedia Travel Products displayed in such search results or booking path. For the avoidance of doubt, Decolar shall not be prevented from implementing and generating revenue from banner advertising and similar such non-price product or service comparison display style advertising outside of search results.

“Merchant of Record” means a Person collecting revenues and any other amounts (including amounts in respect of Taxes) from End Users or other parties on behalf of another Person with respect to any Travel Bookings of (or other transactions through a Travel Solution in respect of) Travel Products offered by such other Person.

“Minimum Bookings Percentage” means one hundred (100%) of the Gross Booking Value for properties in the Expedia Territory.

“Monthly Minimum Bookings Statement” has the meaning set forth in Section 3.4.2.

“Notice” has the meaning set forth in Section 15.8.

“OFAC” has the meaning set forth in Section 7.2.

“Opaque Booking” means an Affiliate-Collect Booking that is returned in response to a request through the Expedia API for an Affiliate-Collect Booking through the Decolar Application, and which is specifically intended for use in a Packaged Product.

“Overrides” means, for a given period, the aggregate amount (without duplication) of any and all remuneration of any kind paid by a Travel Supply Provider to Expedia or its Affiliates which remuneration is, or was, contingent upon the achievement of one or more performance metrics.

“Packaged Product” means an Opaque Booking made available to End Users by Decolar (or on any Decolar Travel Solution) in combination, and together with an air, car rental or rail travel product are paired together, including any Dynamic Packages.

“Party” means any of Decolar, Decolar Parent or Expedia; and “Parties” means Decolar, Decolar Parent, Guarantors and Expedia, collectively.

“Payment Card Industry Data Standard Security Requirements” means those payment card industry data standard security requirements and integrated cardholder information security program established by the major credit card network entities with respect to the security requirements imposed on services providers supporting debit, credit, prepaid or other payment cards.

“Payment” means any payment due and payable from one Party under this Agreement to the other Party, including Marketing Fee Payments, Room Revenue Payments, Penalty Payments, etc.

“Penalty Payment” has the meaning set forth in Section 3.5.1.

“Performance Test” means the right of Expedia to solely control the Room Rate, Services Fees and Sort Order of the Test Supply displayed or otherwise made available on the Decolar Travel Solutions for at least 10% of all End User Traffic on any given day during the Test Period by providing a different API credential. Decolar may increase such percentage at its sole discretion during any Test Period.

“Performance Test Report” has the meaning set forth in Section 2.1.4(b).

“Person” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate or Governmental Authority.

“Priceline Group” means (a) The Priceline Group Inc. or any of its Affiliates as it may be constituted at any point in time, (b) the respective businesses of Booking.com, Agoda.com, Kayak.com, RentalCars.com (collectively, the “Specified Priceline Operations”), whether or not such businesses remain a part of the operations of The Priceline Group Inc. and (c) any future business of The Priceline Group Inc. which is similar in size and nature to the Specified Priceline Operations, whether or not such business remains a part of the operations of The Priceline Group Inc.

“Privacy Law” means any applicable Law in any jurisdiction relating to the collection, use, storage or disclosure of information about an identified or identifiable individual or other Person.

“Property-Collect Booking” means a booking for which the Room Revenue is collected from the End User by the property at the time of check-out or at a time otherwise agreed by the property and Expedia or its Corporate Affiliates.

“Receiving Party” has the meaning set forth in Section 4.1.

“Refund Fees” has the meaning set forth in Section 3.3.4.
“Representative” of a Party, means an officer, director, stockholder, employee, agent, advisor or consultant of such Party.

“Reserved Liability” has the meaning set forth in Section 9.4.6.

“REST Transition” has the meaning set forth in Section 2.1.2.

“Restricted Decolar Travel Solution” has the meaning set forth in Section 2.1.8.

“Restricted Employee” has the meaning set forth in Section 15.2.

“Room Rate” means, for any given Expedia Travel Product, the rate which is provided to Decolar by Expedia through the Expedia API for such Expedia Travel Product, including the nightly rate, applicable Taxes and fees and any other pricing related information.

“Room Revenue” has the meaning set forth in Section 3.3.

“Room Revenue Payment” has the meaning set forth in Section 3.3.2.

“Security Deposit” has the meaning set forth in Section 3.7.

“Security Deposit Draw” has the meaning set forth in Section 3.7.3.

“Service Fees” means for any Expedia Travel Product any services fees or booking fees added to, or otherwise included in, a Room Rate.

“Sort Order” means the sort order in which Travel Products are returned to the Decolar Application and/or the Decolar Platform and displayed on an applicable Decolar Travel Solution through the Expedia API.

“Stock Repurchase Agreement” means that certain Stock Repurchase Agreement, entered into as of March 3, 2015, by and among Decolar Parent and the Sellers (as defined therein).

“Stock Subscription Agreement” means that certain Common Stock Subscription Agreement, entered into as of March 3, 2015, by and among Decolar Parent, Expedia Parent and the Pre-Closing Holders (as defined therein).

“Strategic Party” means any Person other than a single individual which does not directly or indirectly own or Control any assets or companies operating (x) in the consumer or corporate travel industry, or (y) as an Internet-enabled provider of travel search or information services (clauses (x) and (y), the “Restricted Field”).

“Tax Returns” has the meaning set forth in Section 12.1.2.

“Tax” or, collectively, “Taxes” means any and all federal, national, state, local, provincial and other taxes, imposts, duties, levies, assessments and other similar governmental
charges and fees imposed by any Governmental Authority, including capital gains, occupancy, gross receipts, business, income, profits, sales, use, lodging or accommodation, value added, goods and services, ad valorem, transfer, franchise, withholding, recapture, stamp duty, excise and property taxes and other taxes of any nature whatsoever (but not, for the avoidance of doubt, any Unclaimed Property Liabilities), together with all interest, penalties, and additions imposed with respect to such amounts.

“Term” has the meaning set forth in Section 11.1.

“Test Period” has the meaning set forth in Section 2.1.4(a).

“Test Supply” means all Expedia Lodging Supply, located in the Expedia Territory, which is made available for booking on a standalone basis or as a Packaged Product when the Expedia Travel Product is displayed separately from the air, car rental or rail travel product.

“Trademark” means any words, names, symbols, sounds, devices, designs, and other designations, and combinations of the preceding items, used to indicate a source of origin or form of certification, including without limitation logos, trade names, trade dress, trademarks and service marks, in each case, whether or not registered.

“Transaction” means a Travel Booking through the Expedia API.

“Transaction Agreements” means this Agreement, the Stock Repurchase Agreement, the Stock Subscription Agreement, the Investors’ Rights Agreement, the Voting Agreement and the First Refusal and Co-Sale Agreement.

“Transaction Shares” has the meaning set forth in the Recitals.

“Transaction Statement” has the meaning set forth in Section 3.3.1.

“Transaction Taxes” means any and all sales, use, excise, gross receipts, value added, goods and services, occupancy, accommodation, tourism and any other similar transfer Taxes that are in the nature of transaction Taxes (and that are not in the nature of business activity Taxes imposed on, measured by, or based on gross or net income or gross or net receipts that are not transaction Taxes), filing and recordation fees and similar Taxes, charges and fees incurred with respect to any amounts payable or deemed to be payable to Decolar by Expedia or to Expedia by Decolar pursuant to this Agreement.

“Transition Outside Date” has the meaning set forth in Section 2.1.2.

“Transition Penalty” has the meaning set forth in Section 2.1.3.

“Transition Term” has the meaning set forth in Section 11.2.3(c).

“Travel Booking” means the booking of a Travel Product.
“Travel Products” means lodging and lodging-like products and services (available now or hereafter fully developed by Expedia), whether as a standalone product or a Packaged Product, which may be offered for booking by a Party or its Affiliates in its sole discretion from time to time.

“Travel Solution” means any online (including Websites) or offline portal, medium or other channel for consumer activities relating to travel or travel-related products, services or other offerings, including shopping, booking, reviewing, searching and redeeming of such travel or travel-related products, offerings and services.

“Travel Solution Taxes” means all Travel Taxes (or amounts in respect of Travel Taxes, but not any costs or expenses) that are or may be imposed or incurred with respect to any Travel Bookings by or for End Users through Travel Solutions, to be paid, remitted or forwarded by or on behalf of a Party or its Affiliates to any Travel Supply Provider or any Governmental Authority. For the avoidance of doubt, Transaction Taxes are not included in Travel Solution Taxes.

“Travel Supply Provider” means a third-party supplier of any lodging pursuant to a contract between such supplier, on the one hand, and a Party and/or its Affiliates, on the other hand.

“Travel Taxes” means any and all sales, use, occupancy, lodging, tourism related, excise, gross receipts, value added, ad valorem, goods and services and other similar types of transfer Taxes, duties, fees, public imposts, or charges and Taxes however designated, and other transactional Taxes or fees of any kind (including any related interest, penalties and additions to Tax) imposed by any Governmental Authority that are imposed on, measured by, or in relation to amounts paid for hotel room, lodging, or accommodation rentals, car rentals, tours, attractions, theme park admissions, show tickets, ground transportation, other in-destination activities, airfare, or other travel-related services, including services typically provided by online travel companies and services typically provided in connection with the furnishing of accommodations. For the avoidance of doubt and notwithstanding anything to the contrary herein, (i) Transaction Taxes incurred in connection with amounts payable or deemed payable pursuant to this Agreement shall be borne by Decolar and Expedia in accordance with Section 12.1.1 (and shall not be considered Travel Taxes), and (ii) Taxes imposed on the net income or net worth of Expedia or Decolar, respectively, or franchise or other business activity Taxes imposed by a jurisdiction in lieu of net income Taxes where such jurisdiction does not impose a Tax on net income (including, the Ohio Commercial Activity Tax, the Washington Business and Occupation Tax, and the Texas Franchise (Margins) Tax), shall be borne by the Person incurring such Taxes (and shall not be considered Travel Taxes), and Taxes in the nature of business activity Taxes that may be imposed on income with respect to Travel Bookings or Travel Solutions, such as gross receipts Taxes or general excise Taxes, shall not be treated as Taxes on net income, and therefore shall not be excluded from the definition of Travel Taxes pursuant to this clause (ii), although the Parties neither concede nor agree that any such Taxes apply to Travel Bookings or the Travel Solutions as a matter of applicable Law.
“Unclaimed Property Liabilities” means any and all Losses arising out of or relating to unclaimed property or escheatment proceedings or claims instituted or otherwise made by or on behalf of any Governmental Authority or other third Person. For the avoidance of doubt, the Parties neither concede nor agree that any amounts associated with any Travel Bookings or Travel Solution give rise to Unclaimed Property Liabilities as a matter of applicable Law.


“Voting Agreement” means that certain Third Amended and Restated Voting Agreement entered into as of March 6, 2015, by and among Decolar Parent and the Stockholders (as defined therein).

“Voyager Materials” has the meaning set forth in Section 6.5.2.

“Voyager Tool” has the meaning set forth in Section 6.5.1.

“Website” means any and all mediums, tools, instruments, channels and/or methods, now or hereafter developed for the access, distribution or sharing of information or electronically conducting commerce over a publicly available network, including a website, application and any and all versions of such sites and/or applications specifically designed and optimized for mobile device, such as a smartphone, tablet computer or other similar end user device.

1.2 Interpretation. Unless otherwise expressly provided, for purposes of this Agreement the following rules of interpretation shall apply:

1.2.1 The Parties agree that they have been represented by counsel during the negotiation and execution of this Agreement and, therefore, waive the application of any Law, regulation, holding or rule of construction providing that ambiguities in an agreement or other document will be construed against the Party drafting such agreement or document.

1.2.2 The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent and no rule of strict construction shall be applied against either Party.

1.2.3 Any reference to any Law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

1.2.4 Any reference to any agreement, document or instrument shall mean such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof.

1.2.5 Whenever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural, and vice versa. Where a word or phrase is defined, each of its other grammatical forms shall have a corresponding meaning.
1.2.6 Whenever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation,” unless the context specifies otherwise.

1.2.7 Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done, shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

1.2.8 Whenever the words “hereunder,” “hereof,” “hereto” and words of similar import are used in this Agreement, they shall be deemed references to this Agreement as a whole and not to any particular Section or other provision hereof.

1.2.9 The word “or” is used in the inclusive sense of “or.” The terms “or,” “any” and “either” are not exclusive.

1.2.10 Whenever a provision of this Agreement requires an approval or consent and the approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

1.2.11 Unless otherwise specified, all references to money amounts are to the lawful currency of the United States of America.

1.2.12 Headings of Sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

2. LODGING SUPPLY

2.1 Lodging Supply to Decolar

2.1.1 Expedia API. Except as otherwise expressly provided herein, at all times, during the Term of this Agreement, Expedia shall make the then-current version of the Expedia API available to Decolar for use by Decolar and its Affiliates in accordance with the provisions of this Agreement. Expedia shall be responsible for any and all costs associated with the standard development and operations of the Expedia API in the form delivered to Decolar.

2.1.2 Decolar Application. Decolar shall ensure, in the terms set forth herein, that its application which interfaces with the then-current version of the Expedia API to enable the exchange of data regarding Expedia Travel Products (the “Decolar Application”) is at all times (a) consistent with the then-current version of the Expedia API and (b) in accordance with the Expedia API specifications, including the then-current protocol, which is currently the REST protocol (the “Expedia Specifications”). In connection with the foregoing, Decolar shall no later than four (4) months from the date hereof (the “Transition Outside Date”), transition from the SOAP protocol to the REST protocol (the “REST Transition”), unless Decolar’s failure to meet the Transition Outside Date is primarily caused by Expedia and/or its Affiliates,
in which case Decolar shall transition from the SOAP protocol to the REST protocol as soon as reasonably practicable thereafter. Decolar shall be responsible for all associated costs of the REST Transition. At any time upon reasonable prior notice to Decolar, Expedia will have the right to review the usage by Decolar of, and interface of the Decolar Application with, the then-current version of the Expedia API. Where Expedia informs Decolar that reasonable modifications or updates (i) will occur or have occurred to the Expedia API and/or Expedia Specifications as generally applicable to all applicable third-party commercial recipients of the EAN.com, LP API feed or (ii) are otherwise necessary or advisable to the Decolar Application, Decolar shall use its reasonable best efforts to make the necessary modifications to the Decolar Application to integrate such modifications or updates promptly and, in any event, within two (2) months from the date of Expedia informing Decolar in reasonable detail of the relevant modification or update, unless Decolar’s failure to make the modifications within the required two (2)-month period is primarily the result of actions of Expedia and/or its Affiliates, in which case such period shall be adjusted accordingly.

2.1.3 Delay Penalties. In the event that Decolar has not completed the REST Transition by the Transition Outside Date, and such failure is not primarily caused by any breach by Expedia of this Agreement or action that causes compliance with the Transition Outside Date to not be possible, Decolar shall be required to pay to Expedia an amount equal to $*** per week or any part thereof until such time as the REST Transition is completed (the “Transition Penalty”). Any Transition Penalty shall be immediately due and payable as of the time such penalty is incurred. Expedia shall have the right to set off any unpaid amount of the Transition Penalty against any amounts that might otherwise be due and payable by Expedia to Decolar under this Agreement. In the event any such Transition Penalty is not paid within 30 days of the incurrence thereof, interest shall accrue at the Interest Rate on the aggregate amount of the Transition Penalty outstanding at such time.

2.1.4 Display and Pricing Obligations.

(a) In accordance with Schedule 2.1.4(a), until the expiration of the Term, Expedia and its Affiliates shall be the preferred provider to Decolar of Travel Products throughout the world and the exclusive provider of Travel Products in the Expedia Territory and Decolar and its Affiliates shall display, or cause to be displayed, and shall make available for booking on the Decolar Application, the Decolar Platform or the Decolar Travel Solution at all times all Expedia Travel Products. Subject to Section 2.1.4(b), the Sort Order of the Expedia Covered Lodging Supply shall be displayed on all Decolar Travel Solutions as determined by Decolar in its sole discretion. The Expedia Travel Products (other than those that are a part of a Packaged Product) shall be displayed on such Decolar Travel Solutions in a

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
manner that (i) is at least as prominent as any other supply provider with the same or a similar price or compensation for a similar Travel Product, and (ii) does not otherwise discriminate against or purposefully disadvantage such Expedia Travel Products relative to any other Travel Products offered or made available on such Decolar Travel Solution or through the Decolar Platform, whether through sort order, merchandizing campaigns or otherwise.

(b) Commencing on May 1, 2015, until the expiration of the Term:

(i) Decolar shall allow Expedia to run a Performance Test on Decolar Travel Solutions during (A) any one (1)-month period within every four (4)-month period or (B) such longer period within every four (4)-month period as is necessary to ensure that that the length of such measurement period, when taken together with the percentage of control allocated to Expedia in such Performance Test is sufficient for the results of the Performance Test to be statistically significant (such resulting period, the “Test Period”). Decolar may increase the duration of the Test Period at its sole discretion. During the Test Period the pricing display shall comply at all times with applicable Laws.

(ii) Following the expiration of the Test Period, each Party will prepare a report (the “Performance Test Report”) comparing the relative Performance of (A) the End User Traffic for which Decolar controlled the Room Rate and Sort Order for the Expedia Covered Lodging Supply (“Decolar End User Traffic”) and (B) the End User Traffic for which Expedia controlled the Room Rate and Sort Order for the Test Supply (the “Expedia End User Traffic”), in each case, during such period. Both Parties shall submit the Performance Test Reports for information purposes only to the board of directors of Guarantor at the board of directors’ ordinary meeting taking place after the expiration of the Test Period.

2.1.5 Minimum Bookings. Except as set forth on Schedule 2.1.4(a), only with respect to the Expedia Territory, commencing on April 1, 2015 and for each quarter during the Term, Decolar and its Affiliates shall, and shall cause the Decolar Platform and all Decolar Travel Solutions to, book Expedia Travel Products (other than Travel Products in the Decolar Territory) for no less than the Minimum Bookings Percentage (the “Decolar Bookings Percentage”). Decolar or an Affiliate of Decolar will act as the Merchant of Record on all Expedia-Sourced Travel Bookings with respect to non-refundable and other pay-in-advance bookings of Travel Products, where applicable, that are supplied by Expedia or its Affiliates pursuant to this Agreement, except for such Expedia-Sourced Travel Bookings for which Expedia and Decolar agree by virtue of using certain booking channels that Expedia or its
Affiliate shall serve as the Merchant of Record, which, to the extent such Expedia-Sourced Travel Bookings are for properties in the Expedia Territory, shall be included in the calculation of the Decolar Bookings Percentage.

2.1.6 **Expedia Service Level Obligations**. If at any time during the Term, the Expedia API (a) fails completely to respond to the Decolar Application for a period in excess of fifteen (15) continuous minutes or (b) fails to respond within ten (10) seconds on 95% of list, availability or reservation requests made by the Decolar Application in conjunction with completing a Transaction for a period in excess of fifteen (15) continuous minutes, then the Decolar Application may switch to other sources of inventory (a “Performance Switch”) without any penalty only until such time as immediately following time that the Expedia API is again responsive or timely responsive. Expedia agrees that Decolar will be treated substantially similarly to other similarly situated recipients of lodging supply through the Expedia API in the same geographic region (including Hotels.com and Expedia’s Affiliates marketing their products in such region) with respect to response times of the Expedia API. In addition Expedia and Decolar will work together in seeking optimal solutions for customers with respect to Expedia API and Decolar Application performance.

2.1.7 **Expedia Rights**. Expedia reserves the right to remove Expedia API access and/or cancel any and all Expedia-Sourced Travel Bookings, if Decolar or any party which owns or otherwise operates any such Decolar Travel Solutions (a) does not comply, in all material respects, with rules, regulations or policies for use of the Expedia API as determined by Expedia reasonable discretion from time to time, including modifications to pricing and/or unauthorized modifications to pricing display for Expedia Travel Products (whether through couponing, discounting, promotions or otherwise); (b) are identified with inactive Expedia API access or Decolar and its Affiliate’s sites with no live content for a period of seven (7) days; (c) are non-responsive to correspondence within reasonable time, reasonable corrections or requests regarding the Expedia API; (d) does not comply, in all material respects, with the payment provisions under Section 3 or (e) commit any other acts or omissions that, in Expedia’s reasonable sole discretion, may pose material threats to Expedia’s (i) financial stability, (ii) information/data security, (iii) agreements, licenses or relationships with its Travel Supply Providers and/or (iv) Expedia’s Intellectual Property Rights, and, in the case of each of the preceding clauses (a), (b), (c) and (e), does not cure the circumstances described in such clause within a reasonable period of time, which period shall be no less than 10 days after notification by Expedia of the first occurrence thereof. **provided, however, (A)** in the event of each successive violation of the preceding clauses (b), (c) and (e), Expedia shall not be obligated to provide any cure period and (B) in the event of more than three successive violations of the preceding clause (a) within any twelve (12)-month period Expedia shall not be obligated to provide any cure period.
2.1.8 **Customer Care**

(a) During the Term, (i) Decolar shall provide commercially reasonable cooperation, at Expedia’s request, to facilitate Expedia’s customer care and support; and (ii) Decolar shall provide first line support to customers of Expedia Travel Solutions in accordance with (x) the best industry standards (including but not limited to its practices in relation to standard greetings, scripts, response times and escalation procedures) and (y) the terms of this Agreement.

(b) Decolar shall use its commercially reasonably efforts to transition its customer care platform to the Voyager Tool as soon as reasonably practicable, and in no event more than six months (the “**Implementation Deadline**”), after the date of this Agreement (the “**Voyager Implementation**”); provided that any delay in the Voyager Implementation that occurs primarily as a result of any action or inaction by Expedia or its Affiliates shall result in the extension of the Implementation Deadline. Subject to Section 6.5 with respect to the use of the Voyager Tool, Decolar will be responsible for and shall provide, all support to End Users for customer care and support issues related to Expedia Travel Products and will be solely responsible for any liability to End Users as a result of such customer care and support; provided that Decolar shall not, at any time, have the ability to engage in any activities with respect to Expedia Travel Products that result in the issuance of any End User “accommodations”, such as cancellations outside of the cancellation window or goodwill coupons and credits, discounts, refunds, and similar accommodations (“**Goodwill Modifications**”), without the prior written consent of Expedia. Expedia will provide second line consultative support for customer care and support issues with respect to the Expedia Travel Products, including Goodwill Modifications, at Decolar’s sole cost and expenses. Without limiting the generality of the foregoing, Decolar will as soon as reasonably practical: (a) transmit to End Users booking Expedia Travel Products, without substantial revision, deletion or change of any sort, all information transmitted by Expedia or its Affiliates to Decolar for re-delivery to such End Users (e.g., booking confirmation e-mails and other customer support communications), provided that such information need not contain any of Expedia’s or its Affiliates’ branding, Marks and Materials; and (b) transmit to Expedia all communications, without substantial revision, deletion or change of any sort, received by Decolar or its Affiliates from such End Users relating to Expedia Travel Products (e.g., booking requests and other customer service inquiries), other than Highly Sensitive Customer Personal Data (other than to the extent necessary to facilitate an Expedia-Sourced Travel Booking). The Parties acknowledge and agree that this Agreement is intended to create a white label service that does not reveal Expedia’s or its Affiliates’ branding, Marks and Materials to End Users. Decolar will be responsible for any liability to End Users as a result of the customer care and support for Expedia.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Travel Products booked through the Decolar Platform and/or a Decolar Travel Solution, including all Goodwill Modifications and costs associated with any debit memo, replacement room nights, charge backs, and cancellation fees. Expedia shall be responsible for all liability to the extent caused by information created by Expedia or its Affiliates that is transmitted to Decolar by Expedia’s second-line support or by the Voyager Tool.

2.1.9 Redistribution.

(a) Without the prior written consent of Expedia from Adam Miller, or such other Expedia employee as may be designated by Expedia from time to time (which consent shall not be unreasonably withheld or withheld solely because a third party competes with Expedia or its Affiliates or Expedia or its Affiliates intends to compete with Decolar or its Affiliates with respect to a third party), Decolar shall not, and shall not permit its Affiliates and/or any third party Travel Solution which it may power or otherwise support from time to time to, display any Expedia Travel Products whether through the Decolar Application, Decolar Platform, on any Decolar Travel Solutions or otherwise (a) on Travel Solutions which are not owned and operated by Decolar and/or its Affiliates or (b) for Decolar Travel Solutions which do not primarily feature the Decolar Brand and are primarily targeted at End Users outside of the Decolar Territory (a “Restricted Decolar Travel Solution”), provided that, Decolar shall not provide any Travel Solution to any Third Party through (i) “instant book” or “direct booking” functionality on any metasearch site or other third party medium or channel, including Travel Solutions, through which Travel Products are marketed through side-by-side price comparison or (ii) any global distribution system or other third-party aggregator or redistributor of supply. In the event Decolar or any of its Affiliates takes any action inconsistent with the preceding clause, Expedia shall be entitled to immediately withdraw the Expedia API with respect to any such Restricted Decolar Travel Solution and cancel any and all Travel Bookings of Expedia Travel Products processed on or through such Restricted Decolar Travel Solution. Expedia shall have the right to waive any or all of the restrictions, whether in whole or in part, in the first sentence of this paragraph at any time, in its sole discretion. Notwithstanding the foregoing, Decolar shall not be restricted from advertising any Travel Products on metasearch sites, provided that the rate at which such Expedia Travel Product is displayed on such metasearch site or other price comparison mechanism shall not be less than the Room Rate and the other terms applicable to Expedia Travel Products pursuant to Section 2.1.4 will apply to any such display.

(b) In the event that Expedia consents (or is deemed to consent as set forth in (c) below), Decolar may make the Expedia Travel Products (other than those containing Opaque Bookings that are not a part of a prepackaged Packaged Product prior to distribution by Decolar) available for booking through partners of Decolar who will assist customers in the booking of such Expedia Travel Products in the Decolar Territory (each, a “Decolar Partner”). Schedule 2.1.9 sets forth a list of Decolar Partners as of the date of this Agreement and Expedia will use commercially reasonable efforts to grant or deny consent with respect to the persons on such list within 30 days. Any compensation due to a Decolar Partner will be solely the responsibility of Decolar and Decolar may not pay any such Decolar Partner a commission (whether bounty, revenue share or other payment structure) greater than the Marketing Fees Decolar receives from Expedia hereunder. Decolar shall ensure that each
Decolar Partner is bound by and complies with: (i) obligations that are at least equivalent to those imposed on Decolar under this Agreement and (ii) the Decolar Partner terms set forth in Exhibit A to this Agreement (the “Decolar Partner Requirements”). Decolar shall be solely responsible for the actions of each Decolar Partner as if such actions are the actions of Decolar. In the event that Decolar becomes aware of any non-compliance by an Decolar Partner of the provisions set forth in this Section 2.1.12, or at any time upon Expedia request based on noncompliance by an Decolar Partner of the provisions of this Agreement or the Decolar Partner Requirements, Decolar will immediately disable the distribution of the Expedia Travel Products to such Decolar Partner.

(c) Solely for purposes of this Section 2.1.9, in the event that Decolar proposes to add a potential Decolar Partner in writing to Expedia, and Expedia does not take any action to grant or deny consent within seven (7) days of its receipt of such request, then Expedia shall be deemed to have consented to such proposed Decolar Partner become a Decolar Partner unless (i) Expedia has affirmatively withheld its consent to such proposed Decolar Partner or any of its Affiliates has previously or (ii) Expedia has previously disabled the distribution of the Expedia Travel Products to such proposed Decolar Partner other than as a result of (A) the mutual discontinuation of the related business relationship between such proposed Decolar Partner and Expedia or (B) the voluntary discontinuation of the related business relationship by such proposed Decolar Partner.

2.2 Lodging Supply to Expedia. During the Term, Decolar shall provide Expedia with access through the Decolar API to all Decolar Travel Products (whether such Travel Products are offered on a standalone basis, in a Dynamic Package or otherwise, other than Expedia Travel Products which may be available through the Decolar API by virtue of the Expedia API) for properties located in the Decolar Territory for use in all Expedia Travel Solutions, subject to the same terms and conditions as the Expedia Travel Products (including the gross profit sharing). The Parties shall use commercially reasonable efforts to create an application (the “Expedia Application”) which interfaces with the Decolar API, which provides access to the aforementioned Decolar Travel Products by the first anniversary of the date hereof. Following the completion of the Expedia Application, the Parties will use commercially reasonable efforts to enter into an agreement for Decolar to provide Decolar Travel Supply for properties located in the Decolar Territory for use in all Expedia Travel Solutions. Decolar shall provide to Expedia, during each calendar month during the term, a statement of booking fees in respect of all Transactions included on the Transaction Statement for such period.

23
2.3 ***.

2.3.1 ***

2.3.2 Decolar agrees and acknowledges that it will have no input into or ability to participate in Expedia’s negotiations with Expedia’s third-party suppliers and that the provision of Expedia Travel Products is subject to the terms of the applicable contracts between Expedia or its Affiliates and the applicable Travel Supply Providers with respect to such Travel Products.

2.3.3 ***

2.3.4 ***

2.3.5 ***

3. ECONOMIC TERMS

3.1 Marketing Fees. During the Term, for each Expedia-Sourced Travel Booking of a Travel Product that is Consumed (a “Consumed Travel Booking”), Expedia will calculate and pay to Decolar the percentage of the Gross Profit set forth on Schedule 3.1 (the “Marketing Fees”) applicable to such Consumed Travel Booking. Marketing Fees shall be paid only on Consumed Travel Bookings that are made through the Expedia API and originate from the Decolar Application, Decolar Platform or Decolar Travel Solution. No Marketing Fees will be paid by Expedia on subsequent bookings by the same customer unless such further booking is also made through the Expedia API and originates from the Decolar Application, Decolar Platform or Decolar Travel Solution.

3.2 Marketing Fee Payments.

3.2.1 Payment to Decolar. Expedia shall pay to Decolar the Marketing Fees owed to Decolar with respect to all Consumed Travel Bookings for which Compensation has been received by Expedia and its Affiliates during a given calendar month (the “Marketing Fee Payment”) within 15 days following the end of such calendar month.

3.2.2 All Payments made by Expedia to Decolar will be made in United States Dollars and sent via wire transfer to the Decolar bank account specified on Schedule 3.2.2 (which Schedule Decolar may revise from time to time by Notice to Expedia).

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
3.3 Room Revenue. Decolar shall collect, on behalf of Expedia, the Gross Booking Value for any Affiliate-Collect Bookings of any Travel Products made by an End User and for which Decolar has acted as the Merchant of Record, excluding any Service Fees and Taxes, in each case, imposed in excess of the Room Rate (the “Room Revenue”). Decolar shall account for and remit all Room Revenue in accordance with the provisions set out below.

3.3.1 Transaction Statements. Expedia will deliver to Decolar a statement every *** days setting forth the Room Revenue (both in the aggregate and on a Transaction-by-Transaction basis) generated from Transactions with respect to *** made during the immediately preceding ***-day period (the “Transaction Statement”). The Parties acknowledge and agree that amounts reflected on each Transaction Statement in respect of any Transaction shall be stated in United States Dollars, provided that the Parties agree to discuss in good faith whether it is practicable to state such amounts in currencies other than United States Dollars.

3.3.2 Payment. Decolar shall pay to Expedia the full Room Revenue amount for bookings detailed on the Transaction Statement (the “Room Revenue Payment”) within *** days (or *** days with respect to Transactions for points of sale located in Argentina, provided that the Parties will discuss in good faith reducing such number of days based on improving economic conditions in Argentina) of the date of the Transaction Statement. Funds shall be paid by Decolar to Expedia via electronic funds transfer into the Expedia Account. In the event that any Room Revenue Payment due in respect of a Transaction Statement is not received by Expedia in compliance with this provision, during the subsequent *** Business Day period, Decolar shall take such steps as may be necessary to cure any failure to make such Room Revenue Payment within *** Business Days. If, at the conclusion of such *** Business Day period, any Room Revenue Payment due in respect of a Transaction Statement is not received by Expedia in compliance with this provision, in addition to Expedia’s rights under this Agreement and at Law, Expedia shall have the right to: (a) offset any such amounts due from any Payments due Decolar hereunder; (b) ***; (c) suspend Decolar’s access to Expedia’s Travel Products immediately and/or (d) to the extent not so offset pursuant to the preceding clause (a) or Section 3.3.5, recoup such amounts due by drawing upon the Letter of Credit at any time, pursuant to Section 3.6.4. In addition, Expedia may demand from Decolar adequate assurance of due performance if Expedia reasonably believes that there will be a fundamental non-performance of Decolar’s obligations hereunder. If Expedia has not received such adequate assurance within *** Business Days from the date of delivery of its request then Expedia may deliver a statement to Decolar for all Transactions ***. Such statement shall be considered a Transaction Statement and shall be subject to the payment terms hereunder. Decolar acknowledges and agrees that Decolar is responsible for the payment of banking transfer fees in relation to the payment of the

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Transaction Statement. Expedia acknowledges and agrees that Expedia is responsible for the payment of banking transfer fees in relation to the receipt of payments related to the Transaction Statement.

3.3.3 All Payments made by Decolar to Expedia will be made in United States Dollars and sent via wire transfer to the Expedia bank account specified on Schedule 3.3.3 (which Schedule Expedia may revise from time to time by Notice to Decolar) (the “Expedia Account”).

3.3.4 Expedia Offset Right. Without limiting the rights in Section 3.3.2, Expedia shall have the right to offset from any Payments due and payable from it or its Affiliates to Decolar any amounts owing to Expedia and/or its Affiliates from Decolar under the terms of this Agreement, provided that Expedia shall promptly provide to Decolar a statement describing the amount of such offset, the statements under which the offset amounts are owed to Expedia and the Payments owed to Decolar from which such amounts are being offset.

3.4 Other Statements and Audits.

3.4.1 Monthly Marketing Fee Statements. Following the end of each calendar month during the Term, Expedia shall, with respect to such completed month, provide a statement (a “Marketing Fee Statement”) to Decolar setting out the Marketing Fee Payment which is due to Decolar for such month for each Transaction describing in reasonable detail the components of Gross Profit for each such Transaction. Each Marketing Fee Statement shall provide reasonable settlement information with respect to Expedia’s calculation of the Marketing Fee Payment, including the total Gross Profit in respect of the Consumed Travel Bookings referred to in Section 3.1 for such month. In addition, the Marketing Fee Statement shall set forth any required period-end accounting adjustments or adjustments for Refund Fees (including cancelled, refunded or charged-backs bookings) with respect to the payments previously made pursuant to Section 3.3. Any modifications required with respect to the previous month shall be added to, or offset from, as applicable, the next monthly payment made pursuant to Section 3.2.

3.4.2 Monthly Minimum Bookings Statements. Following the end of each calendar month during the Term, Decolar shall, with respect to such completed month, provide a statement (a “Monthly Minimum Bookings Statement”) to Expedia setting forth all reasonable backup calculations necessary to arrive at the Decolar Bookings Percentage, including (a) the total number of (i) Expedia-Sourced Travel Bookings and (ii) Consumed Travel Bookings, in each case, for properties in the Expedia Territory made through the Decolar Application, Decolar Platform or a Decolar Travel Solution and which were sourced pursuant to this Agreement during such month and (b) the total number of Travel Bookings for properties in the Expedia Territory made through the Decolar Platform and any and all Decolar Travel Solution during such month. In addition, the Monthly Minimum Bookings Statement will set forth for each Global Lodging Chain Properties located in the Decolar Territory for which the pricing, availability, compensation or other aspect of an Expedia Travel Product failed to be better than or substantially equal to that which Decolar received for Identical Lodging Supply, reasonable detail necessary to establish why such failure occurred, including with respect to pricing, availability, compensation and other relevant factors.
3.4.3 Payment Disputes. Commencing on the twelve (12) month anniversary of the date of this Agreement, within thirty (30) days of the last day of each successive six (6)-month period, the recipient may, deliver to the other Party in writing its dispute (a “Dispute Notice”) of such statement, specifying in reasonable detail the nature of its dispute. During the 30-day period after the delivery of such dispute notice to the other Party, the Parties shall attempt in good faith to resolve any such dispute and finally determine the proper amounts to be reflected on such statement. If, at the end of such thirty (30)-day period, the Parties have failed to reach agreement with respect to the matters addressed in the Dispute Notice, then the matter shall be submitted to the Accountant, which shall act as arbitrator. The Accountant shall determine the proper amounts to be reflected on the Monthly Statement or Transaction Statement, as applicable, for such period in accordance with the terms and conditions of this Agreement. The Accountant shall deliver to each Party, as promptly as practicable and in any event within thirty (30) days after its appointment, a written report setting forth the resolution of the dispute for such period. Such report shall be final and binding upon the Parties to the fullest extent permitted by applicable Law and may be enforced in any court having jurisdiction. Each Party shall bear all the fees and costs incurred by it in connection with this arbitration, except that, if the Accountant determines that the aggregate net adjustment to the applicable statement was greater than five percent (5%), all fees and expenses related to the foregoing work by the Accountant shall be borne by the Party that does not prevail on the matters resolved by the Accountant, all fees and expenses related to the foregoing work by the Accountant shall be borne by such Party for any such dispute in which such Party did not prevail. No Payment dispute shall give the Party disputing such Payment the right to withhold any such Payment that is in dispute hereunder.

3.5 Failure to Achieve Minimum Bookings. In any quarter during the Term in which Decolar Bookings Percentage is below the Minimum Bookings Percentage, Decolar shall be obligated to pay to Expedia an amount equal to the Compensation with respect to any booking by Decolar that resulted in the Minimum Bookings Percentage not being met (the “Quarterly Penalty Payment”) on the terms set forth in this Section 3.5 at the time the Marketing Fee for the following quarter is due hereunder.

3.5.1 The Quarterly Penalty Payment pursuant to this Section 3.5 shall be a non-exclusive remedy and shall be available in addition to any other rights and remedies available to the Parties under law or this Agreement.

3.5.2 In the event that a Quarterly Penalty Payment is owed to Expedia, Expedia may at its election, if such payment is not made at the time the Marketing Fee is due hereunder, (i) offset any such Penalty Payment against any Marketing Fee otherwise payable to Decolar, (ii) draw upon Decolar’s Letter of Credit and (iii) in its sole discretion, cause Expedia to be the Merchant of Record for all Expedia Sourced Travel Bookings.
3.6 Letter of Credit

3.6.1 Letter of Credit. As security for Decolar’s Payment obligations in connection with this Agreement, Decolar will cause a new irrevocable standby letter of credit in substantially the same the existing letter of credit dated November 27, 2014 from *** (the “Existing Letter of Credit”) and acceptable to Expedia and in the amount of $10,000,000 (the “Credit Amount”) to be issued or confirmed by *** (or another bank of international standing reasonably acceptable to Expedia) and delivered to Expedia within *** days from the date of this Agreement (the “Letter of Credit”). Following the delivery by Decolar of the Letter of Credit, Expedia shall, or shall cause, promptly, but no later than *** days from the date of the receipt of the Letter of Credit, the Existing Letter of Credit to be returned to Decolar.

3.6.2 Letter of Credit Terms. The Letter of Credit shall (i) remain in effect for one year and shall be replaced by Decolar with successive letters of credit with either the same terms (provided that such terms remain acceptable to Expedia’s advising bank) or otherwise in a form acceptable to Expedia (an example of what will be acceptable is attached at Attachment 1) at least *** days prior to the expiration date of the then existing letter of credit; (ii) be irrevocable from the date of delivery until its expiration date; and (iii) must have an expiration date which after application of subsection (i) above is no earlier than co-terminus with the expiration date of this Agreement. Upon termination of this Agreement, and provided all payments of invoices due to Expedia have been paid and disputed payments have been resolved, the Letter of Credit, will be returned to Decolar.

3.6.3 Credit Amount. Not more than four (4) times per calendar year and prior to the renewal period for the Letter of Credit, Expedia shall review the Credit Amount and determine, in consultation with Decolar, whether it should be increased or decreased based on Expedia Travel Product bookings. If Expedia, acting reasonably, decides to change the Credit Amount, Decolar shall provide the replacement Letter of Credit in the changed amount within thirty (30) days of such change.

3.6.4 Letter of Credit Draws. Expedia may draw upon the Letter of Credit at any time (i) in order to satisfy any payment obligations of Decolar set forth in this Agreement not met within the timeframe set forth therein or, (ii) in the event the Letter of Credit is not renewed at least *** days prior to the stated expiration date thereof. The proceeds of any drawing on the Letter of Credit pursuant to clause (ii) above not applied to amounts then owing to Expedia hereunder shall be held by Expedia as security for any future payment obligations of Decolar to Expedia under this Agreement. Expedia shall not be required to hold any such cash proceeds described in the preceding sentence in any separate account, but may comingle such proceeds with other funds of Expedia, provided that Expedia shall account for the disposition of all such proceeds at the request of Decolar.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
3.7 Security Deposit. As security for the Decolar’s payment obligations, the $500,000 security deposit paid to Expedia pursuant to the Affiliation Agreement together with an additional $9,500,000 deposited as of the date of this Agreement shall be kept on deposit with Expedia at all times during the Term (the “Security Deposit”).

3.7.1 Security Deposit Terms. This Security Deposit shall not limit Expedia’s rights or Decolar’s obligations hereafter. Upon termination of this Agreement all or a portion of the Security Deposit may be retained by Expedia if Decolar has not fully performed all of its obligations under this Agreement and those imposed by law throughout the Term of the Agreement.

3.7.2 Security Deposit Amount. Not more than four times per calendar year Expedia shall review the amount of the Security Deposit and in consultation with Decolar determine whether it should be increased or decreased based on the Expedia Travel Product bookings both to date and forecasted. If Expedia decides, acting reasonably, to increase the amount of the Security Deposit, Decolar shall pay to Expedia the amount of such increase within *** days of such change.

3.7.3 Security Deposit Draws. Expedia may, at its option, at the expiration or sooner termination of this Agreement, apply any or all of the Security Deposit at any time in order to satisfy any Decolar payment obligations not met within the timeframe set forth herein. Expedia shall not be required to hold the Security Deposit in any separate account, but may commingle the Security Deposit with other funds of Expedia, provided that Expedia shall account for the disposition of all such proceeds at the request of Decolar. If Expedia draws down any amount of the Security Deposit pursuant to the provisions herein (each a “Security Deposit Draw”) Decolar shall within 15 business days of the date of a Security Deposit Draw remit to Expedia an amount equal to the amount of the Security Deposit Draw for purposes of reinstating the Security Deposit to the amount set forth above.

3.8 ***. At the end of each calendar year, Expedia shall modify for the following year the *** in order to reasonably reflect reasonably expected *** based on the actual *** incurred in the preceding year period by Expedia and its Affiliates in respect ***, as applicable. Expedia shall promptly notify Decolar in writing following the modification of such amounts, and upon delivery of such notice, *** until such amounts are further modified.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
3.9 Decolar Financial Information

3.9.1 Whether or not the Investment Rights Agreement remains in effect, Decolar agrees to provide to Expedia the information required under Section 3.1 (a), (b), (c) and (e) of the Investor Rights Agreement for all periods ending on or prior to December 31, 2015. In addition, for each month ending on or prior to December 31, 2015, Decolar will use commercially reasonable efforts to deliver to Expedia the financial information set forth in Section 3.9.2(a), (b) and (c).

3.9.2 For all periods commencing on and following January 1, 2016, until the expiration of the Term, Decolar agrees to provide the following information regarding Decolar and its Affiliates to Expedia on a monthly basis, which information Expedia will only share with those of its officers, employees and representatives as are reasonably necessary for the purposes of determining the Credit Amount or creditworthiness of Decolar:

(a) an unaudited income statement, statement of cash flows for each month and an unaudited balance sheet as of the end of such month;

(b) updated cash flow forecasts for the thirteen (13)-week period following the end of each month; and

(c) updated high-level cash flow forecasts for six (6)-month period following the end of each month, including projected drawn and undrawn amounts of any banking facilities and details of any bank or shareholder covenants with respect to any cash flows or funding.

3.9.3 Decolar agrees to reasonably cooperate with Expedia and with Expedia’s insurance providers to deliver, as soon as reasonably practicable, financial information regarding Decolar and its Affiliates as reasonably requested by such insurance providers.

4. CONFIDENTIALITY

4.1 Definition of Confidential Information. As used herein, “Confidential Information” means all information of a Party (“Disclosing Party”) that is disclosed to the other Party (“Receiving Party”) and identified as confidential or proprietary or that, due to the nature of the information (such as conversion ratios or pricing information) or the circumstances surrounding disclosure, ought to be understood to be confidential or proprietary in connection with the transactions contemplated by this Agreement; provided, however, that if such information is disclosed orally or visually, it must be identified as confidential at the time of disclosure and reduced to writing and provided to the Receiving Party within thirty (30) days of disclosure in order to be considered “Confidential Information” for the purposes of this Agreement. The Confidential Information of (a) Decolar shall include the terms and conditions of this Agreement (but not the existence of the same) and all non-public information regarding the Decolar Travel Products and (b) Expedia shall include the terms and conditions of this Agreement (but not the existence of the same) and all non-public information regarding the Expedia Travel Products.
4.2 Confidentiality. The Receiving Party shall not (i) use any Confidential Information of the Disclosing Party for any purpose other than to exercise its rights or to perform its obligations under this Agreement, or (ii) disclose, publish, or disseminate Confidential Information of the Disclosing Party to anyone other than the Receiving Party’s personnel (including employees, contractors and consultants) who have a need to know the Confidential Information for the purposes set forth in this Agreement and who are bound by a written agreement that prohibits unauthorized disclosure or use of Confidential Information that is at least as protective of the Confidential Information as the Receiving Party’s obligations hereunder. Notwithstanding the foregoing, the Receiving Party shall have the right to share the existence and nature of this Agreement with such Party’s Affiliates and such Party’s and its Affiliates’ attorneys, accountants, bankers, financing sources, consultants or other professional advisors in connection with a financing, merger, acquisition, corporate reorganization, consolidation, or sale of all or substantially all of its assets, or as required by Law in accordance with Section 4.4 of this Agreement.

4.3 Protection. Each Party agrees to protect the confidentiality of the Confidential Information of the other Party in the same manner that it protects the confidentiality of its own proprietary and confidential information of like kind, but in no event shall either Party exercise less than reasonable care in protecting such Confidential Information. Notwithstanding the foregoing, the non-use and non-disclosure restrictions set forth in this Section 4.3 shall not apply to any information that: (i) is or becomes generally known to the public without the Receiving Party’s breach of any obligation owed to the Disclosing Party; (ii) was independently developed by the Receiving Party without use of the Confidential Information and without the Receiving Party’s breach of any obligation owed to the Disclosing Party; or (iii) is received from a third party who obtained such Confidential Information without any third party’s breach of any obligation that was known by the Receiving Party to be owed to the Disclosing Party at the time of such receipt.

4.4 Compelled Disclosure. The Receiving Party may disclose Confidential Information of the Disclosing Party to the extent (and only that specific portion of such Confidential Information) required by Law (including any rule, regulation or policy statement of any national securities exchange, market or automated quotation system on which the Receiving Party’s securities are listed or quoted), Governmental Authority, subpoena, document request, other legal process or judicial or administrative proceeding; provided, however, that the Receiving Party shall make reasonable efforts to provide the Disclosing Party with prior written notice of such compelled disclosure and reasonable assistance (at Disclosing Party’s cost) if the Disclosing Party wishes to obtain protective treatment of the Confidential Information.

4.5 Confidentiality of Marketing Fee Statements. The Parties acknowledge that the Marketing Fee Statements (and any daily version of such statement or similar information as well as the individual information contained therein) provided to Decolar pursuant to Section 3.4.1 or otherwise and any fee related information provided by Expedia to Decolar via the Expedia API (together the “Fee Information”) shall be considered Confidential Information for the purposes of this Agreement and, in addition to the other provisions of this Section 4, shall be treated by Decolar in accordance with the following:
4.5.1 Decolar shall identify a group of named personnel (“Relevant Personnel”) to receive any or all of the Fee Information who need to know such information for the purpose of (i) assessing the accuracy and completeness of such Marketing Fee Statements for Decolar’s financial accounting purposes; (ii) general business planning and marketing purposes, and/or (iii) determining the Sort Order of the Expedia Covered Lodging Supply on the Decolar Travel Solutions (subject to Section 2.1.4(b)). The Relevant Personnel shall: (a) have no commercial dealings (directly or indirectly) with hotel suppliers in respect of any negotiation of specific commercial terms of the supply relationship between Decolar and any current or possible future hotel supplier; (b) be clearly identified; and (c) be the sole recipients of the Fee Information.

4.5.2 Decolar personnel who (i) work exclusively in any of the below functional business units within Decolar and (ii) satisfy the requirement under Section 4.5.1(a) shall automatically be deemed to fulfil the requirement under Section 4.5.1(b):

(a) Accounting/Accounts Payable/ Oracle team: reviews Fee Information received from Expedia and assures payments (or disputes) and other administrative functions are in accordance with applicable contract terms;

(b) Legal: ensures compliance with contract terms and other applicable compliance requirements;

(c) Information Technology: executes website/application coding, API maintenance, AB testing on the technology implementation side, sorting algorithm build-out;

(d) Planning: assesses business performance and undertakes forecasting; and

(e) Marketing: evaluates Decolar marketing spend across marketing channels (variable and other) and assesses return on investments made by Decolar.

4.5.3 The Relevant Personnel may share the following information contained in the Fee Information with other personnel of Decolar in accordance with Sections 4.1 to 4.4: partner identifiers; itinerary and booking identifiers including book and stay dates and itinerary number; lodging property identifiers including property name, market and country; and Gross Booking Value at a Travel Booking level.

4.5.4 The Relevant Personnel shall be prohibited from sharing the following information contained in the Fee Information with other personnel of Decolar: Service Fee, COS percentage, COS amount, Gross Profit percentage, Gross Profit amount and Marketing Fee, except if: (a) such information is aggregated in a manner which ensures that the information referred to above in this Section 4.5.4 is not disclosed to any personnel of Decolar (other than the Relevant Personnel), either precisely or approximately, at an individual property level and cannot be reverse engineered in any way, and in any event with at least 5 properties being included in any aggregated data set; and (b) the recipients need to know the information for the purposes set forth in this Agreement. Decolar shall provide Expedia with details of any aggregation rules applied under this Section 4.5.4 upon request.
Upon request and at least annually, Decolar shall certify to Expedia its compliance with this Section 4.5, in a format agreed between the Parties. Such certification shall list all Relevant Personnel for the period since the last certification was delivered (and for the first certification, all Relevant Personnel) and set out the aggregation rules applied under Section 4.5.4 over the reporting period.

5. DATA; SECURITY

5.1 Data

5.1.1 Decolar Privacy Policy. Decolar shall maintain a privacy policy that shall govern the collection, treatment use and disclosure of Customer Personal Data from End Users of the Decolar Platform and any Decolar Travel Solution (the “Decolar Privacy Policy”). Decolar shall adhere to the Decolar Privacy Policy in connection with all collection, treatment, use, disclosure and retention of any Customer Personal Data, and shall ensure that it permits Decolar to share Customer Personal Data with Expedia and its Affiliates for the purpose of fulfilling its obligations hereunder with respect to procuring travel reservations or providing other services or functions on behalf of End Users or for Expedia on behalf of End Users. Decolar shall ensure that it and its Affiliates have complied and at all times are in compliance with all applicable Laws, as well as any of its own applicable privacy policies, with respect to any Customer Personal Data, including in connection with providing any historical Customer Personal Data in its possession to Expedia pursuant to the terms of this Agreement. Decolar shall take all reasonable steps to ensure that all End Users have agreed or consented to or are otherwise subject to appropriate data privacy policies which permit the transfer and retention of the Customer Personal Data of such End Users by Decolar to Expedia. Decolar further agrees that in case of Customer Personal Data that is collected, used, treated and/or retained in multiple jurisdictions, Decolar and its Affiliates shall apply to all such Customer Personal Data the strictest privacy Laws set forth in any of those jurisdictions.

5.1.2 Customer Personal Data.

(a) Expedia acknowledges that, as between Expedia and Decolar, Decolar is the sole and exclusive owner of all Customer Personal Data relating to any End User originated via any Decolar Travel Solution (such Customer Personal Data, the “Decolar Customer Personal Data”). *** Expedia, its Affiliates and sublicensees shall not use

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
the Decolar Customer Personal Data for purposes of soliciting customers or performing marketing campaigns and shall abide by the confidentiality provisions set forth herein. Notwithstanding anything in this Agreement (including this Section 5.1.2(a)) to the contrary, to the extent required to comply with tax reporting requirements, Expedia shall have access to and shall be entitled to use any Decolar Customer Personal Data collected or received by Decolar or any of its Affiliates in connection with any and all Travel Products made available through the Expedia API.

(b) Decolar acknowledges that, as between Decolar and Expedia, Expedia is the sole and exclusive owner of all Customer Personal Data relating to any End User originated via an Expedia Travel Solution (the “Expedia Customer Personal Data”). During the Term of this Agreement, Expedia hereby grants Decolar a worldwide, nonexclusive, royalty-free, sub-licensable right and license to use any Expedia Customer Personal Data imported to, integrated with or collected by Decolar via the Decolar Application, Decolar Platform or any Decolar Travel Solution, and to use the know-how and analytical results resulting therefrom in connection with the operation of the Decolar Travel Solution and the enhancement, improvement, and provision of the Decolar technology and derivatives thereof, without restriction. Decolar, its Affiliates and sublicensees shall not use the Expedia Customer Personal Data for purposes of soliciting customers or performing marketing campaigns, and shall abide by the confidentiality obligations set forth herein.

5.1.3 Transactional and Other Data.

(a) Subject to Section 5.1.2(a), Decolar acknowledges that, as between Expedia and Decolar, Expedia is the sole and exclusive owner of all data collected or received by Expedia in connection with the operation of the Expedia Platform and any and all Expedia Travel Solutions and Expedia’s exercising of its rights and performance of its obligations hereunder, including any and all purchase and transactional data resulting from End User transactions on or through the Expedia Platform or an Expedia Travel Solution and notwithstanding the fact that any Decolar Customer Personal Data may be included in such transactional data (such as the name of an End User) (collectively, “Expedia Transactional Data”). For the avoidance of doubt, Expedia may retain and use any and all usage data and all analytics based on the Expedia Transactional Data.

(b) Subject to Section 5.1.2(b), Expedia acknowledges that, as between Decolar and Expedia, Decolar is the sole and exclusive owner of all data collected or received by Decolar in connection with the operation of the Decolar Travel Solution and Decolar’s exercising of its rights and performance of its obligations hereunder, including any and all purchase and transactional data resulting from End User transactions on or through the Decolar Travel Solution and notwithstanding the fact that any Expedia Customer Personal Data may be included in such transactional data (such as the name of an End User) (collectively, “Decolar Transactional Data”). For the avoidance of doubt, Decolar may retain and use any and all usage data and all analytics based on the Decolar Transactional Data. Notwithstanding anything in this Agreement (including this Section 5.1.3(b)) to the contrary, to the extent required to comply with tax reporting requirements, Expedia shall have access to and shall be
entitled to use any Decolar Transactional Data collected or received by Decolar or any of its Affiliates in connection with any and all Travel Products made available through the Expedia API.

5.2 Security.

5.2.1 *** (the “Payment Card Implementation”). Following the Payment Card Implementation, Decolar shall use commercially reasonable efforts to continue to abide by such requirements throughout the Term. If the Payment Card Implementation shall not have occurred on or prior to July 1, 2016, then Decolar shall pay to Expedia (i) from July 1, 2016 through September 1, 2016: $*** and (ii) after September 1, 2016: $***, for each week or portion thereof that the Payment Card Implementation has not occurred.

5.2.2 Decolar shall adopt and implement industry standard, and shall use reasonable best efforts to adopt and implement best-in-class, security policies, procedures and requirements, including those relating to the prevention and detection of fraud or other inappropriate use or access of systems and networks.

5.2.3 Penetration Testing.

(a) During the Term, Expedia, its Affiliates or a third-party auditor appointed by Expedia or any of its Affiliates may carry out penetration testing of any environment that is part of Decolar’s information technology systems, including associated data, interfaces, databases, middleware, operating systems, network and storage infrastructure, peripherals, as well as third party software (whether packaged or not), and hardware required to operate the foregoing to identify and analyze any potential security vulnerabilities, flaw or operational weaknesses and review Decolar’s Information security, data protection, disaster recovery, business continuity and confidentiality policies, procedures and safeguards, provided that it coordinates the conduct of such testing with Decolar and uses reasonable efforts to minimize the disruption to Decolar as a result of such testing. Expedia shall be permitted to conduct four (4) penetration tests in any rolling twelve (12)-month period.

(b) In carrying out the penetration testing, Expedia may use a third party contractor to perform the tests provided that such third party contractor has entered into a non-disclosure agreement with Expedia regarding the conduct and results of the penetration test.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Decolar will cooperate with Expedia in planning and performing penetration testing, as well as in the prompt remediation of any vulnerabilities detected as a result of penetration testing.

All costs of any penetration testing carried out pursuant to this Section 5.2.3 shall be borne and paid solely and in their entirety by Expedia.

6. INTELLECTUAL PROPERTY; LICENSE

6.1 Display of Expedia Information. During the Term, in connection with all Expedia Travel Products made available for booking or otherwise displayed or listed on any Decolar Platform or Decolar Travel Solutions, Decolar shall display the appropriate trademark or copyright for third parties (including Travel Supply Providers), information about or content describing the Expedia Travel Products, its material terms and conditions, seller of travel designations, the cancellation policies, rules, disclosures, regulations, rates, prices, Taxes, Tax recovery charges, services fees and other charges and fees for all offered Expedia Travel Products, as provided by Expedia, without addition to, revision, deletion or change of any sort whatsoever ("Expedia Information").

6.2 License to Trademarks and Materials. Subject to the terms of, and for the duration of this Agreement, each Party (the "Licensor") hereby grants the other Party (the "Licensee") a non-exclusive, non-transferable (except as provided in Section 15.11), royalty-free, worldwide license to use, distribute, reproduce, perform and display such of the Licensor’s and its Affiliates’ Trademarks and all images, text and other copyrighted materials (collectively, "Materials") Licensor furnishes to Licensee for use under this Agreement.

6.3 Use of Trademarks and Materials. During the Term, each Party will (a) submit to the other Party all proposed uses (other than materials disseminated solely on an internal basis) of the other Party’s Trademarks or Materials, and (b) not publish or otherwise engage in any use of the other Party’s Trademarks or Materials without the other Party’s prior written consent. Each Party will comply with the other Party’s requirements regarding the format and placement of its Trademarks, including as set forth in any Trademark use guidelines provided in writing by the other Party. Neither Party will take any action to register or otherwise challenge or interfere with the other Party’s interests in its Trademarks. Unless specifically provided for herein, neither Party will adopt or otherwise use any Trademark that is similar to, or likely to be confused with, any of the other Party’s Trademarks. All goodwill from each Party’s use of the other Party’s Trademarks will inure to the benefit of the other Party.

6.4 License of Expedia Specifications. Subject to the terms of, and for the duration of this Agreement, Expedia hereby grants Decolar and its Affiliates a revocable, non-exclusive, non-transferable (except as provided in Section 15.11), non-sublicensable, royalty-free, worldwide license to: (a) use the Expedia Specifications solely for the purpose of developing the Decolar Application in accordance with the terms of this Agreement; and (b) use, distribute, reproduce, perform and display the Expedia Specifications as incorporated into the Decolar Application solely for use in connection with Decolar’s performance under this Agreement.
6.5 **Voyager Tool**

6.5.1 Expedia hereby grants to Decolar and its Affiliates a revocable, non-exclusive, non-transferable (except as provided in Section 15.11), royalty-free, worldwide license to use the Voyager tool developed by Expedia (“**Voyager Tool**”) solely for the purpose of providing customer care and support pursuant to Section 2.1.7 of this Agreement related to Expedia Travel Products and booking of Expedia Travel Products for End Users. Decolar may not use the Voyager Tool other than as specified in, and subject to, this Section 6.5 without the prior written consent of Expedia. Decolar has no right (and shall not permit any third party) to copy, adapt, reverse engineer, decompile, disassemble, modify, adapt or make error corrections to the Voyager Tool in whole or in part except to the extent that any reduction of the Voyager Tool to human readable form (whether by reverse engineering, decompilation or disassembly) is necessary for the purposes of integrating the operation of the Voyager Tool with the operation of other software or systems used by Decolar in furtherance of the business arrangement described herein.

6.5.2 Decolar hereby acknowledges that the Voyager Tool as well as all accompanying materials including training and other supporting documents (together the “**Voyager Materials**”) are the proprietary and confidential property of Expedia and Decolar shall not, without Expedia’s consent, disclose the Voyager Tool or the Voyager Materials as well as the existence and use of it by Decolar in any manner whatsoever, in whole or in part, and shall not be used other than as contemplated by this Agreement. Further, Decolar and its Affiliates will share the Voyager Tool or the Voyager Materials only with those persons within its company (and its advisors) who need to know the Voyager Tool or the Voyager Materials for the purpose of assisting in the performance of this Agreement and who are informed of, and agree to be bound by the terms hereof as if a party to, this Agreement. In addition, access to the Voyager Tool and Voyager Materials shall be limited to those users in receipt of access credentials provided by Expedia, which shall be strictly for use by the recipient only. Sharing of access credentials is strictly prohibited. Without prejudice to any other rights or remedies available to Expedia or its Affiliates, if Decolar is in material breach of this **Section 6.6**, Expedia will notify Decolar of such breach and allow Decolar ten days to remedy such breach. In the event that Decolar does not remedy such breach within ten days, Expedia may restrict access to the Voyager Tool and the Voyager Materials with immediate effect. Expedia shall have the right, in its sole discretion, to modify the access levels and permissions with respect to the actions Decolar and its Affiliates are permitted to take in connection with their use of the Voyager Tool.

6.6 **Reservation of Rights**. Each Party reserves all rights not expressly granted herein. As between the Parties: (a) Decolar is the owner of and reserves all right, title and interest in and to any Decolar Platform (other than Expedia’s Trademarks and Expedia’s Materials therein), the Decolar Travel Solutions, the Decolar API, the Decolar Application, Decolar’s Trademarks and all of Decolar’s Materials; and (b) Expedia is the owner of and reserves all right, title and interest in and to the Expedia Specifications, the Expedia API, Expedia Travel Solution, Expedia’s Trademarks and all Expedia’s Materials.
7. REPRESENTATIONS, WARRANTIES AND COVENANTS

7.1 Mutual Representations and Warranties. Each Party represents, warrants and covenants to the other Party that:

7.1.1 it has all necessary corporate or similar power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement;

7.1.2 the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate or similar action;

7.1.3 this Agreement constitutes a valid and binding obligation enforceable against it in accordance with its terms (assuming due execution of this Agreement by the other Party), subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors’ rights and to general equity principles;

7.1.4 the execution and delivery of this Agreement does not violate any Laws of any jurisdiction or the terms or conditions of any other contracts to which it is a party or by which it is otherwise bound; and

7.1.5 no approval, order, consent of or filing with any Governmental Authority is required on the part of such Party in connection with its execution and delivery of this Agreement or the performance of its obligations under this Agreement.

7.2 Sanctions Regimes. Each of Decolar, Decolar Parent and Guarantors represents and warrants that it is not and will not provide the Expedia Travel Products, or any information related thereto, to any entity incorporated in or resident in a country subject to economic or trade sanctions by the U.S. State Department or U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”) or are listed as a “Specially Designated National,” a “Specially Designated Global Terrorist,” a “Blocked Person,” or similar designation under the OFAC sanctions regime, except as permitted by law, license or exemption. Any material breach of this Section 7.2 arising from a Travel Booking shall be deemed a material breach of this Agreement, and Expedia may immediately terminate this Agreement unless such breach has been cured within ten (10) days of notice of its occurrence; provided that any notice of violation from OFAC reflecting the misuse of Expedia Travel Products, or other final judgment indicating a breach of this Section 7.2, shall be considered a material breach of this representation unless the result of a voluntary self-disclosure notice by Decolar, Decolar Parent or the Guarantors as soon as practicable following becoming aware of any OFAC violation.

7.3 Compliance with Laws. Each Party represents and warrants that it shall comply in all material respects with all Laws, including Privacy Laws, applicable to the performance of such Party’s obligations pursuant to this Agreement.
7.4 **EXPEDIA DISCLAIMER.** THE EXPEDIA SPECIFICATIONS, TRAVEL PRODUCTS AND THE EXPEDIA API ARE PROVIDED BY EXPEDIA AND ITS AFFILIATES “AS IS” AND WHERE AVAILABLE, AND NEITHER EXPEDIA NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE SAME. EXPEDIA AND ITS AFFILIATES EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO THE EXPEDIA SPECIFICATIONS, THE EXPEDIA API AND THE EXPEDIA TRAVEL PRODUCTS, INCLUDING WITHOUT LIMITATION ANY: (a) IMPLIED WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE; (b) IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALINGS OR USAGE OF TRADE; OR (c) IMPLIED WARRANTY OF NON-INFRINGEMENT. Neither Expedia nor any of its Affiliates will have any liability to Decolar or any of its Affiliates or any End User relating to: (a) any failure of the systems of Expedia or its Affiliates or any third party that results in the failure or inability to process a Transaction; (b) the quality of the Expedia Travel Products provided by Travel Supply Providers to Customers; or (c) Expedia’s failure to meet its payment obligations.

7.5 **DECOLAR DISCLAIMER.** THE DECOLAR TRAVEL PRODUCTS AND THE DECOLAR API ARE PROVIDED BY DECOLAR AND ITS AFFILIATES “AS IS” AND WHERE AVAILABLE, AND NEITHER DECOLAR NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE SAME. DECOLAR AND ITS AFFILIATES EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO THE DECOLAR SPECIFICATIONS, THE DECOLAR API AND THE DECOLAR TRAVEL PRODUCTS, INCLUDING WITHOUT LIMITATION ANY: (a) IMPLIED WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE; (b) IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALINGS OR USAGE OF TRADE; OR (c) IMPLIED WARRANTY OF NON-INFRINGEMENT. Neither Decolar nor any of its Affiliates will have any liability to Expedia or any of its Affiliates or any End User relating to: (a) any failure of the systems of Decolar or its Affiliates or any third party that results in the failure or inability to process a Transaction; (b) the quality of the Decolar Travel Products provided by Travel Supply Providers to Customers; or (c) Decolar’s failure to meet its payment obligations.

8. **COMPLIANCE; PROHIBITED ACTIVITIES; TERMS AND CONDITIONS; ADDITIONAL COVENANTS**

8.1 **Licenses and Consents.** Other than to the extent Expedia Travel Products are made available to book in single transactions unrelated to the booking of any other travel product or service, Decolar undertakes and warrants to Expedia that Decolar, and not Expedia or its Affiliates, shall be solely responsible for obtaining and maintaining all licenses, consents and other permissions (each, if any and whether regulatory or otherwise) and all financial security arrangements necessary for the performance of its obligations under this Agreement in respect of
bookings of Expedia Travel Products in combination with other travel products and services provided and/or arranged by Decolar or any third party, including as part of a Packaged Product. Decolar shall be solely responsible for its own costs of complying with this Section 8.1.

8.2 Expedia Licenses and Consents. Other than to the extent Decolar Travel Products are made available to book in single transactions unrelated to the booking of any other travel product or service, Expedia undertakes and warrants to Decolar that Expedia, and not Decolar or its Affiliates, shall be solely responsible for obtaining and maintaining all licenses, consents and other permissions (each, if any and whether regulatory or otherwise) and all financial security arrangements necessary for the performance of its obligations under this Agreement in respect of bookings of Decolar Travel Products in combination with other travel products and services provided and/or arranged by Expedia or any third party, including as part of a Packaged Product. Expedia shall be solely responsible for its own costs of complying with this Section 8.2.

8.3 Prohibited Activities. Decolar covenants that during the Term of this Agreement, it will not: (a) send unsolicited bulk e-mail or engage in other unethical or illegal marketing activities; (b) place material on any site linked to any site of Expedia that is inappropriate for general and family viewing (e.g., sexually explicit materials, materials advocating violence or hatred, or any material the display of which may be unlawful in any state); or (c) mislead or misrepresent to consumers as to the origin, affiliation or nature of its Websites, products or services. Decolar will allow and will take reasonable steps to prevent any direct or indirect extraction, repurposing and/or aggregation of the Travel Product data made available to Decolar under this Agreement (e.g., inclusion of Travel Product data in consolidated third party search results) without the prior written consent of Expedia. Decolar will not, without written consent from Expedia, use, publish or display any data, materials or other content from any Website owned or operated by Expedia or its Affiliates which is not received through the Expedia API.

8.4 Restrictions.

8.4.1 Decolar Restrictions. From and after the date of this Agreement, the following restrictions shall apply to Decolar.

(a) Predatory Advertising. Decolar will not use and will prohibit the use of Decolar Predatory advertising methods in connection with the operation or promotion of the Decolar Platform, any Decolar Travel Solution(s) and the Decolar Application. “Decolar Predatory” advertising means any method that creates or overlays links or banners on Websites, mobile devices, social media or any other channel through which the Decolar Application allows access to the Expedia Travel Product (each a “Decolar Channel”), spawns browser windows, or any method invented to generate traffic from a Decolar Channel without that Decolar Channel owner’s knowledge, permission, and participation (e.g., keyword parsing browser plugins such as TopText and +Surf, banner replacement technology such as Gator, browser spawning technology that is not Website dependent).
(b) **Restrictions on Online Use and Keyword Advertising**. Decolar represents and warrants to Expedia that except for the limited, personal right to use Expedia’s Trademarks as set forth in this Agreement, or according to applicable Law, Decolar shall not register, display or use in any context or manner (directly or indirectly), any Expedia Trademark (including, without limitation, any misspelling, variant, translation, transliteration or script substantially similar or confusingly similar thereto), in any manner whatsoever (including without limitation, in any search engine marketing or optimization, in any domain name, social media handle, any other online/offline marketing, promotional activities or advertising, press releases, etc.) without first obtaining prior written approval from Expedia. Without limiting the foregoing, Decolar shall not engage in any paid marketing or promotional activities that have as their purpose to intentionally and knowingly divert customers or traffic specifically from Expedia or its Affiliates, and Decolar will not bid on any names that are present in URLs or Trademarks owned or used by Expedia or its Affiliates or any Expedia Travel Supply Provider, in each case in respect of the following brand names: “Expedia”, “Expedia.co”, “Expedia.com”, “hotels.com”, “hoteles.com” “hotel.com”, “hotels.co”, “hotel.co”, “venere”, “venere.com”, “hotwire”, “hotwire.com”, “egencia”, “trivago”, “carrentals.com”, “travelnow.com”, “condosavers.com”, “orlando.com” and “vacationspot.com (and any misspelling or substantially similar or confusingly similar version thereof) for placement in any cost per click search engine or other search engine, search marketing platform or social media platform in which listing order or display is determined by payment to the search engine or other third party. Further, Decolar will not use any Trademarks or names that are present in URLs owned by Expedia or its Affiliates, in each case in respect of the following brand names: “Expedia”, “Expedia.co”, “Expedia.com”, “hotels.com”, “hoteles.com” “hotel.com”, “hotels.co”, “hotel.co”, “venere”, “venere.com”, “hotwire”, “hotwire.com”, “egencia”, “trivago”, “carrentals.com”, “travelnow.com”, “condosavers.com”, “orlando.com” and “vacationspot.com (and any misspelling or substantially similar or confusingly similar version thereof), in keyword meta tags on any pages of the Decolar Website(s) or any other Websites or channels owned and/or operated by Decolar. If Expedia or its Affiliates receive a request from its or their suppliers requesting that Decolar cease bidding on a supplier Trademark or name or names present in a URL owned by such supplier, then Decolar will, at the request of Expedia, either (i) cease bidding upon such name or names or (ii) cease sourcing supplier’s inventory from Expedia and notify Expedia in writing of the same (it being agreed that such cessation shall in no way affect Decolar’s obligations and restrictions under this Agreement).

(c) **Third Parties**. Decolar’s rights hereunder are subject in all respects to the terms of any agreement or other arrangement between Expedia or its applicable Affiliates, on the one hand, and any third-party supplier (e.g., travel supply provider, technology provider, or service provider), and Decolar shall comply with the terms of such agreement to the extent Expedia communicates to Decolar in advance such terms or restrictions contained in such agreement or the general principles underlying such terms or restrictions with reasonable specificity for purposes of allowing Decolar to comply therewith. The Parties will cooperate to enable Expedia to communicate the restrictions set forth in such agreements or the general principles underlying such terms and restrictions to Decolar and to enable the Parties to address any issues of non-compliance by Decolar with such agreements. To the extent Decolar or any of its Affiliates or representatives breach any term or restriction of any agreement or arrangement to
which the first sentence of this Section 8.4.1 applies, Expedia and its Affiliates shall have the right to immediately suspend that feature or other aspect of the services to which such breach relates until such time as the breach is cured or is otherwise addressed to the reasonable satisfaction of Expedia, upon which (to the extent permitted by the applicable contract) Expedia shall promptly restore the feature or other aspect of the service.

(d) Priceline Group. Notwithstanding anything to the contrary in this Agreement, prior to the Initial Offering (as defined in the Investors’ Rights Agreement) and until the date that is the third (3rd) anniversary of the closing of the Initial Offering (as defined in the Investors’ Rights Agreement), no Restricted Party (as defined in the Investors’ Rights Agreement) shall (by amendment, merger, consolidation or otherwise), without first obtaining the approval of Expedia Parent, enter into any commercial arrangement, Contract (as defined in the Investors’ Rights Agreement), financing arrangement, business combination, partnership, joint venture or any other strategic transaction or arrangement whatsoever with the Priceline Group, or directly or indirectly receive the benefit of, or access to, any Contract, transaction or arrangement that any third party may have with the Priceline Group which has the effect of circumventing the restrictions set forth in this Section 8.4.1(d). None of Decolar Parent, any Subsidiary or controlled Affiliate thereof shall take any actions, or fail to take any action, which would reasonably be expected to conflict with or frustrate the purpose and intent of this Section 8.4.1(d). This obligations under this Section 8.4.1(d) shall not survive the termination of this Agreement.

8.4.2 Expedia Restrictions. From and after the date of this Agreement, the following restrictions shall apply to Expedia.

(a) Restrictions on Online Use and Keyword Advertising. Expedia represents and warrants to Decolar that except for the limited, personal right to use Decolar’s Trademarks as set forth in this Agreement, or according to applicable Law, Expedia shall not register, display or use in any context or manner (directly or indirectly), the Decolar Trademarks (including, without limitation, any misspelling, variant, translation, transliteration or script substantially similar or confusingly similar thereto), in any manner whatsoever (including without limitation, in any search engine marketing or optimization, in any domain name, social media handle, any other online/offline marketing, promotional activities or advertising, press releases, etc.) without first obtaining prior written approval from Decolar. Without limiting the foregoing, Expedia shall not engage in any paid marketing or promotional activities that have as their purpose to intentionally and knowingly divert customers or traffic specifically from Decolar or its Affiliates, and Expedia will not bid on any names that are present in URLs or Trademarks owned or used by Decolar or its Affiliates or any Decolar Travel Supply Provider, in each case in respect of the following brand names: “Despegar”, “Despegar.com”; “Decolar”, “Decolar.com”
and all related domain extensions (including, without limitation, any misspelling or substantially similar or confusingly similar version thereof), for placement in any cost per click search engine or other search engine, search marketing platform or social media platform in which listing order or display is determined by payment to the search engine or other third party. Further, Expedia will not use any Trademarks or names that are present in URLs owned by Decolar or its Affiliates, in each case in respect of the following brand names: “Despegar”, “Despegar.com”; “Decolar”, “Decolar.com” and all related domain extensions (including, without limitation, any misspelling or substantially similar or confusingly similar version thereof), in keyword meta tags on any pages of the Expedia Website(s) or any other Websites or channels owned and/or operated by Expedia. If Decolar or its Affiliates receive a request from its or their suppliers requesting that Expedia cease bidding on a supplier Trademark or name or names present in a URL owned by such supplier, then Expedia will, at the request of Decolar, either (i) cease bidding upon such name or names or (ii) cease sourcing supplier’s inventory from Expedia and notify Decolar of such in writing.

8.5 Opaque Bookings. Decolar will: (a) not display nor make available Opaque Bookings to customers for booking except as part of Packaged Products and (b) not display separate pricing of Opaque Bookings to customers at any time during the booking or confirmation processes; and (c) ensure that the final booking price for an Opaque Booking is equal to the Room Rate provided to Decolar by Expedia (provided that Decolar remains responsible for the final price of the Packaged Product). *** Without prejudice to any other rights or remedies available to Expedia or its Affiliates, if Decolar is in material breach of this Section 8.5, Expedia will notify Decolar of such breach and allow Decolar three (3) Business Days to remedy such breach. If Decolar does not remedy such breach within three (3) Business Days, Expedia may restrict access to Opaque Collect Bookings with immediate effect and, if any Travel Supply Provider terminates its agreement with Expedia as a result of such breach, Expedia may permanently restrict access to such Opaque Collect Bookings. In addition, Expedia may from time to time require Decolar at its own cost to demonstrate its ongoing compliance with this Section 8.5. Decolar shall upon written request from Expedia, send copies of booking confirmations, booking details and give access to such other information, systems and/or documentation as is reasonably necessary to demonstrate the Booking Company’s compliance. Failure by Decolar to permit such audit shall be deemed a breach of this Section 8.5.

8.6 Expedia Terms and Conditions. In connection with the making available of and booking of the Expedia Travel Products by End Users via the Expedia API on or to a Decolar Travel Solution or through the Decolar Application or Decolar Platform, Decolar undertakes that the following terms and conditions will be reflected in the terms and conditions or privacy policy (as applicable) under which Decolar will make available the Expedia Travel Products to the End Users via any Decolar Travel Solution or through the Decolar Application or Decolar Platform.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
(a) **Cancellation Policy.** The End User agrees that the accommodation booking made is subject to the cancellation policy set out in the booking page.

(b) **Contracting Party.** The End User acknowledges and agrees that: (1) Travelscape, LLC is the supplier to the End User in respect of an Affiliate-Collect Booking or Expedia-Sourced Travel Booking; (2) in the case of rooms booked as part of a Packaged Product, Decolar shall operate as the Merchant of Record and Travelscape, LLC shall be the supplier to the End User and (3) the applicable Travel Supply Provider is the supplier to the End User in respect of a Property-Collect Booking.

(c) **Personal Data.** The End User agrees that Decolar may transfer personal data belonging to the customer and other persons on behalf of whom the customer is making a booking of Expedia Travel Products to Expedia and/or its Affiliates for the purposes of facilitating the booking and providing after sales support (if any) of those Expedia Travel Products. These companies may be based outside of the country in which the End User resides and/or the country in which the information is collected and may not have the equivalent data protection standards to those where the information is originally located.

8.7 **Decolar Terms and Conditions.** In connection with the making available of and booking of the Decolar Travel Products by End Users via the Decolar API and Expedia Application, Expedia undertakes that the cancellation policy terms and conditions will substantially be reflected in the terms and conditions and privacy policy (as applicable) under which Expedia will make available the Decolar Travel Products to the End Users via any Expedia Platform. Expedia will be solely liable for any variation between the cancellation policies provided to Expedia by Decolar and those that are offered by Expedia to the End Users or displayed on the Expedia Platform.

8.8 **Insurance.** Decolar agrees to obtain as soon as reasonably practicable following the date of this Agreement, and in any event to obtain no later than ninety (90) days, to the extent it is commercially reasonable to do so, customary casualty insurance coverage in effect in respect of its operations in an amount that is consistent with best industry practice. Once obtained, Decolar shall maintain such insurance coverage during the Term, and to the extent permitted by Law, Decolar shall (i) name Expedia as an additional insured on any liability insurance policies on which it pays premiums, and deliver to Expedia certificates of insurance that verify compliance with the preceding clause, or (ii) provide other evidence of insurance acceptable to Expedia in its sole discretion that indicates that Expedia will be covered by their insurance in the event of a claim relating to this Agreement.

8.9 **Expedia Actions.** Expedia Parent agrees to take all necessary actions to cause Expedia to perform its obligations under this Agreement. To the extent that Expedia is the beneficiary of any obligation under this Agreement, it shall be an express third-party beneficiary hereof and shall have the right to enforce the obligations owed to it hereunder.
9. INDEMNIFICATION

9.1 **Indemnification by Expedia**. Expedia Parent shall indemnify, defend and hold harmless Decolar, its Affiliates and its and their respective directors, officers, employees, agents, subcontractors and assigns (collectively, the “Decolar Indemnified Parties”) from and against any and all claims, suits, actions, demands, and proceedings of any kind threatened, asserted or filed by any third Person (collectively “Claims”) against any Decolar Indemnified Party and any damages, losses, expenses, liabilities or costs of any kind (including reasonable legal fees, witness fees and court costs) incurred in connection with such Claims, arising out of or relating to:

9.1.1 any infringement or misappropriation, or alleged infringement or misappropriation, of any Intellectual Property Right of a third Person arising from Decolar’s or Expedia’s use, sale, display, performance, distribution, or other exploitation of the Expedia Travel Products or Expedia Trademarks, including the rights and licenses granted under Section 6 hereof;

9.1.2 any breach by Expedia of its representations and warranties under Section 7.1 or 7.3;

9.1.3 any contracts or arrangements between any third Person and Expedia and any of its Affiliates, including any breach or alleged breach of the terms or conditions of such contracts and/or arrangements;

9.1.4 any display or use of the Decolar Travel Products that is not in accordance with the terms of this Agreement or in compliance with Laws;

9.1.5 any gross negligence, willful misconduct, or other acts or omissions of Expedia or its Affiliates; and

9.1.6 any liabilities of Expedia for Taxes and Unclaimed Property Liabilities, including any liabilities for Taxes and Unclaimed Property Liabilities for which Expedia is responsible pursuant to the terms of this Agreement, but excluding any liabilities for Taxes and Unclaimed Property Liabilities for which Decolar is responsible pursuant to this Agreement.

9.2 **Indemnification by Decolar**. Decolar Parent shall indemnify, defend and hold harmless Expedia, its Affiliates and its and their respective directors, officers, employees, agents, subcontractors and assigns (collectively, the “Expedia Indemnified Parties”) from and against any and all Claims against any Expedia Indemnified Party and any damages, losses, expenses, liabilities or costs of any kind (including reasonable legal fees, witness fees and court costs) incurred in connection with such Claims, arising out of or relating to Expedia:

9.2.1 any infringement or misappropriation, or alleged infringement or misappropriation, of any Intellectual Property Right of a third Person arising from Expedia’s use, sale, display, performance, distribution, or other exploitation of the Decolar Travel Products and Decolar Trademarks, including the rights and licenses granted under Section 6 hereof;
9.2.2 any breach by Decolar of its representations and warranties under Section 7.1, 7.2 or 7.3;

9.2.3 any breach by Decolar, its Affiliates or any third party to which Decolar is allowed to redistribute Expedia Travel Products, of the terms of its third party or Expedia’s Travel Supply Providers’ supplier contracts;

9.2.4 any display or use of the Expedia Information or the Expedia Travel Products that is not in accordance with the terms of this Agreement or in compliance with Laws;

9.2.5 any gross negligence, willful misconduct, or other acts or omissions of Decolar or its Affiliates;

9.2.6 any liabilities of Decolar for Taxes and Unclaimed Property Liabilities, including any liabilities for Taxes and Unclaimed Property Liabilities for which Expedia is responsible pursuant to this Agreement, but excluding any liabilities for Taxes and Unclaimed Property Liabilities for which Expedia is responsible pursuant to this Agreement; and

9.2.7 any breach by Decolar or its Affiliates, or any third party to which Decolar is allowed to redistribute Expedia Travel Products, of the terms set forth in Section 8.

9.3 Process. If either Party seeks indemnification (the “Indemnified Party”) from the other Party (the “Indemnifying Party”) pursuant to Section 9.1 or Section 9.2, as applicable, the Indemnified Party shall: (a) give prompt written notice to the Indemnifying Party of the Claim; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 9 except to the extent that it has been materially prejudiced by such failure; and (b) grant to the Indemnifying Party sole control of the defense or settlement of such Claim; provided, however, that (x) Expedia Parent shall control any Claims relating to Expedia Travel Solution Taxes, Expedia Incremental Taxes and Expedia Travel Unclaimed Property Liabilities and shall keep Decolar reasonably informed about material developments with respect to such Claims as reasonably requested by Decolar and (y) except with respect to Claims relating to Taxes described in clause (x) above, the Indemnifying Party shall not settle any Claim without the Indemnified Party’s prior written approval (not to be unreasonably withheld) where such settlement would involve an admission of wrongdoing by or result in continuing liability for the Claim on the Indemnified Party. The Indemnified Party shall, at the Indemnifying Party’s expense, reasonably cooperate with the Indemnifying Party in the provision of any information or assistance reasonably requested by the Indemnifying Party. The Indemnifying Party shall keep the Indemnified Party advised of the status of any such Claim and of its defense or settlement negotiation efforts, and shall afford the Indemnified Party a reasonable opportunity to review and comment on significant actions planned to be taken by the Indemnifying Party on behalf of the Indemnified Party. The Indemnified Party shall have the
right to select its own counsel to participate at its own expense in any such defense without waiving the indemnification provided by the Indemnifying Party; provided, however, that the Indemnifying Party retains sole control of the defense and, solely with respect to the payment of monetary amounts and not with respect to any admission of liability or other requirement, the settlement of such Claim to the extent covered by the indemnification provided herein.

9.4 Travel Solution Taxes

9.4.1 For any Expedia-Sourced Travel Bookings booked after the date of this Agreement, the Parties agree and acknowledge that (i) all Expedia Travel Solution Taxes shall be borne by Decolar in the same proportion as the Marketing Fee (not taking into account any reduction pursuant to Section 9.4.2, any right of set-off or otherwise) bears to Gross Profit and (ii) all Expedia Incremental Taxes that are Travel Solution Taxes will be borne solely by Decolar. Notwithstanding anything to the contrary in this Agreement, including other subsections of this Section 9, (a) neither Party shall be required to indemnify, defend or hold harmless the other Party or its Affiliates or its and their respective directors, officers, employees, agents, subcontractors and assigns for Travel Taxes (including Expedia Travel Solution Taxes) or Losses related to Travel Taxes except pursuant to Section 9.1.6, Section 9.2.6 and this Section 9.4, and (b) the indemnity obligations of the Parties with respect to Travel Taxes are subject to this Section 9.4.1.

9.4.2 Payments

(a) Decolar’s share of any and all Expedia Travel Solution Taxes, and any and all Expedia Incremental Taxes that are Travel Solution Taxes, in each case, no matter when incurred, assessed or otherwise paid, will be taken into account in determining, and will reduce, the Marketing Fees paid to Decolar pursuant to Section 3.2; provided that, for the avoidance of doubt, Decolar will not also have to pay any such Expedia Travel Solution Taxes or Expedia Incremental Taxes that are Travel Solution Taxes (to the extent taken into account to reduce the Marketing Fees paid to Decolar) directly to a taxing authority.

(b) Each Party will be responsible for Travel Taxes (not including Expedia Travel Solution Taxes and Expedia Incremental Taxes) with respect to its own bookings and shall indemnify the other Party for such non-Expedia Travel Solution/Incremental Travel Taxes.

9.4.3 Except as set forth in this Section 9.4.3, each of the Parties is responsible for defending Claims against it or its Affiliates for Travel Taxes that are not Expedia Travel Solution Taxes or Expedia Incremental Taxes. Each Party is also responsible for defending Claims filed against it before the date of this Agreement. If, after the date of this Agreement, a Claim is filed against Decolar (i) that includes Expedia Travel Solution Taxes and other Travel Taxes (including with respect to bookings of Decolar made after the Term), Decolar is responsible for defending that Claim to the extent it relates to such other Travel Taxes, and Expedia is responsible for defending that Claim to the extent it relates to Expedia Travel Solution Taxes, or (ii) that includes Expedia Incremental Taxes and other Travel Taxes (including with respect to bookings of Decolar made after the Term), Decolar is responsible for
defending that Claim to the extent it relates to such other Travel Taxes and Expedia is responsible for defending that Claim to the extent it relates to Expedia Incremental Taxes, or (iii) solely with respect to bookings of Decolar other than Transactions (and not relating to any Expedia Travel Solution Taxes or Expedia Incremental Taxes), Decolar is responsible for defending that Claim. For the avoidance of doubt and notwithstanding anything herein to the contrary, Expedia shall have the sole right to control the conduct of any Claim (or portion thereof) in respect of or relating to Expedia Travel Solution Taxes or Expedia Incremental Taxes and any Claim filed against Expedia or any of its Affiliates. Subject to the cost-sharing provisions set forth in Section 9.4.4, the Party responsible for defending the Claim will bear the cost and expenses of defending that Claim. The Parties will cooperate with each other to provide all transaction, data, contracts with third-party suppliers and other information with respect to relevant bookings.

9.4.4 Each Party shall provide prompt notice to the other Party with respect to any audit or inquiry by a Governmental Authority, or other contest with respect to any Expedia Travel Solution Tax or Expedia Incremental Tax. Notwithstanding anything to the contrary contained herein, (i) if, pursuant to Section 9.4.3, Expedia is responsible for defending and controlling a Claim that includes only Expedia Travel Solution Taxes, then Decolar will be financially responsible for the costs and expenses incurred by Expedia in connection with such Claim in the same proportion as the Marketing Fee paid to Decolar for the periods to which such Expedia Travel Solution Taxes relate (not taking into account any reduction pursuant to Section 9.4.2, any right of set-off or otherwise) bears to Gross Profit for the periods to which such Expedia Travel Solution Taxes relate and (ii) if, pursuant to Section 9.4.3, Expedia is responsible for defending and controlling a Claim that includes both Transactions and bookings other than Transactions, then each Party will be financially responsible for the percentage of the costs and expenses incurred by Expedia equal to the quotient of (x) the number of such Party’s bookings other than Transactions for the period at issue in such contest, (y) divided by the total number of Transactions and bookings other than Transactions at issue in such contest for the same period. In addition, Decolar shall also pay a portion of the costs and expenses incurred by Expedia related to defending the portion of any such Claim that relates to Transactions. The amount of such additional costs and expenses to be paid by Decolar will be an amount equal to (x) the quotient of (i) the total number of Transactions for the period at issue in such contest, divided by (ii) the total number of Transactions and bookings other than Transactions at issue in such contest for the same period, (y) multiplied by the percentage obtained by dividing the Marketing Fee paid to Decolar with respect to the same period by the Gross Profit with respect to such period, (z) multiplied by the costs and expenses incurred by Expedia. Notwithstanding any of the foregoing or anything else herein to the contrary, Decolar shall be financially responsible for any and all costs and expenses incurred by Expedia relating to the defense and conduct of any Claim (or portion thereof) that relates to Expedia Incremental Taxes (and the application of the foregoing provisions of this Section 9.4.4 shall be appropriately modified to give effect to this sentence).

Any reimbursement of legal fees to be paid by one Party to the other Party pursuant to this Section 9.4.4 shall be paid within thirty (30) days of receiving a copy of the invoices provided to the controlling party for such fees and confirmation from the controlling party that it is required to pay such fees.

48
9.4.5 The Parties acknowledge and agree that Expedia shall determine, in its discretion, the amount of, and any requirements to withhold, collect or remit, any Expedia Travel Solution Taxes and any Expedia Incremental Taxes and shall take all actions it deems necessary or appropriate in connection therewith. Subject to the preceding sentence, Decolar (or its relevant Affiliate) shall collect any and all Expedia Travel Solution Taxes and Expedia Incremental Taxes (in its capacity as Merchant of Record), prepare and timely file all Tax Returns required to be filed by Decolar or its relevant Affiliate to any Expedia Travel Solution Taxes or Expedia Incremental Taxes and timely remit the Taxes shown as due on such Tax Returns. If Decolar is required by Law to file any such Tax Returns, subject to the first sentence of this Section 9.4.5, the Parties shall cooperate in good faith and in a commercially reasonable manner to determine the appropriate course of action. The Parties shall cooperate with each other to the extent reasonably requested and legally permitted to minimize any Expedia Travel Solution Taxes or Expedia Incremental Taxes.

9.4.6 Notwithstanding anything herein to the contrary, Decolar shall not be entitled to control the defense or settlement of any Claim relating to Expedia Travel Solution Taxes, Expedia Incremental Taxes or Expedia Travel Unclaimed Property Liabilities, or, unless required by applicable Law, participate in the defense of such Claim. With respect to any liability or potential liability for Expedia Travel Solution Taxes, Expedia Incremental Taxes or Expedia Travel Unclaimed Property Liabilities (and, in each case, any Losses relating thereto) for which Expedia has established a reserve pursuant to FASB Accounting Standards Codification 450, or any successor thereto, as amended or revised from time to time, in accordance with the Accounting Policies and Procedures (a “Reserved Liability”), Decolar shall not be entitled to dispute, except pursuant to the audit rights provided under Section 3.4 of this Agreement, the amount of its share of such Expedia Travel Solution Taxes, Expedia Incremental Taxes or Expedia Travel Unclaimed Property Liabilities determined by Expedia pursuant to this Section 9.4.6 or Section 12.2 relating to such Reserved Liability. As soon as commercially practicable after the end of each fiscal quarter, Expedia shall inform Decolar of the aggregate amount of any Reserved Liabilities, as well as the aggregate amount of any Reserved Liabilities that have been released. Notwithstanding anything to the contrary in this Agreement, none of Expedia, its Affiliates or its Representatives shall be required to disclose any information relating to the foregoing to Decolar, its Affiliates, its Representatives or any other third party if such disclosure would, on advice of Expedia’s counsel: (x) jeopardize any attorney-client or other privilege; or (y) contravene any applicable Law, fiduciary duty or binding agreement. Upon Expedia’s reasonable request in connection with any audit of Expedia’s financial statements, Decolar will confirm in writing its liability for its share of any Expedia Travel Solution Taxes, Expedia Incremental Taxes and Expedia Travel Unclaimed Property Liabilities (and in each case, any Losses relating thereto) determined by Expedia pursuant to this Section 9.4.6 or Section 12.2 relating to any such Reserved Liability. Decolar’s liability for its share of any Expedia Travel Solution Taxes, Expedia Incremental Taxes and Expedia Travel Unclaimed Property Liabilities (and, in each case, any Losses relating thereto) shall survive the termination of this Agreement. Without limiting Expedia’s rights pursuant to this Section 9 or Section 12, with respect to any Reserved Liability, Decolar will pay its share of such Expedia Travel Solution Taxes, Expedia Incremental Taxes and Expedia Travel Unclaimed Property Liabilities (and, in each case, any Losses relating thereto) within ten (10) days of written notice of a Final.
Determination with respect to such Reserved Liability, regardless of whether such Final Determination occurs before or after termination of this Agreement; provided, however, that Decolar shall not be required to pay any amount pursuant to this Section 9.4.6 until such time as Expedia is actually required to pay such Taxes to the relevant Governmental Authority. Nothing in this Section 9.4.6 shall be interpreted as limiting Expedia’s rights under this Agreement to reduce, or offset any amounts against, the Marketing Fee Payable to Decolar. For the avoidance of doubt, this Agreement, including this Section 9.4.6, except as otherwise provided in Section 9.4.3, allows Decolar to control the defense or settlement of any Claim relating to bookings of Decolar that are not Transactions, whether made prior to, during or after the Term.

10. LIMITATION OF LIABILITY

10.1 Disclaimer of Consequential Damages. IN NO EVENT WILL ANY PARTY OR ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES OF ANY NATURE, INCLUDING FOR ANY LOSS REVENUE OR LOST PROFITS OR ANY COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, ARISING OUT OF OR RELATED TO THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF WHETHER SUCH LIABILITY ARISES IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR ANY OTHER THEORY OF LIABILITY; PROVIDED, HOWEVER, THAT THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION 10 SHALL NOT APPLY TO ANY LIABILITY OF A PARTY ARISING FROM (a) SUCH PARTY’S FRAUD, INTENTIONAL MISREPRESENTATION, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (b) AN AWARD OF DAMAGES AGAINST AN INDEMNIFIED PARTY IN CONNECTION WITH A THIRD-PARTY CLAIM OR (c) ANY AMOUNT OF DAMAGES SPECIFICALLY PROVIDED FOR IN THIS AGREEMENT. THE TOTAL AGGREGATE LIABILITY OF EXPEDIA FOR ALL CLAIMS ARISING IN CONTRACT, EQUITY OR OTHERWISE (INCLUDING, WITHOUT LIMITATION, BREACH OF WARRANTY, NEGLIGENCE AND STRICT LIABILITY IN TORT) ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL NOT EXCEED THE GREATER OF: (A) THE TOTAL MARKETING FEES PAID OR PAYABLE BY EXPEDIA TO DECOLAR UNDER THIS AGREEMENT IN THE MOST RECENT TWELVE (12) MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY; AND (B) ONE-HUNDRED THOUSAND DOLLARS ($100,000).

11. TERM AND TERMINATION

11.1 Term. The initial term of this Agreement will commence on the date of this Agreement and will continue until terminated in accordance with its terms (the “Term”).

11.2 Termination.

11.2.1 Mutual Termination. This Agreement may be terminated at any time by the mutual written consent of Expedia and Decolar.
11.2.2 Termination by Decolar. This agreement may be terminated by Decolar by providing written notice of such termination to Expedia in the following circumstances:

(a) Transaction Shares. On or after the first date on which Expedia or any of its Affiliates ceases, collectively, to hold all of the Transaction Shares, unless the disposition of such Transaction Shares was (i) approved by a majority of the Decolar board of directors that were not designated by Expedia, (ii) involuntary or (iii) the result of an action taken by Decolar or any of its Affiliates (e.g., a stock buyback, reverse stock split, merger, share exchange or other transaction resulting in the change in form of the Transaction Shares).

(b) Obligations under Other Transaction Agreements. If Expedia or any of its Affiliates materially breaches its obligation under Section 3.14 of the Investors’ Rights Agreement, which such breach is not cured within 60 days’ written notice.

(c) Seventh Anniversary. On or after the seventh anniversary of the date of this Agreement, if concurrently with such termination Decolar pays, or causes to be paid to Expedia by wire transfer of immediately available funds, an amount equal to $125 million.

(d) Minimum Service Level. The Expedia API is at all times non-responsive to the Decolar Application for a period of three consecutive months.

(e) Material Breach. If Expedia materially breaches or defaults in the performance of, or fails to perform in a material manner, any of the following obligations, and such default is not remedied within thirty (30) days of the receipt of written notice from Decolar:

(i) the obligation to make any payment when due hereunder.

11.2.3 Termination by Expedia. This agreement may be terminated by Expedia by providing written notice of such termination (specifying the date on which such termination is to occur) to Decolar in the following circumstances:

(a) Obligations under Other Transaction Agreements. If Decolar or any of its Affiliates materially breaches its obligations under any other Transaction Agreement (it being agreed that any breach of Section 3.7(b) of the Investors’ Rights Agreement shall be deemed to be material).

(b) Minimum Bookings. If there occurs a Bookings Shortfall of more than 10% by Decolar in three (3) consecutive months or in any three (3) months within a six (6)-month period.

(c) Change of Control of Decolar. If a Change of Control occurs, provided that for the purposes of this Section 11.2.3(c), the date specified in the written notice of termination shall occur no sooner than three (3) months after the date that such Change
of Control occurs, and after such termination, Expedia shall consider reasonable extensions of such date up to an aggregate of six (6) months from the date of the termination notice to provide additional time for the integration of a new lodging supplier (any such period which this Agreement continues pursuant to this Section 11.2.3(c), the “Transition Term”); provided, further, that if Expedia terminates this Agreement pursuant to this Section 11.2.3(c), then during the Transition Term and any time thereafter, (i) Decolar shall not disclose, make available or otherwise provide any Expedia Customer Personal Data, or any analytics derived therefrom, to any Strategic Party, any direct or indirect Affiliate of a Strategic Party, or their respective directors, employees, managers or representatives; and (ii) any Strategic Party that acquires Decolar will have no right to modify, amend or otherwise revise any of the terms of this Agreement.

(d) **Marketing Fees.** If the Marketing Fees payable by Expedia are less than $5 million over a six (6)-month period.

(e) **Material Breach.** If Decolar materially defaults in the performance of, or fails to perform in a material manner, any of the following obligations, and such default is not remedied within thirty (30) days of the receipt of written notice from Decolar:

(i) the obligation to make any payment when due hereunder;

(ii) the obligation that Decolar’s representation set forth in Section 7.2 (Sanctions Regimes) be true and correct; and

(iii) the obligations under Section 6.1, Section 8.1, Section 8.3, Section 8.4(d), Section 8.6 and Section 8.8.

11.3 **Effect of Termination; Survival.**

11.3.1 Upon the expiration of the Term, the obligations of the Parties hereunder shall terminate and there shall be no liability on the part of any Party with respect thereto, except (a) any provision which expressly or by its nature survives termination of this Agreement shall survive such termination of this Agreement, and (b) no termination of this Agreement shall relieve any Party of any liability for damages from a material breach prior to such termination.

11.3.2 If this Agreement is terminated by Expedia pursuant to Sections 11.2.3 (a), (b), (d) or (e), then Expedia may, in its sole and absolute discretion, by providing notice thereof in connection with such termination, in lieu of seeking its available remedies at Law or equity, require Decolar to pay, or caused to be paid, to Expedia by wire transfer of immediately available funds, an amount equal to $125 million. Decolar agrees that the agreements in this Section 11.3 are an integral part of this Agreement, and that, without these agreements, Expedia would not enter into this Agreement. Accordingly, if Decolar fails promptly to pay the amount due under this Section 11.3.2 and, in order to obtain such payment, Expedia commences a suit that results in a judgment against Decolar for such amounts, Decolar shall pay interest on such amounts from the date the payment of such amounts was due to the date of actual payment at the Interest Rate in effect on the date such payment was due, together with the reasonable expenses of Expedia in connection with such suit.
12. TAXES

12.1 Transaction Taxes on Payments Between the Parties. Notwithstanding any provision in this Agreement to the contrary:

12.1.1 Transaction Tax Responsibility. Decolar shall be responsible for, and shall pay when due (as Decolar shall determine in its reasonable discretion are required to be paid under applicable Law), any Transaction Taxes incurred with respect to any amounts payable or deemed payable to Decolar pursuant to this Agreement and all related Losses. Notwithstanding anything to the contrary herein and for the avoidance of doubt, all sums payable or deemed to be payable by Expedia to Decolar pursuant to this Agreement shall be deemed to be inclusive of any Transaction Taxes. Subject to Section 12.1.3, (i) Expedia shall be responsible for, and shall pay when due (as Expedia shall determine in its reasonable discretion are required to be paid under applicable Law), any Transaction Taxes incurred with respect to any amounts payable or deemed payable to Expedia pursuant to this Agreement and all related Losses and (ii) for the avoidance of doubt, all sums payable or deemed to be payable by Decolar to Expedia pursuant to this Agreement shall be deemed to be inclusive of any Transaction Taxes.

12.1.2 Transaction Tax Returns. Each Party shall prepare and timely file, at such Party’s own expense, all required U.S. federal, state, local and non-U.S. returns, estimates, information statements and reports (“Tax Returns”) related to any Transaction Taxes and, subject to Section 12.1.1, shall timely pay the Transaction Taxes shown as due on such Tax Returns, which filings and payments shall be determined under Law by such Party in its reasonable discretion. The Parties shall cooperate with each other in a commercially reasonable manner to the extent reasonably requested and legally permitted (i) to minimize any Transaction Taxes and (ii) with regard to the preparation and filing of any Tax Return related to Transaction Taxes. Each Party shall be responsible for any penalties or additions arising from such Party’s (i) failure to file or to timely file a Tax Return related to Transaction Taxes and (ii) failure to pay or to timely pay to a Governmental Authority any Transactions Taxes.

12.1.3 If and to the extent that Expedia (and/or its Affiliates) is deemed to make a supply to Decolar for Transaction Tax purposes and Transaction Tax is or becomes chargeable in respect of such supply, the consideration for such supply shall be deemed to be exclusive of such Transaction Taxes. In addition to any other consideration for such supply, Decolar shall pay to Expedia (and/or Expedia’s Affiliate) a sum equal to the amount of any Transaction Taxes chargeable.

12.1.4 The Parties anticipate, and shall use all reasonable efforts to secure, that the Marketing Fees payment to Decolar are not subject to Transaction Taxes in any jurisdiction. Decolar shall charge any Transaction Taxes on any supplies it makes to Expedia only if and to the extent that a tax authority in the relevant jurisdiction subjects such supplies to Transaction Taxes.
12.1.5 Except as otherwise required by applicable Law, Decolar shall not issue any invoices which expressly or implicitly state that Decolar is making a supply of Expedia’s Travel Products, whether on a standalone basis or as part of a package, to the customer.

12.2 Taxes and Unclaimed Property Liabilities on Transactions by or for End Users of Decolar.

12.2.1 Expedia Travel Solution Taxes. The Parties agree and acknowledge that all responsibility for Expedia Travel Solution Taxes and Expedia Incremental Taxes that are Travel Taxes are addressed by the provisions of Section 9.4.

12.2.2 Expedia Unclaimed Property Liabilities. The Parties agree and acknowledge that with respect to Unclaimed Property Liabilities, if any, relating to or associated with Transactions or Expedia-Sourced Travel Bookings (“Expedia Travel Unclaimed Property Liabilities”), Decolar shall be responsible for such Expedia Travel Unclaimed Property Liabilities, if any, in the same proportion as the Marketing Fee (not taking into account any reduction pursuant to Section 9.4.2, any right of set-off or otherwise) bears to Gross Profit. Expedia shall be responsible, at its own expense, for the preparation and filing of any returns, forms or similar documents and filings in connection with Expedia Travel Unclaimed Property Liabilities, if any.

12.2.3 Expedia Incremental Taxes. The Parties agree and acknowledge that Decolar shall be responsible for any and all Expedia Incremental Taxes.

12.2.4 Withholding. Expedia and Decolar shall be entitled to deduct and withhold from any payment required to be made pursuant to this Agreement any Taxes that are required to be deducted or withheld with respect to such payment under any applicable Law (a “Withholding Tax”). Each Party shall deliver to the other Party, prior to receipt of any payment hereunder, duly completed and signed copies of any necessary Tax forms, including Internal Revenue Service Forms W-9, W-8BEN or W-8ECI or other appropriate version of Form W-8, as applicable, or any similar information satisfactory to the other Party to establish that the payment is not subject to any Withholding Tax, including backup withholding, or is entitled to an exemption from, or reduction of, such withholding, as applicable. Thereafter, the Parties shall (a) promptly notify each other of any change in circumstances of which they become aware that would cause any withholding to apply or would modify or render invalid any claimed exemption or reduction of withholding, and (b) take any commercially reasonable action that may be necessary to avoid any requirement to make any deduction or withholding. All amounts deducted and withheld pursuant to this Section 12.2.3 shall be treated as paid to the Party receiving payment for purposes of Section 3. To the extent that any amounts paid pursuant to this Agreement are not reduced by such deductions or withholdings, the Party receiving payment shall indemnify the other Party and its Affiliates for any amounts imposed by any Governmental Authority, together with any costs and expenses related thereto (including any related Losses), except in the case of penalties, interest, additions to Tax and related costs to the extent that such failure to withhold is the result of gross negligence or willful misconduct of such other Party.
Notwithstanding any of the foregoing, (x) to the extent that any payments to Expedia hereunder are made by any Person other than Decolar or a U.S. Affiliate of Decolar (including, for the avoidance of doubt, any non-U.S. Affiliate of Decolar) or out of any jurisdiction other than the United States or Uruguay, and any Withholding Tax is required to be deducted or withheld with respect to such payment, such Person shall pay such additional amounts to Expedia as may be necessary such that Expedia receives, after all deduction or withholding for any applicable Withholding Taxes (including any Withholding Taxes deducted or withheld with respect to any payment of additional amounts required to be paid pursuant to this sentence), such amount as Expedia would have received had no Withholding Tax been required to be so deducted or withheld and (y) to the extent that any payments to Decolar hereunder are made by any Person other than Expedia or a U.S. Affiliate of Expedia (including, for the avoidance of doubt, any non-U.S. Affiliate of Expedia) or out of any jurisdiction other than United States, and any Withholding Tax is required to be deducted or withheld with respect to such payment, such Person shall pay such additional amounts to Decolar as may be necessary such that Decolar receives, after all deduction or withholding for any applicable Withholding Taxes (including any Withholding Taxes deducted or withheld with respect to any payment of additional amounts required to be paid pursuant to this sentence), such amount as Decolar would have received had no Withholding Tax been required to be so deducted or withheld.

12.3 **Right of Set-Off.** Notwithstanding any provision in this Agreement to the contrary, Expedia shall have the right to reduce any amount payable to Decolar pursuant to this Agreement by (i) any Transaction Taxes required to be paid by Decolar hereunder, (ii) Decolar’s share of any Expedia Travel Solution Taxes, any Expedia Incremental Taxes (to the extent such Taxes were not already taken into account to reduce Decolar’s Marketing Fee) and Expedia Travel Unclaimed Property Liabilities and Decolar shall have the right to reduce any amount payable to Expedia pursuant to this Agreement by any Transaction Taxes required to be paid by Expedia hereunder.

12.4 **Survival.** The provisions of this Section 12 and Section 9 shall survive with respect to any particular Tax or Claim for Unclaimed Property Liabilities until the later of (i) the expiration of the statute of limitations applicable to such Tax or Claim or (ii) a Final Determination with respect to such Tax or Claim. For purposes of this Agreement, a “**Final Determination**” means (a) a decision, judgment, decree or other order by any court of competent jurisdiction, which has become final and is either no longer subject to appeal or for which a determination not to appeal has been made, (b) a closing agreement made under Section 7121 of the Code or any comparable provision of state, local or foreign Tax law, (c) a final disposition by any Governmental Authority of a claim for refund, or (d) any other written agreement which results in an adjustment becoming final and prohibits such Governmental Authority from seeking any further legal or administrative remedies with respect to an adjustment.

12.5 **Cooperation.** The Parties agree to cooperate with each other in a commercially reasonable manner with regard to Taxes.
12.6 Refunds.

12.6.1 Transaction Taxes. Decolar shall be entitled to all refunds of any Transaction Taxes that Decolar has paid to any Governmental Authority, including any interest paid with respect thereto and Expedia shall be entitled to all other refunds of Transaction Taxes. Expedia will consider in good faith taking such actions as Decolar reasonably requests (at Decolar’s expense) to obtain any refund of Transaction Taxes to which Expedia is entitled under the Laws of the relevant taxing jurisdiction.

12.6.2 Expedia Travel Solution Taxes. The Parties acknowledge and agree that Expedia shall determine, in its discretion, all actions that it deems necessary or appropriate in connection with any refunds of Expedia Travel Solution Taxes or Expedia Incremental Taxes.

12.7 Reimbursement. If either Party receives a refund of Expedia Travel Solution Taxes, Expedia Incremental Taxes or Transaction Taxes (including any interest related thereto), such Party shall reimburse the other Party for such other Party’s share of such refund of Transaction Taxes, Expedia Travel Solution Taxes or Expedia Incremental Taxes paid by such other Party (such share to take into account Section 9.4, 12.1 or 12.2 as the case may be, and any other reimbursements made by one Party to the other Party) within sixty (60) Business Days of receipt of such refund.

13. DISPUTE RESOLUTION

13.1 Dispute Resolution Process. In the case of any Disputes under this Agreement, the Parties shall first attempt in good faith to resolve all Disputes by informal discussions before initiating any legal action. Representatives of each Party shall meet to discuss the resolution of the Dispute. If they are unable to do so within thirty (30) days of notice from one Party to the other Party regarding the Dispute and requesting a meeting, the Dispute shall be escalated to the senior divisional management of each Party, and if unresolved at the end of ten (10) Business Days thereafter, the Parties shall submit the Dispute to binding arbitration in accordance with the terms and conditions of Section 13.2.

13.2 Arbitration. Without prejudice to Section 15.4, any Dispute arising out of or relating to this Agreement, or the breach thereof, which cannot otherwise be resolved as provided above shall be resolved by binding arbitration conducted in accordance with the commercial arbitration rules of the American Arbitration Association (the “Arbitrator”) (or, solely to the extent the Arbitrator is no longer operating at the time of such Dispute, any other major international arbitration institution agreed by the Parties) and judgment upon the award rendered by the arbitral tribunal may be entered in any court of competent jurisdiction. The arbitration shall be conducted by a single arbitrator appointed in accordance with such rules; provided, however, that if either Party requests the arbitration to be conducted by a panel of three arbitrators, one will be appointed by each Party and the third will be appointed in accordance with such rules. The place of arbitration shall be New York, New York, United States of America, unless the Parties shall have agreed to another location within fifteen (15) calendar days from the first referral of the dispute to the Arbitrator. The decision or award made by the
arbitrator or arbitrators shall be written, final and binding, and the Parties waive any right to appeal the arbitral award, to the extent a right to appeal may be lawfully waived. The costs of any arbitration, including administrative fees and fees of the arbitrator or arbitrators, shall be shared equally by the Parties, unless otherwise specified by the arbitrator or arbitrators. If the Party initiating the arbitration is determined in the arbitral award to have lost the Dispute, such Party shall pay the other Party’s attorneys’ and expert fees. Otherwise, each Party shall bear the cost of its own attorneys’ and expert fees. Each Party retains the right to seek judicial assistance: (a) to compel arbitration; and (b) to enforce any decision of the arbitrator, including the final award. The arbitration proceedings contemplated by this Section 13.2 shall be as confidential and private as permitted by law. To that end, the Parties shall not disclose the existence, content or results of any proceedings conducted in accordance with this Section 13.2, and deem that all materials submitted in connection with such proceedings are for the purpose of settlement and compromise; provided, however, that this confidentiality provision shall not prevent a petition to vacate or enforce an arbitral award, and shall not bar disclosures required by law (including any rule, regulation or policy statement of any national securities exchange, market or automated quotation system on which the Receiving Party’s securities are listed or quoted).

14. RELEASES/PUBLICITY

Neither Party shall issue or make, or permit to be issued or made, any publicity, advertising, press release, public statement or announcement or public communication of any kind, in whatever form, regarding this Agreement, or any aspect or terms thereof, or the relationship between the Parties without the Parties’ joint prior written approval except as may be required by applicable Law or any rule, regulatory or policy of a national securities exchange, in which case commercially reasonable efforts to consult with the other Party shall be made prior to any such release or public statement.

15. GENERAL

15.1 Non-Disparagement. During the Term and for a period of 2 (two) years following the expiration or earlier termination of the Term, each of the Parties, and any of their attorneys, employees, representatives, assigns, contractors, successors in interest, related parties, or parties acting at their direction, agree that they shall not disparage or otherwise negatively comment on any of the other Party’s reputation, business operations, products, services or relationship with one another. This provision shall not preclude the Parties from making truthful statements when requested to do so in the normal course of business.

15.2 Non-Solicitation. Each of the Parties agrees that, during the Term and for a period of one (1) year thereafter, neither Expedia nor Decolar (Expedia, on the one hand, and Decolar, on the other hand, each an “Employer” with respect to its Restricted Employee) shall, on behalf of itself or any other person, entity or organization, directly, or through its officers, directors, employees, agents or others, cause any other person to: (i) solicit or otherwise induce or influence any Restricted Employee to discontinue his or her employment or other relationship with his or her Employer or to enter into an employment or service arrangement of any kind with any person or entity other than his or her Employer, (ii) initiate contact with any Restricted
Employee for the purpose of employing, soliciting for employment, or otherwise seeking to employ or retain such person, or (iii) assist or facilitate any person or business other than the applicable Employer in the hiring or recruitment of any Restricted Employee; provided, however, that the foregoing restriction is not being intended to prohibit any person from providing reference to a third party with respect to a Restricted Employee. “Restricted Employee” means any person who is an employee of Employer with whom the other Party has first come into contact in the course of their dealings under this Agreement. The foregoing restriction shall not apply to (i) the distribution of a job posting or other advertisement for a job in the ordinary course of business and the hiring of an employee that responds to such job posting or other advertising, (ii) the solicitation or hiring of an employee that has been terminated or has otherwise terminated or ceased his or her employment with that Employer prior to the solicitation or hiring or (iii) the employment of an employee who contacts an Employer on his or her own initiative.

15.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the Laws of the State of New York applicable to agreements made and to be performed entirely within such State, without regard to the conflict of Laws principles of such State.

15.4 **Right to Specific Performance.** The Parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist and damages would be difficult to determine in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Each Party further acknowledges that a breach or violation of this Agreement cannot be sufficiently remedied by money damages alone and, accordingly, each Party shall be entitled, without the need to post a bond or other security, in addition to damages and any other remedies provided at law or in equity, to specific performance, injunctive and other equitable relief in order to enforce or prevent any violation. Each Party agrees not to oppose the granting of such equitable relief, and to waive, and to cause its representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy.

15.5 **Records.** In accordance with standard records retention business practices and policies in the industry, and in accordance with applicable generally accepted accounting standards, each Party shall keep all usual and proper records related to the performance of such Party’s obligations under this Agreement.

15.6 **Affiliation Agreement; Entire Agreement.** This Agreement supersedes and replaces the Affiliation Agreement, and all existing rights, obligations and payments thereunder, shall be governed by this Agreement as if this Agreement had been in effect at the time such rights, obligations and payments arose. This Agreement (including all Schedules thereto) constitutes the entire agreement between the Parties, and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, as to the subject matter hereof.

58
15.7 **Schedules**. The schedules to this Agreement listed below are an integral part of this Agreement:

<table>
<thead>
<tr>
<th>Schedule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.4(a)</td>
<td>Minimum Bookings Phase-In</td>
</tr>
<tr>
<td>2.1.8</td>
<td>Existing Decolar Partners</td>
</tr>
<tr>
<td>3.1</td>
<td>Marketing Fees</td>
</tr>
<tr>
<td>3.2.3</td>
<td>Decolar Account</td>
</tr>
<tr>
<td>3.3.3</td>
<td>Expedia Account</td>
</tr>
</tbody>
</table>

15.8 **Notices**. Any notice, consent or approval required or permitted to be given in connection with this Agreement (in this Section 15.8 referred to as a “Notice”) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or through e-mail:

(a) in the case of a Notice to Decolar at:

Travel Reservations S.R.L

c/o Despegar.com

Avenida Corrientes 746, Piso 6

Buenos Aires, Argentina

Attention: Guillermo Perrone

Email: gperrone@despegar.com

With a copy (which shall not constitute notice) to:

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017

Attention: Juan Francisco Mendez

Email: jmendez@stblaw.com

(b) in the case of a Notice to Expedia at:

Expedia

---

Tel:
Fax:
Attention:
Email:

59
Any Notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted; provided, however, that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. If the Notice is delivered or transmitted after 5:00 p.m. local time or if the day is not a Business Day, then the Notice shall be deemed to have been given and received on the next Business Day. Any Party may, from time to time, change its address by giving Notice to the other Party in accordance with the provisions of this Section 15.8.

15.9 Relationship of Parties. The Parties are independent contractors and nothing in this Agreement will be deemed to create a partnership, joint venture, franchise or any agency relationship between any of the Parties. This Agreement is solely for the benefit of, and will be solely enforceable by, the Parties. This Agreement is not intended to confer any right or benefit on any third party. Except as set forth in Section 8.9, no action may be commenced or prosecuted against a Party by any third party claiming as a third-party beneficiary of this Agreement or any of the transactions contemplated by this Agreement.

15.10 Waiver. No waiver of any term, condition or obligation of this Agreement will be valid unless made in writing and signed by the Party to which such performance is due. No failure or delay by any Party at any time to enforce one or more of the terms, conditions or obligations of this Agreement will (a) constitute waiver of such term, condition or obligation, (b) preclude such Party from requiring performance by the other Party at any later time, or (c) be deemed to be a waiver of any other subsequent term, condition or obligation, whether of like or different nature.

15.11 Assignment. This Agreement may not be assigned either directly or indirectly by operation of law or otherwise, by either Party without the prior written consent of the other Party; except, that either Party may assign this Agreement without consent to (a) an Affiliate or (b) in connection with a merger, reorganization, acquisition, sale of all or substantially all assets, or other change of control, in each case, provided the assignee agrees in writing to assume and be bound by this Agreement. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns, and, following such succession or assignment, all references to a “Party” in this Agreement shall be deemed to include such successors and permitted assigns.
15.12 Amendment. Except as otherwise expressly stated herein, this Agreement may be amended only in writing signed by Decolar and Expedia.

15.13 Expenses. Except as otherwise provided in this Agreement, each Party shall pay all costs and expenses (including the fees and disbursements of legal counsel and other advisers) it incurs in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.

15.14 Further Assurances. The Parties shall, with reasonable diligence, do all things and provide all such reasonable assurances as may be reasonably required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments reasonably required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

15.15 Conflicts. In the event of any conflict or ambiguity between any term of this Agreement and any other Transaction Agreement, the terms of this Agreement will prevail.

15.16 Guarantee.

15.16.1 Each of Decolar Parent and each Guarantor irrevocably, absolutely and unconditionally jointly and severally guarantees to Expedia each and every obligation and liability of Decolar hereunder, and the full and timely payment and performance of Decolar’s obligations hereunder, in each case during the Term (the “Decolar Guaranteed Obligations”). This is a guarantee of payment and performance, and not merely of collection, and each of Decolar Parent and each Guarantor acknowledges and agrees that this guarantee is full and unconditional, and no release or extinguishment of Decolar’s obligations or liabilities under this Agreement, whether by decree in any bankruptcy proceeding or otherwise, shall affect the continuing validity and enforceability of this guarantee. Each of Decolar Parent and each Guarantor hereby waives for the benefit of Expedia, (a) any right to require Expedia, as a condition of payment or performance by each of Decolar Parent and each Guarantor under this Section 15.16, to proceed against Decolar or pursue any other remedies whatsoever, (b) to the fullest extent permitted by Law, any defenses or benefits that may be derived from or afforded by Law that limit the liability of or exonerate guarantors or sureties, (c) any and all promptness, diligence, notice of the creation, renewal, extension or accrual of any of the Decolar Guaranteed Obligations and notice of or proof of reliance by Expedia upon this guarantee or acceptance of this guarantee and (d) any claim, right (including right of set-off), deduction or defense of any kind that Decolar may have or may assert under this Agreement. Each of Decolar Parent and each Guarantor understands that Expedia is relying on this guarantee in entering into this Agreement.

15.16.2 Without limiting the generality of the foregoing, each of Decolar Parent and each Guarantor authorizes Decolar in its sole and absolute discretion, without any notice to or consent of each of Decolar Parent and each Guarantor and without in any way discharging, terminating, releasing, affecting or impairing the obligations of each of Decolar Parent and each Guarantor hereunder, to (a) amend, modify, extend or accelerate the time or manner of payment for or performance of the Decolar Guaranteed Obligations or otherwise.
amend or modify any other terms of provisions of this Agreement in accordance with its terms, (b) release, discharge, compromise or make any settlement with Expedia in respect of the Decolar Guaranteed Obligations or (c) exercise any right or power conferred in this Agreement, or fail or omit to enforce any such right or power, or waive any covenant or condition therein provided or any default thereunder.

15.16.3 Each of Decolar Parent and each Guarantor represents and warrants to Expedia that (a) it has full corporate power and authority to enter into this Agreement and to perform its obligations hereunder, (b) the execution and delivery by each of Decolar Parent and each Guarantor of this Agreement has been duly authorized by all necessary corporate action and no other proceedings are necessary to authorize the execution and delivery of this Agreement, and (c) this Agreement has been duly and validly executed and delivered by each of Decolar Parent and each Guarantor and, assuming due authorization and delivery by the other Parties, is a valid and binding agreement, enforceable against each of Decolar Parent and each Guarantor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors’ rights and to general equitable principles.
Until March 31, 2015, Decolar may use supply from the supplier sources listed in the table below in a manner that would otherwise be in violation of Section 2.1.4 solely in accordance with the terms of this Schedule 2.1.4(a).

- Notwithstanding Decolar’s right to make Travel Bookings using supply from the supplier sources listed in the table below, Decolar shall use its reasonable best efforts to achieve reach the Minimum Bookings Percentage as soon as possible.

- Decolar shall discontinue making any Travel Bookings for Travel Products in the Expedia Territory from a supply source following the receipt of an annual override payment amount from such supply source in an amount equal to or greater than the amount set forth opposite such supply source below under the heading Override Amount; provided, that Expedia shall have the right to pay any such override amount, in which case, Decolar will discontinue making any Travel Bookings for Travel Products in the Expedia Territory from such supply source.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Override Amount</th>
</tr>
</thead>
</table>

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Schedule 2.1.9

***

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Schedule 3.1

***

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Schedule 3.2.3

Decolar Account

Schedule 3.3.3

Expedia Account

***

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
AMENDMENT TO THE DECOLAR LODGING OUTSOURCING AGREEMENT

Whereas, on August 17, 2016, Expedia and Travel Reservations entered into an agreement by means of which Decolar agreed to provide Expedia with access through the Decolar API to all Travel Products made available by Decolar or any of its Affiliates through any Travel Solution for properties located in the Decolar Territory for use on all Expedia Travel Solutions (the “Decolar Outsourcing Agreement”);

Whereas, on May 5, 2017 Decolar requested a change in the competitors list included in Annex B and Expedia was in agreement with such proposal,

Whereas, Expedia wishes to amend section E, 6, of the Decolar Outsourcing Agreement and Decolar is in agreement with such proposal,

THEREFORE, the Parties hereby agree as follows:

A. Definitions. Terms not defined herein shall have the definition assigned to them in the Decolar Outsourcing Agreement.

B. Amendment. Section E, 6 of the agreement should be revised to read as follows:

None of Expedia or its affiliates will use any Confidential Information available through the Decolar API or otherwise received pursuant to this Agreement to improve its own ordinary course hotel supply contracts with Properties in the Decolar Territory.

C. Amended and Restated Agreement. The Parties agree to execute an amended and restated version of the Decolar Outsourcing Agreement which is included as Annex A. Unless hereby amended the rest of the terms and conditions of the Decolar outsourcing Agreement shall remain in full force and effect.
By: Expedia Lodging Partner Services, Sarl, individually and on behalf of:
- Travelscape, LLC
- VacationSpot S.L.
- Hotels.com, L.P.
- AAE Travel Pte., Ltd.
- Hotwire, Inc.
- Expedia do Brasil Agência de Viagens e Turismo Ltda.
- Venere Net S.r.l.

Signature: /s/ Mark Okerstrom
Name: Mark Okerstrom
Title: Authorized Person

Name: Sebastián Gabriel Lezcano Treuer
Title: Attorney-In-Fact

EXPEDIA PARENT

By: Expedia, Inc.

Signature: /s/ Mark Okerstrom
Name: Mark Okerstrom
Title: Authorized Person

Signature: /s/ Verónica Jalife Manito
Name: Verónica Jalife Manito
Title: Attorney-In-Fact
ANNEX A

AMENDED AND RESTATED DECOLAR OUTSOURCING AGREEMENT

A. DEFINITIONS

Capitalized words used but not defined in the body of this Agreement have the meanings described in Section E.9 below.

B. STANDALONE BOOKINGS

1. Compensation. For each Booking, Expedia will be entitled to the compensation, as set forth on Annex A (the “Compensation”).

2. Bookings. For each Booking, Supplier instructs Expedia to act as a facilitator of such booking on behalf of Supplier, but acting in its own name. Payments for Bookings may be collected in the following two ways: (i) Expedia will collect advance payments from End Users at the time of such Booking (each such Booking, an “Expedia Collect Booking”) or (ii) payments from End Users will be collected by the Property upon completion of the stay and the Property will pay to Supplier, and Supplier will collect from the Property, the amount payable to Supplier under Supplier’s agreement with the Property (each such Booking, a “Hotel Collect Booking”). For each Expedia Collect Booking, (i) the parties will develop a mutually agreed upon invoicing system to reflect the relationships provided for under this Agreement, (ii) Expedia will be entitled to retain its Compensation and any charges or fees imposed on End Users by Expedia and, (iii) Supplier will be entitled to the Room Price (less any amounts Expedia is entitled to retain under this agreement) (the “EC Remittance”), including Taxes paid by the End User (except to the extent Expedia is required to pay such Taxes directly to the applicable Tax authorities) in accordance with the terms in Section B.3 below. For each Hotel Collect Booking, Expedia will be entitled to receive its Compensation from Supplier in accordance with the terms in Section B.3 below. The Parties agree that they may make commercially reasonable efforts to assess the possibility of implementing booking fees into Hotel Collect Bookings in the future.

3. Payments for Bookings, Invoicing and Compensation.

a. Hotel Collect Bookings. For Hotel Collect Bookings, following the end of each calendar month (an “HC Statement Period”), Decolar shall, by no later than the fourth (4th) day following the end of such HC Statement Period, provide a statement to Expedia electronically (a “HC Compensation Statement”), setting out the Compensation earned by Expedia for each Hotel Collect Booking that was a Consumed Booking (“Consumed HC Bookings”) during such HC Statement Period, specifying the End User’s name, the Expedia booking ID, the check-in and check-out dates and/or the dates of any cancellations or no-shows, the applicable Room Price net of Compensation, in each case, in the same currency in which the applicable Room Price and Rate Plan is made available through the Decolar API. Following receipt by Expedia of the HC Compensation Statement, Expedia will send Decolar an invoice (the “HC Invoice”) with respect to such HC Compensation Statement for all undisputed Consumed HC Bookings during such HC Statement Period and Decolar will pay the Compensation owed to Expedia with respect to all undisputed Consumed HC Bookings (the “Compensation Payment”) within fourteen (14) days following the end of such HC Statement Period.

b. Expedia Collect Bookings.

i. For Expedia Collect Bookings, following the end of each seven (7) calendar day period (an “EC Statement Period”), Decolar shall, with respect to such completed EC Statement Period, input
into Expedia’s then-current electronic payment system (currently ExpediaPay) (the “Payment System”), or as otherwise directed by Expedia (a “EC Compensation Statement”), (i) the Compensation earned by Expedia for each Expedia Collect Booking that was a Consumed Booking during such EC Statement Period, specifying the End User’s name, the Expedia booking ID, the check-in and check-out dates and/or the dates of any cancellations or no-shows and the applicable Room Price net of Compensation, (ii) the EC Remittance and (iii) such other information that may be required from time to time for Expedia’s then-current Payment System, in each case, in the same currency in which the applicable Room Price and Rate Plan is made available through the Decolar API; provided that in the event Expedia changes its then-current electronic payment system, or decides to request any additional information in relation to the Bookings to the one described in (i) above, Expedia will provide Decolar with notice of such change at least two months prior to the implementation thereof.

ii. For Expedia Collect Bookings set out in the EC Compensation Statement, Expedia shall remit all undisputed EC Remittance, including Taxes paid by the End User (except to the extent Expedia is required to pay such Taxes directly to the applicable Tax authorities) with respect to all such Expedia Collect Bookings which were Consumed Bookings during such EC Statement Period within thirty (30) days following receipt by Expedia of the EC Compensation Statement for such EC Statement Period (the “EC Remittance Payment” and together with the Compensation Payment, the “Payments”); provided that if, during any consecutive twelve week period following the Effective Date (each, a “Measurement Period”), the average weekly aggregate amount of due and payable, but unpaid and undisputed, EC Remittance Payments for Consumed Bookings (the “Aggregate EC Remittance”) during the Measurement Period, as reflected on the aggregate due and payable, but unpaid and undisputed EC Compensation Statements for such period exceeds USD *** (the “Payment Threshold”), then the EC Remittance Payment for each EC Statement Period commencing with the second Statement Period following the end of such Measurement Period where the Payment Threshold was first met shall be paid within fifteen (15) days following receipt by Expedia of the EC Compensation Statement; provided further that if, at any time during any consecutive twelve week period commencing after the last day of the Measurement Period in which the Payment Threshold was met for the first time (i.e., the first week of such period must have commenced after the day on which the Payment Threshold was met for the first time) (the “Second Measurement Period”), the average weekly Aggregate EC Remittance Payment during such Second Measurement Period, as reflected on the aggregate due and payable, but unpaid and undisputed EC Compensation Statements for such period exceeds the Payment Threshold, then the EC Remittance Payment for each Statement Period commencing with the second Statement Period after the end of the Second Measurement Period where the Payment Threshold was met shall be paid within seven (7) days following receipt by Expedia of the EC Compensation Statement.

iii. Funds shall be paid by Expedia to Decolar via electronic funds transfer into the account indicated by Decolar. In the event that any EC Remittance Payment due in respect of a EC Compensation Statement is not received by Decolar in compliance with this provision or during the subsequent ten (10) Business Day period (the “Payment Period”), Expedia shall take such steps as may be necessary to cure any failure to make such EC Remittance Payment within five (5) Business Days after the end of such Payment Period. If, at the conclusion of such 15 Business Day period, any EC Remittance Payment due in respect of a EC Compensation Statement is not received by Decolar in compliance with this provision, in addition to Decolar’s rights under this Agreement and at Law, Decolar shall have the right to: (a) offset any such amounts due from any Payments due to Expedia hereunder; (b) cancel all un-stayed bookings; (c) suspend Expedia’s access to Decolar’s Travel Products immediately.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
c. Payment Currency. All Payments made by the Parties under this Agreement will be made in the same currency in which the Room Price and Rate Plan is made available through the Decolar API for the relevant Bookings and sent via wire transfer. Payments will be made to the following bank accounts:

i. In case of Decolar, the Parties agree that all payments shall be made by Travelscape LLC, exclusively, to the following bank account:

***

Except as otherwise agreed by the Parties, any amounts otherwise received (i) will not be considered a valid Payment from Expedia, (ii) will not cancel Expedia’s outstanding obligations and (iii) will be promptly returned to Expedia.

ii. In case of Expedia, the Parties agree that all payments shall be made by Travel Reservations SRL, exclusively, to the following bank accounts:

***

Except as otherwise agreed by the Parties, any amounts otherwise received (i) will not be considered a valid Payment to Expedia, (ii) not cancel Decolar’s outstanding obligations and (iii) be promptly returned to Decolar.

4. Compensation. The Parties acknowledge and agree that the Compensation agreed for any Booking made under this Agreement adequately covers any marketing, IT and all other costs and expenses incurred by Expedia in the ordinary course of its business in relation to its facilitation of such Bookings in accordance with the provisions of this Agreement. The Parties further acknowledge that Expedia will not be required to incur any exceptional and/or additional expenditure relating to procuring any Bookings for any Property’s rooms. The Parties agree that the Compensation payable to Expedia may be increased at Supplier’s discretion whether generally or at the Property level.

C. PACKAGE BOOKINGS

1. Package and Opaque Bookings. Expedia will not display or make available Rate Plans and/or Room Prices for Package Bookings and/or Opaque Bookings to End Users for booking except: (i) as part of a Package Booking, (ii) as an Opaque Booking, (iii) to members of password protected closed groups operated by Expedia and its Affiliates (“Closed Groups”) or (iv) in connection with Cross-Selling Efforts. If Expedia is in breach of this Section C.1., Decolar will send Expedia a notice of such breach, along with information collected by Decolar that evidences such breach, and Expedia will have a period of ten (10) business days to cure any breach. If the breach is not cured in such time frame, Decolar may restrict access to Package Bookings with immediate effect and, if any Property terminates its agreement with Decolar as a result of such breach, Decolar may permanently restrict access to such Package Booking. Notwithstanding the foregoing, if Expedia, its Affiliates or an Expedia Partner, is in breach of this Section C.1 for a point of sale in the Decolar Territory, then Decolar will send Expedia a notice in this sense and Expedia will immediately cure any breach. In addition, in the case of a breach by an Expedia Partner, Expedia will immediately disable the distribution of the Decolar Travel Products to such Expedia Partner.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.

Page 5 of 31
D. REDISTRIBUTION

1. Redistribution. Expedia may make the Decolar Travel Products available for booking through any and all Expedia Partners. Notwithstanding the foregoing, Expedia shall not make available at any time Decolar Travel Products to the competitors of Decolar set forth in Annex B without Decolar’s prior written and express consent. Expedia shall be responsible and liable for losses to Decolar relating to breaches by Expedia Partners of the terms of this agreement, but only to the extent Expedia would have been liable for such actions as if they were Expedia actions under the terms of this agreement, subject to the indemnification provisions in Section 3.7.h and the limitations set forth Sections 3.7.o.

2. Expedia Partners’ Obligations. If any Expedia Partner does not comply with the obligations imposed on Expedia under this Agreement (including any error, misuse, or misrepresentation by such Expedia Partner), then upon written notice by Decolar (a “Partner Dispute Notification”), Expedia will promptly notify such Expedia Partner of the problem and use reasonable efforts to cause such Expedia Partner to comply with the requirements of this Agreement. Such Partner Dispute Notification shall include information collected by Decolar that evidences the Expedia Partner’s alleged breach including, if possible, confirmation that the alleged breach is in relation to Bookings made through an Expedia Travel Solution, identifying, if feasible, the URL, screenshots of the alleged breach and the time and date that the alleged breach occurred.

3. Expedia Partner Informal Dispute Resolution Procedure. During the five (5) day period after such Partner Dispute Notification is received by Expedia (the “Investigation Period”), (i) Expedia shall have the right to investigate the validity of such Partner Dispute Notification and (ii) the Parties shall engage in progressive management involvement to resolve the dispute and shall use commercially reasonable efforts to arrange personal meetings and/or telephone conferences as needed. The escalation process is as follows (the “Escalation Process”):

<table>
<thead>
<tr>
<th>Level</th>
<th>Decolar</th>
<th>Expedia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Senior Manager, Affiliate Business</td>
<td>Senior Director, New Business</td>
</tr>
<tr>
<td>Level 2</td>
<td>Head of Affiliate Business</td>
<td>Vice President, New Business</td>
</tr>
</tbody>
</table>

If, at the end of such Investigation Period, Expedia determines the Expedia Partner that is the subject of such Partner Dispute Notification (i) has not committed the breach alleged in such Partner Dispute Notification or that such breach has been cured, then Expedia shall not be required to take any further action with respect to such Expedia Partner or (ii) has committed the breach alleged in such Partner Dispute Notification and such breach has not been cured (a “Verified Breach”), Expedia shall have an additional five (5) day period (the “Cure Period”) to cause the Expedia Partner to cure any such breach or breaches, provided that the Cure Period will not be applicable to points of sale in the Decolar Territory (the “Decolar Territory POSs”). If a Verified Breach by an Expedia Partner is not cured by the end of the Cure Period (or the end of the Investigation Period for a Decolar Territory POS), Expedia will immediately disable the distribution of either, as applicable, (i) the Decolar Travel Products to which the breach applies, if the breach relates to 10 Properties or less, or (ii) all Decolar Travel Products, if the breach related to more than 10 Properties, in each case to such Expedia Partner; provided that Expedia may reinstate the distribution of any suspended or disabled Decolar Travel Products to such Expedia Partner at such time as Expedia has determined the Verified Breach has been cured and will provide Decolar notice of such reinstatement. In the event that, pursuant to the terms of this section, Expedia is required to suspend or otherwise disable the distribution of Decolar Travel Products to an Expedia Partner on three separate occasions, then, following the third suspension or disabling of distribution pursuant to the terms of this section, Expedia will not be entitled to reinstate the distribution of Decolar Travel Products to such Expedia Partner. In no event will Expedia be required to disable or otherwise suspend the distribution of Decolar Travel Products to an Expedia Partner if Decolar has not (i) provided the Partner Dispute Notification in good faith,
E. GENERAL TERMS

1. Term and Termination.

a. **Term**. The initial term will end on the three (3) year anniversary of the Effective Date, and will automatically renew for successive one (1) year renewal terms until Expedia or Decolar provides the other with notice of its intent not to renew at least thirty (30) days prior to the end of the then-current term (the initial term, together with any renewal term(s), the “**Term**”).

b. **Termination for Breach**. If either Party is in material breach or default under any provision of this Agreement, in addition to such other remedies as may be available, the non-defaulting Party may terminate the Agreement by providing written notice to the defaulting Party of the nature of the breach or default and the intent to terminate. Such termination will be effective thirty (30) days after the date of notice unless the defaulting Party cures the default within such thirty-day period.

c. **Termination for Convenience; Termination Penalty**. At any time following the last day of the sixth full calendar month after the Effective Date, either Decolar or Expedia will be entitled to terminate this agreement by delivering to the other Party a notice of the terminating Party’s intent to terminate the Agreement and the Agreement will terminate on the date that is ninety (90) days following receipt by the non-terminating Party of such notice. If Despega decides to terminate, and the date on which such termination is effective falls in the period commencing on the first day of the seventh full calendar month after the Effective Date and ending on the last day of eighteenth (18th) full calendar month after the Effective Date (the “**Termination Fee Period**”), Decolar shall pay Expedia on or prior to the termination date (or Expedia may withhold from any EC Remittance Payment) a termination fee equal to the product of (i) the number of full and partial calendar months remaining in the Termination Fee Period as of the effective date of such termination and (ii) $***. The Termination Fee would not be applicable if Expedia decides to terminate.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.

Page 7 of 31
2. Rooms, Rates and Availability.

a. Rooms. Unless agreed otherwise, Supplier agrees that it will, or will cause the relevant Affiliate to, grant Expedia the same availability as (i) displayed or made available by Decolar on any Travel Solution or Website owned or operated by it or its Affiliates, other than with respect to the Limited Exceptions, (ii) made available to any Decolar Party through the Decolar API, and/or (iii) displayed or made available by any Decolar Party, to the extent permitted by Decolar or its Affiliates, through any Travel Solution to End Users for Decolar Travel Products capable of being booked during the Term.

b. Rates.

i. Supplier agrees that the Room Price and Rate Plans it (including those displayed or made available for Package Bookings and Opaque Bookings), and any of its Affiliates, provides to Expedia will be equal to or better than those (i) displayed or made available by Decolar on any Travel Solution or Website owned or operated by it or its Affiliates, other than with respect to the Limited Exceptions, (ii) made available to any Decolar Party through the Decolar API, and/or (iii) displayed or made available by any Decolar Party, to the extent permitted by Decolar or its Affiliates, through any Travel Solution to End Users for Decolar Travel Products capable of being booked during the Term. Any rules, restrictions, policies, and/or conditions (including rules associated with cancellation) applicable to any room that Supplier makes available to Expedia and its Affiliates through the Decolar API shall be no more restrictive than those applicable to any comparable room (i) displayed or made available by Decolar on any Travel Solution or Website owned or operated by it or its Affiliates, other than with respect to the Limited Exceptions, (ii) made available to any Decolar Party through Decolar API, and/or (iii) displayed or made available by any Decolar Party, to the extent permitted by Decolar or its Affiliates, through any Travel Solution to End Users for Decolar Travel Products capable of being booked during the Term.

ii. Except for Properties located in the countries in the Decolar Territory set forth on Annex C (the “Local Currency Properties”), all Rate Plans and Room Prices provided by Decolar and/or its Affiliates to Expedia will be in United States Dollars, with the intent that Decolar will apply the same Exchange Rate to Rate Plans and Room Prices to ensure that neither Party is disadvantaged as a result of local currency and fluctuations in exchange rates.

A. For each Rate Plan and Room Price provided through the Decolar API to Expedia in United States Dollars, Decolar will apply the same exchange rate for the local currency in which the Property makes its rooms available to Decolar as the Exchange Rate; provided that in the event Expedia changes its exchange rate service, such change will only be enforceable against Decolar and apply to Decolar Travel Products for purposes of this agreement exclusively, as long as Decolar, in its sole discretion, approves it after a written notice of such change from Expedia. If Decolar decides not to approve it, the Parties agree to discuss in good faith alternatives to avoid any of the Parties being disadvantaged as a result of local currency and fluctuations in exchange rates.

B. For Local Currency Properties, the Rate Plans and Room Prices provided by Decolar to Expedia will be in the local currency in which the Property makes its rooms available to Decolar (the “Local Currency”).

iii. Subject to Sections E.4.c and E.4.f, and unless otherwise agreed, Supplier instructs Expedia not to display Standalone Bookings on Expedia points of sale in regions where there is a Decolar Territory Travel Solution with a Rate Plan lower than the relevant Room Price provided by Decolar through the Decolar API for the specific Travel Product. Supplier acknowledges that Expedia will determine the Room Price for Package Bookings at its sole discretion.

3. End User Experience.

a. End User Experience. Subject to Section E.3.d below, Expedia will be responsible for and shall provide, all support to End Users for customer care and support issues related to the booking of Decolar Travel Products and will be solely responsible for any liability to End Users as a result of such issues.
customer care and support, if such liability was not caused by Decolar or its Affiliates; provided that, subject to Sections E.3 and E.4, if such liability was caused by Decolar and/or its Affiliates, Decolar shall be solely responsible for such liability. Except as otherwise expressly set forth herein, Expedia shall not, at any time, have the ability to engage in any activities with respect to Decolar Travel Products that result in the issuance of any End User “accommodations,” such as cancellations outside of the cancellation window or goodwill coupons and credits, discounts, refunds, and similar accommodations (“Goodwill Modifications”), unless Expedia makes such Goodwill Modifications directly with the End User and such Goodwill Modifications are made at the sole cost and expense of Expedia. Expedia agrees to inform Decolar during the first fifteen days following each calendar quarter, of the claims received during the previous calendar quarter upon notice to the email defined on Section E.7.i (“Quarterly Claim Report”). In addition, the Parties agree to maintain regular communication between their customer service groups – or any other group that may be involved – for purposes of prompt notification of guest complaints (“Claim Notification”). Decolar will, or will cause the relevant Affiliate to, provide second line consultative support for customer care and support issues with respect to the Decolar Travel Products, including Goodwill Modifications with the Property (which such Goodwill Modifications will solely be at Expedia’s instruction and at Expedia’s sole cost and expense). Without limiting the generality of the foregoing, Expedia will as soon as reasonably practical: (a) transmit to End Users booking Decolar Travel Products, without substantial revision, deletion or change of any sort, all information transmitted by Decolar or its Affiliates to Expedia for re-delivery to such End Users, in addition to any other standard information provided by Expedia to End Users in connection with a Booking, provided that such information shall not contain any of Decolar’s or its Affiliates’ branding, Marks and Materials; and (b) transmit to Decolar all communications, without substantial revision, deletion or change of any sort, received by Expedia or its Affiliates from such End Users that are expressly addressed to Decolar with respect to Decolar Travel Products (e.g., booking requests and other customer service inquiries). Subject to Section E.3.d below, Expedia will be responsible for any liability to End Users that directly results from the customer care provided by Expedia to such End User for Decolar Travel Products booked through the Expedia Platform or an Expedia Travel Solution, including all costs associated with any debit memo, replacement room nights, charge backs, and cancellation fees. Decolar shall be responsible for all liability to the extent caused by information created by Decolar or its Affiliates (excluding information created by the Property or any other third party which is not modified by Decolar or its Affiliates (other than to correct minor mistakes)) that is transmitted to Expedia by Decolar’s second-line support. Decolar acknowledges and agrees that none of it, its Affiliates will treat any End User that books a room through the Expedia System differently than it treats any other End User that books a room through any Website owned or operated by Decolar, its Affiliates, including, without limitation, with respect to the handling of overbooking (i.e., “walk”) situations, the allocation of room types (including, for the avoidance of doubt, with respect to views, bedding options, size of rooms, etc.), the provision of customer service and the amenities available with the booked room type and the amount and charging of Hotel Fees, and the amount and charging of such fees or surcharges relating to payment process or method. Decolar shall make it commercially reasonable efforts to ensure that each Property provides reward/loyalty points when an End User makes a booking at a Property through the Expedia System to the same extent such Property allows such points for bookings made through any third-party booking or distribution channels.

b. Cancellation; No Shows. Supplier agrees that each Property’s cancellation and no-show policy offered through the Expedia System will be at least as favorable as any cancellation or no show policies (i) offered by Decolar on any Travel Solution or Website owned or operated by it or its Affiliates, other than with respect to the Limited Exceptions, (ii) made available to any Decolar Party through the Decolar API, or (iii) displayed or made available by any Decolar Party, to the extent permitted by Decolar or its Affiliates, through any Travel Solution to End Users for Decolar Travel Products capable of being booked during the Term. Subject to the terms and conditions of the
relevant Property’s cancellation policy, Expedia reserves the right to cancel a Standalone Booking or Package Booking at any time. None of Supplier or any Property shall cancel any Standalone Booking or Package Booking and shall not encourage End Users to cancel Standalone Bookings or Package Bookings. If Supplier has not entered its cancellation policy for the relevant Property into Decolar API, Expedia’s default cancellation policy will apply. Expedia is entitled to the Compensation on any penalty amounts charged to End Users and actually collected by Expedia or Decolar for no-shows, cancellations or similar booking modifications. In the case of cancellation or similar booking modification fees/penalties not charged by Expedia to the End Users, Decolar shall work in good faith to get a waiver of such charges from the Properties.

c. Relocations. Supplier represents and warrants that it has entered into an agreement with each Property (the “Hotel Agreement”) which sets forth, and each Property agrees, that if the Property is unable to honor a Booking, the Property must (i) relocate the affected End User to a comparable or better Property, (ii) book such alternative accommodation so that it is available on or before the time of check-in of the original Property, pre-pay or make other arrangements to cover the room charges at such property for the nights in question, (iii) provide complimentary private transfer to the alternative accommodation and reimburse the End User and Expedia of all associated relocation costs to such property. Decolar agrees that it will make its best efforts to liaise with the respective Property to comply with the relocation provisions of the Hotel Agreement or, in the event the Property does not relocate a guest in accordance with the terms of Decolar’s agreement with such Property or Expedia reasonably requests a different relocation alternative for the affected End Users, to, as applicable, relocate such guest or make its best efforts to fulfill Expedia’s request, in a reasonable amount of time after notification of such situation.

d. Complaints. The Parties agree to follow the procedure set forth below (the “Procedure”) to address End User complaints against Expedia, its Affiliates and/or an Expedia Partner:

   i. Any Expedia Party (as defined below) shall address End User complaints as it addresses End User complaints related to Expedia Travel Products ***.

   ii. If Expedia, its Affiliates or any Expedia Partner or any of their respective shareholders, directors, officers, employees, agents or representatives (each, an “Expedia Party”) suffers any damages or losses directly caused by, resulting from, or otherwise attributable to (in each case, whether totally or partially) any act, error, omission, failure or negligence of the Property to the End Users, Expedia and/or its Affiliates in connection with the End User’s claims and suffered by Expedia, its Affiliates and/or an Expedia Partner (the “Expedia Losses”), provided however that none of the losses caused by the following exceptions will be considered for purposes of calculating the Expedia Losses: (i) losses not included in the Quarterly Claim Report set forth in section E.3, (ii) losses caused totally by Expedia, its Affiliates or any Expedia Partner, and (iii) the proportion attributable to Expedia in the case of losses caused partially by Expedia; then Decolar shall indemnify the Expedia Parties for any and all such Expedia Losses incurred in any given Contract Year which exceed ***% of Annual Gross Booking Value, including all Expedia Losses that exceed the Discussion Threshold; provided that in the event Expedia Losses in a given Contract Year exceed ***% of the Annual Gross Booking Value (the “Discussion Threshold”), the Parties agree to discuss potential alternatives with respect to such Expedia Losses in excess of the Discussion Threshold; and provided further that in the event Expedia Losses exceed ***% of the Annual Gross Booking Value in a given Contract Year (the “Termination Threshold”), Decolar will have the option to terminate this Agreement upon 2-months prior written notice to Expedia, which termination shall not trigger the Termination Penalty as set forth in Section E.1.c.

   iii. For all Expedia Losses subject to indemnification, Expedia shall, at the end of each Contract Year, provide Decolar with a good faith notice setting out in detail and with a sufficient amount of evidence the causes and amount of such Expedia Losses and providing evidence of efforts

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
described in E.3.d.i above. Such notice shall include adequate identification of the Bookings, the End User complaint, the actions taken towards such complaint (including adequate proof of notice of such complaint to Decolar pursuant to the procedure established in E.3.a.) (a “Complaint Notice”). Up to *** days after the receipt by Decolar of the Complaint Notice, Decolar may review the Complaint Notice and object, in writing to Expedia, to the amount of the loss, causes and/or bookings included in the Notice (an “Objection Notice”); provided that any and all Expedia Losses set out in the Complaint Notice to which Decolar does not object in an Objection Notice during such ***-day period will be deemed due and payable as of the end of such period and Expedia may provide an invoice for such amount. In the event of a timely delivered Objection Notice, the Parties shall engage in the dispute resolution procedure set forth in 7.B.II for the amount of Expedia Losses, causes and bookings set out in the Objection Notice. After the amount of the Expedia Loss that is subject to an Objection Notice has been approved pursuant to such procedure, Expedia will send an invoice for the amount of Expedia Losses that has been so approved.

iv. Expedia has the right to withdraw any Claim Notification provided that it withdraws of the End User claim itself, at any time, in its sole discretion, and any withheld amounts relating to such withdrawn Claim Notification will not be counted for purposes of any of the provisions of this section.

4. Loading and Display of Rates and Information.

a. Property Information; Decolar API. Decolar shall, or shall cause the relevant Affiliate of Decolar to, provide Expedia with access through the Decolar API to all Decolar Travel Products displayed or made available by Decolar or its Affiliates on any Travel Solution owned or operated by or on behalf of such party, or to any Decolar Party through the Decolar API (whether such Travel Products are offered in connection with a Standalone Booking, a Package Booking or otherwise) for Properties located in the Decolar Territory for use in all Expedia Travel Solutions. Supplier agrees to make available through the Decolar API all relevant, including the most up-to-date, information relating to such Property’s Rate Plans, availability, applicable Tax rates, Hotel Fees, Property and Room Information, cancellation and no show policies. To the extent such Property and Room Information is provided to Decolar by the Property and is then provided to Expedia unmodified by Decolar (other than to correct minor actual mistakes in such information provided by the Property), such information is provided by Decolar “as is”, and Decolar does not make any warranties, expressed, implied or otherwise, regarding the accuracy, completeness or performance of the Hotel Information; notwithstanding, if the Property and Room Information provided by the Property is inaccurate, incomplete or incorrect, and the customer initiates a complaint, Decolar will make best efforts to liaise with the Property to ensure the Property (i) corrects the information uploaded, and (ii) is responsible for, and covers, any damages that the inaccurate information may have caused the affected guests. Any complaints received by Expedia from guests, will be subject to the Procedure set forth in Section E.3.d. Expedia acknowledges that the Property is responsible for the accuracy of all facts and information related to or provided by Supplier to Expedia via Decolar API to the extent Decolar has not modified (other than to correct minor actual mistakes in such information provided by the Property), such information from the original form in which it was received by Decolar from the Property. Notwithstanding anything to the contrary contained herein, in no event will Expedia be responsible for, or otherwise required to pay to Decolar or any Property, any amounts, whether in the form of EC Remittance or otherwise, in excess of the Rate Plan or Room Price (reduced by the amount of any Compensation, Taxes and/or other amounts Expedia is entitled to retain hereunder) provided to Expedia through the Decolar API unless expressly provided in this Agreement.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
b. Supplier Information. Supplier will submit to Expedia a fully-completed Merchant Payment Information Form and any additional information required by any future updates to such form. Supplier will provide fifteen (15) days written notice in the event of a change of its ownership or any change to the information included in the Merchant Payment Information Form, which notice shall be sent in accordance with the provisions included in Section E.7.i of this Agreement.

c. Rate Information.

i. Supplier authorizes Expedia to calculate on behalf of the relevant Properties and in accordance with this Agreement, the relevant Room Prices, together with any Hotel Fees, Taxes, or other amounts payable by the End User, based on information made available to Expedia by Supplier through the Decolar API (or otherwise provided by Supplier to Expedia in a manner acceptable to Expedia), and any such action by Expedia to derive such Room Price, Rate Plans, Hotel Fees, Taxes or other amounts on behalf of the relevant Property shall be deemed to be Supplier’s action, for purposes of this Agreement; provided that for points of sale owned and operated by Expedia in regions where there is a Decolar Territory Travel Solution, such calculation of any publicly displayed Room Price or Rate Plan shall not be less than the Room Price or Rate Plan made available through the Decolar API (other than as a result of coupons, credits, rebates or other similar price modifications, is displayed to a closed user group or otherwise would qualify as a Limited Exception).

ii. In the event Decolar receives a complaint from a Property (a) indicating that the Room Price displayed on an Expedia point of sale for a specific Decolar Travel Product from such Property that was sourced through the Decolar API is or was below the selling price authorized under such Property’s agreement with Decolar (the “Authorized Selling Price”) and (b) requesting that Expedia ceases displaying Room Prices below the Authorized Selling Price, Decolar shall promptly provide Expedia with notice of such complaint (a “Complaint Notice”), including a copy of the complaint and information collected by Decolar and/or the Property evidencing (x) the Authorized Selling Price and (y) the Room Price in question displayed on the relevant Expedia point of sale. Promptly after receiving the Complaint Notice, Expedia will investigate whether the Room Price in question was less than the Authorized Selling Price for such Decolar Travel Product from such Property, and if the evidence supports the claim set forth in the Claim Notice, Expedia will no longer display a Room Price less than the Authorized Selling Price for Decolar Travel Products for such Property sourced through the Decolar API.

iii. Notwithstanding the foregoing, Supplier acknowledges that it will immediately notify Expedia if Supplier believes that Expedia has incorrectly derived any Room Prices, Rate Plans, fees, charges or other amounts relating to rooms at any Property. Supplier agrees to honor all Bookings made during the Term at the Room Price (together with the relevant Hotel Fees and/or Taxes) provided through the Decolar API at the time such Booking occurred, including Bookings with stay-dates occurring after the expiration or termination of this Agreement.

iv. Any complaints received by Expedia from guests due to a Property not honoring the booking based on the argument that the rate is incorrect, will be subject to the Procedure set forth in Section E.3.d. Notwithstanding the foregoing, if Expedia calculations on Room Prices, Hotel Fees, Taxes, or other amounts payable by the End User differed from the information provided by Decolar through the Decolar API, Expedia shall be held liable to the extent, and only to the extent, of losses suffered by Decolar which directly result from such actions with respect to claims from End Users. Supplier represents that Properties are bound to comply with the laws and regulations of their jurisdiction and in such connection it agrees that the Properties will not increase in the Rate Plans and Hotel Fees in reaction to the occurrence or threatened occurrence of a Force Majeure Event, in contravention of such laws and regulations. Supplier accepts that it will not require End Users to pay any fees or surcharges relating to their payment process or method (e.g., End Users will not be charged any fees or surcharges for credit or debit card payments).
d. Merchandising: Intellectual Property. Supplier grants Expedia and each of its Affiliates the worldwide, nonexclusive, royalty-free, fully paid right and license, in any and all media now known or hereafter discovered or developed, to use the Property and Room Information (as well as Decolar Logos, to the extent Expedia, in its sole discretion elects to display any such Decolar logos) solely for the purposes of identifying, promoting, merchandising and/or obtaining Bookings for the Properties. Supplier represents and warrants that it is the authorized licensee and/or creator of Property and Room Information and Decolar logos and that such content, and Expedia’s and any of its Affiliates’ use, reproduction, distribution and display of such content, subject to the limitations set forth herein, does not and will not violate the rights of any third party. To the extent Expedia’s consent is required for Expedia to utilize the right and license above, Supplier hereby represents that it has all necessary rights and provides its consent and agrees that its consent may be shared directly with third parties. Any additional advertising or marketing to be performed for Decolar or any Property shall be governed by Expedia’s then-standard marketing terms and conditions. Expedia may remove any Property and Room Information, or edit in a reasonable manner any Property and Room Information that Expedia believes to be inaccurate or inappropriate. This Agreement does not grant to Supplier any ownership interest in, or any express or implied license or right to, any of the Materials or to any software or intellectual property rights owned by or licensed to Expedia or any of its Affiliates. The Property and Room Information provided to Expedia under this Agreement will be equal to or better than what is made available by Decolar on any Website owned or operated by it or its Affiliates, other than with respect to the Limited Exceptions.

e. Expedia Star Class Ratings. Subject to applicable laws and regulations of the jurisdiction where the Property is located, Supplier agrees that (i) Expedia will make the final determination of the Expedia star class rating assigned to each Property, and (ii) the Expedia star class rating assigned to each Property may be changed by Expedia from time to time in its sole discretion. To the extent any Property has an officially mandated star class rating, Supplier agrees to provide such star class rating, and its source, to Expedia. Expedia represents that the Expedia Star Class Rating will be displayed as such and not as the official star rating of any given Property.

f. Display; Special Programs and Discounts. Rooms displayed on the Expedia System will appear in an order determined by Expedia in its sole discretion. Supplier agrees that Expedia and/or certain of its Affiliates may also on occasion offer discount pricing for Properties’ rooms (e.g., through limited offers of general coupons or limited promotions on fenced channels); provided, that (i) any such offers shall be available with respect to a broad number of properties and not limited to the relevant Property and (ii) to the extent Supplier and Expedia have not agreed otherwise with respect to any particular offer, any such discount will be funded by a reduction to the Compensation. Supplier acknowledges and agrees that benefits offered to End Users by Expedia and any of its Affiliates through their respective loyalty programs or through customer service coupons shall not be a violation of this Agreement.

5. Operational Matters.

a. Booking Process. Expedia will provide notice to Supplier of each Booking processed through Decolar API. Decolar shall make the then-current version of the Decolar API available to Expedia for use by Expedia in accordance with the provisions of this Agreement. Decolar shall be responsible for any and all costs associated with the standard development and operations of the Decolar API in the form delivered to Expedia. Decolar will provide reasonable notice to Expedia, prior to making any material changes or updates to the Decolar API. In such notice, Decolar will determine if the upgrade is critical or a standard operational upgrade. Expedia shall make its best efforts to implement the critical upgrades within three (3) months and the standard operational upgrades within nine (9) months. Expedia acknowledges and understands that to be able to comply with this Agreement it will need to operate the then-current version of the Decolar API in accordance with the timelines set forth above.
b. Anti-Fraud Cooperation. Supplier acknowledges that it will make best efforts to cause the Property to ensure that the identification presented by any End User is valid and matches the booking information provided to Supplier by Expedia. If a Party believes a Standalone Booking or Package Booking may be or is fraudulent, or certain data provided by an End User and/or Representative Property cannot be verified, then the Parties will work together in good faith to address such fraudulent or potentially fraudulent Standalone Booking or Package Booking and such co-operation shall include, but not be limited to, the Supplier obtaining any information that Expedia reasonably requires from the Property. In the event of a fraudulent or potentially fraudulent Standalone Booking or Package Booking according to Expedia’s assessment, Expedia may cancel such Standalone Booking or Package Booking at any time. If such circumstance arises, Expedia agrees to share the information of the transaction with Decolar. The Supplier shall provide a dedicated and staffed email address and telephone number twenty-four (24) hours a day to allow Expedia to cancel a Standalone Booking or Package Booking for fraudulent or potentially fraudulent activity (“Cancellation Notice”).

On receipt of a Cancellation Notice, the Supplier shall make its best efforts to cause the Property to process any cancellation of such Standalone Booking or Package Booking prior to or within two (2) hours after check-in. Decolar will make its best efforts to communicate with the Property so that neither Expedia nor any of its Affiliates shall be obligated to pay any cancellation fee or penalty. If the cancellation of a fraudulent or potentially fraudulent Standalone Booking or Package Booking occurs after such two (2) hour period following check-in, Decolar will make its best efforts to communicate with the Property so that the maximum penalty that may be charged to Expedia will be the relevant EC Remittance for the room, up to and including the date the Standalone Booking or Package Booking was cancelled, plus any applicable Taxes. The Supplier agrees that it will make its best efforts to recover any costs, expenses or fees incurred by Expedia as a result of the lack of fraud cooperation by a Property. The Supplier shall be solely responsible for any costs, expenses or fees incurred by Expedia associated or related to any failure to comply with its obligations set out in this Section E.5.b, including but not limited to chargeback amounts, interchange fees or merchant processing costs, penalties, fines, and fees (collectively “Refund Fees”). Expedia shall provide the Supplier with a statement from time to time of the Refund Fees incurred by Expedia which amount shall either, as determined by Expedia in its sole discretion: (i) be offset by Expedia against any amounts due to the Supplier; or (b) paid by the Supplier within thirty (30) days of the date of Expedia’s request.

c. Personal Data and Security. Unless Supplier receives consent directly from the End User, Supplier will not and will not permit any of its Affiliates to use information about End Users provided by Expedia to directly or indirectly, identify or engage in any solicited or unsolicited marketing, promotional, or similar communications. The Supplier shall: (i) when processing Personal Data, comply with applicable Data Protection Legislation and not, by act or omission, place Expedia in violation of any applicable Data Protection Legislation; (ii) process Personal Data only for the purposes of providing the Services under this Agreement or otherwise on the written instruction of Expedia; (iii) ensure appropriate operational and technical measures are in place to safeguard the Personal Data against any unauthorized access, loss, destruction, theft, use or disclosure; (iv) ensure that any third party vendor or service provider that is engaged by Supplier to process the Personal Data on Expedia’s behalf has entered into a written contract that contains data protection provisions substantially similar to these in this Agreement; (v) promptly notify Expedia if it becomes aware of any unauthorized or unlawful processing or breaches of security relating to the Personal Data; (vi) in relation to the transfer of Personal Data, process Personal Data deserving of special protection in the EU Travelers outside of the European Economic Area (“Data Transfer”), except where the transfer is necessary for the conclusion or performance of a contract concluded in the interest of Expedia or the End User, is required by law and/or in relation to the transfer of Personal Data to Supplier’s group companies for the sole purpose of providing services to Expedia or End Users under this Agreement; and (vii) in
relation to Data Transfer outside of the European Economic Area, shall ensure that any transfer of Personal Data relating to EU Travelers outside the European Economic Area is adequately protected as required Data Protection Legislation applicable in jurisdictions where Decolar operates. The Supplier warrants, represents and undertakes that any data it receives and/or has access to under or in relation to this Agreement, that it shall use such data in accordance with this Section E.5.c, and only as strictly necessary to fulfill each Standalone or Package Booking and not for any other purpose.

d. **Expedia Privacy Policy.** Expedia shall maintain privacy policies that govern the collection, treatment use and disclosure of Customer Personal Data from End Users of the Expedia Platform and any Expedia Travel Solution (the “**Expedia Privacy Policies**”) in connection with all collection, treatment, use, disclosure and retention of any Customer Personal Data, and shall ensure that it permits to share Customer Personal Data with Decolar and its Affiliates for the purpose of fulfilling its obligations hereunder with respect to procuring travel reservations or providing other services or functions on behalf of End Users or for Decolar on behalf of End Users, except as otherwise restricted by applicable law. Expedia shall ensure that it and its Controlled Affiliates have complied and at all times are in compliance with all applicable Laws, as well as any of its own applicable privacy policies, with respect to any Customer Personal Data. Expedia shall take all reasonable steps to ensure that all End Users have agreed or consented to or are otherwise subject to appropriate data privacy policies which permit the transfer and retention of the Customer Personal Data of such End Users by Expedia to Decolar.

e. **Health and Safety.** At Expedia’s request, Supplier agrees to make its best efforts to promptly cause a Property to provide Expedia with copies of such Property’s annual operating licenses and/or similar certificates to operate legally in the jurisdictions in which such Properties operate. In addition, Expedia may provide Supplier with a health and safety self-assessment questionnaire from time to time, and Supplier agrees to make its best efforts to pass on such questionnaire to the Property so that the Property can supply the information requested in the self-assessment in a timely manner. Further, Supplier agrees to make best efforts to promptly cause a Property to permit any employee of or consultant appointed by Expedia to carry out health and safety reviews of such Property. If, as a result of a self-assessment or a health and safety inspection, Expedia recommends health and safety enhancements or changes for any Property, Supplier agrees to make its best efforts to pass on to the Property such recommendations. Expedia is not obligated or otherwise required to display or make available for booking on any Expedia Travel Solution any Property received through the Decolar and in the event that Supplier or the Property fails to comply with Expedia requests under this Section E.5.e, Expedia may decide not to display such specific Property.

f. **Taxes.** Provided that Payments are performed in accordance to Section B.3.b, Supplier acknowledges that it is solely responsible for (i) the accuracy of such Tax rate information, the identification of applicable Taxes and any changes to the Tax rates entered into Decolar API and (ii) any Taxes related to any corporate or organizational structure of Decolar and its Affiliates, including any intercompany payments or flow of funds to or between the Decolar and its Affiliates. Supplier is responsible for accounting to the relevant tax authorities for any Taxes applicable to any amounts received by Supplier in consideration for Provider’s services, provided may retain Taxes paid by the End User to the extent Expedia is required to pay such Taxes directly to the applicable Tax authorities. The Compensation is exclusive of Tax, and where Tax applies to the Compensation, such Tax amount shall be retained by Expedia. If requested by Expedia, Supplier will promptly provide Expedia with valid Tax invoices in respect of any transactions entered into under this Agreement, where Taxes are chargeable under applicable law. Each Party shall deliver to the other Party, prior to receipt of any payment hereunder, duly completed and signed copies of any necessary Tax forms, including Internal Revenue Service Forms W-9, W-8BEN or W-8ECI or other appropriate version of Form W-8, as applicable, or any similar information satisfactory to the other Party to establish that the payment is not subject to any Withholding Tax, including backup withholding, or is entitled to an exemption from, or reduction of, such withholding, as applicable. Thereafter, the Parties shall (a)
promptly notify each other of any change in circumstances of which they become aware that would cause any withholding to apply or would modify or render invalid any claimed exemption or reduction of withholding, and (b) take any commercially reasonable action that may be necessary to avoid any requirement to make any deduction or withholding.

g. Decolar Responsible. Decolar acknowledges and agrees that it shall make commercial reasonable efforts to ensure each Property’s proper and prompt performance of the terms and conditions set forth herein, including prompt enforcement of the terms and conditions of the Hotel Agreement.

6. Further Actions.

None of Expedia or its affiliates will use any Confidential Information available through the Decolar API or otherwise received pursuant to this Agreement to improve its own ordinary course hotel supply contracts with Properties in the Decolar Territory.

7. Miscellaneous.

a. Confidentiality and Public Statements. The Parties agree that any confidential, proprietary, know-how or trade secret information of any Party in any form (including commercial terms, commissions and fees and any other commercial terms disclosed through this Agreement or Decolar’s API) that is designated as “confidential” or that a reasonable person knows or reasonably should understand to be confidential (“Confidential Information”) will only be used as specifically permitted by the terms and conditions of this Agreement. Without the express written consent of the Party whose Confidential Information will be disclosed, during and after the Term, no Party will disclose or allow the disclosure of any Confidential Information of another Party to any third party, except that a Party may disclose Confidential Information to its employees, directors, agents, independent contractors and consultants on a need-to-know basis, provided that said Party has executed appropriate written agreements with each such individual or entity sufficient to enable compliance with all the provisions of this Section E.7.a. For the avoidance of doubt, “Confidential Information” includes, but is not limited to, information (i) provided by an End User in connection with any Standalone Booking, Package Booking or Opaque Booking, or (ii) provided by Expedia or any of its Affiliates, or otherwise obtained by Supplier, in connection with this Agreement, including without limitation, the terms and conditions of this Agreement. “Confidential Information” does not include any information that (A) becomes publicly available without the receiving Party’s breach of any obligation owed to the disclosing Party, (B) was known to the receiving Party prior to the disclosing Party’s disclosure of such information, (C) became known to the receiving Party from a source other than the disclosing Party where such source did not breach an obligation of confidentiality owed to the disclosing Party, or (D) is independently developed by the receiving Party. A Party may disclose another Party’s Confidential Information if required to do so to comply with a court order or other Governmental Authority demand that has the force of law; provided, that prior to disclosure, the disclosing Party must seek the highest level of protection available and provide the other Party with reasonable notice to seek a protective order. All Confidential Information will remain the exclusive property of the disclosing Party. No Party shall issue or participate in any press release or other public announcement, confirmation or statement regarding this Agreement or the contents of this Agreement without the other Party’s prior written consent. Further, no Party shall make disparaging public comments or remarks about another Party; provided that the Parties acknowledge and agree that user-generated content shall not be covered by this Section E.7.a. Nothing in this Section E.7.a shall prevent any Party from making any disclosure required by law, rule or regulation following prior consultation with the other Party (but such consultation is required only if prior consultation is lawfully permitted).

b. Disputes.

i. Non-payment Disputes. If Expedia and Decolar are unable to resolve any dispute (other than disputes relating to (i) Expedia Partners, which are addressed in Sections D.2 and D.3 or (ii) payment obligations, which are addressed in Section E.7.b.ii below) arising under this Agreement within five
(5) Business Days after delivery of a notification of dispute, the Party believing itself to be aggrieved shall request progressive management involvement in the dispute resolution process by written notice to the other Party. The Parties shall use commercially reasonable efforts to arrange personal meetings and/or telephone conferences as needed. The negotiators shall have the Negotiation Period, including every level of the Escalation Process, in which to attempt to resolve the dispute. If such matter remains unresolved, either Party may exercise any rights available to it with respect to the disputed item under this Agreement or otherwise, including to settle the dispute in accordance with the terms set forth in Section E.7.1.

ii. Payment Disputes; Other Charges. If a dispute arises with respect to any payment obligation under this Agreement, neither Party shall be obligated to pay any disputed amounts set forth in a Compensation Statement delivered by Decolar until such time as the dispute has been resolved. Upon the earlier of (i) the end of each anniversary of the Effective Date or, (ii) at such time as the outstanding aggregate disputed amount exceeds USD ***, either Party may deliver to the other Party in writing a notice of any disputed payment obligations (a "Dispute Notice"), specifying in reasonable detail the nature of its dispute and the specific disputed amounts, including line item detail for such disputed amounts. During the thirty (30) day period after the delivery of such dispute notice to the other Party, the Parties shall attempt in good faith to resolve any such dispute and finally determine the proper amounts to be reflected on such statement. If, at the end of such thirty (30)-day period, the Parties have failed to reach agreement with respect to the matters addressed in the Dispute Notice, then the matter shall be submitted to the Accountant, which shall act as arbitrator. The Accountant shall determine the proper amounts to be reflected on a Compensation Statement for such period in accordance with the terms and conditions of this Agreement. The Accountant shall deliver to each Party, as promptly as practicable and in any event within thirty (30) days after its appointment, a written report setting forth the resolution of the dispute for such period. Such report shall be final and binding upon the Parties to the fullest extent permitted by applicable Law and may be enforced in any court having jurisdiction. Each Party shall bear all the fees and costs incurred by it in connection with this arbitration, except that, if the Accountant determines that the aggregate net adjustment to the applicable statement was greater than five percent (5%), all fees and expenses relating to the foregoing work by the Accountant shall be borne by the Party that does not prevail on the matters resolved by the Accountant, all fees and expenses related to the foregoing work by the Accountant shall be borne by the Party for any such dispute in which such Party did not prevail. No Payment dispute shall give the Party disputing such Payment the right to withhold any such Payment that is in dispute hereunder. For the avoidance of doubt, if a dispute arises with respect to any payment obligation under this Agreement, until such time as the dispute has been resolved in a manner satisfactory to the Parties in accordance with terms of this section, neither Supplier nor any Property will (i) apply any payment received for any other Booking or invoice to the disputed Booking or amount, (ii) charge or attempt to charge the End User directly for the disputed amount, (iii) refuse to honor any End User’s Booking, or (iv) take any other action likely to interfere with the fulfillment or enjoyment of any End User’s Booking. Final service provider is responsible for any incidental changes or services requested by a guest directly to the Supplier or the Property and for collecting from the guest any charges for such incidental changes or services.

c. Books and Records. In accordance with standard records retention business practices and policies in the industry, and in accordance with applicable generally accepted accounting standards, each Party shall keep all usual and proper records related to the performance of such Party’s obligations under this Agreement. Subject to the terms of this Section E.7.c, the unmodified books and records of each Party with respect to this Agreement, including without limitation, any information contained in any facsimile or electronic communication submitted by Supplier or Expedia, will control over any manual evidence provided by the other Party and will constitute

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
evidence of the receipt by Supplier of Bookings made by End Users through the Expedia System and the amount of the applicable Compensation or EC Remittance, as the case may be, in respect of such Bookings. Each Party acknowledges that the other Party generally has no knowledge of (i) End Users’ actual arrival or departure dates, (ii) any cancellation notice that may be given by End Users directly to the Property, or whether any such cancellation notice as may be given is sufficient under the Property’s policies to relieve End Users (and Expedia) of all or any portion of the charges otherwise due to the Property, or (iii) any adjustment that may be negotiated by the Property directly with End Users with respect to reductions in rate, duration of stay, or otherwise. Accordingly, Supplier agrees that Expedia and its Affiliates shall be entitled to rely upon and accept as accurate any information relating to Standalone Bookings or Package Bookings received by Expedia from Supplier.

d. Limitations. (i) Expedia may, at any time and in its sole discretion, refuse to offer, display, or list for booking any Decolar Travel Products, including Properties’ rooms made available by Supplier through the Decolar API to the Expedia System. Expedia makes no representations or warranties regarding the Expedia System, Decolar Travel Products or Properties’ rooms, including any temporary or permanent interruption of the operation of the Expedia System or with respect to the number, frequency, or type of rooms booked through the Expedia System. With respect to Standalone Bookings, Package Bookings and Opaque Bookings, nothing in this Agreement constitutes a sale or rental of rooms to or by Expedia. (ii) EXCEPT AS EXPRESSLY DESCRIBED IN THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, NO PARTY WILL BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, OR OTHER CONSEQUENTIAL DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FOR ANY DIRECT OR INDIRECT LOST PROFITS OR REVENUE OR BUSINESS, OR LOST OR CORRUPTED DATA OR LOST ANTICIPATED SAVINGS OR GOODWILL OR REPUTATION, INCLUDING COSTS OR EXPENSES (INCLUDING ATTORNEYS’ FEES AND EXPENSES). (iii) Except as expressly described in this Agreement, no Party makes any warranties of any kind, whether express, implied, statutory or otherwise, and each Party specifically disclaims all implied warranties, including any warranties of merchantability or fitness for a particular purpose, to the maximum extent permitted by applicable law. (iv) Nothing in this Agreement shall limit or exclude any Party’s liability for fraud, death or personal injury caused by negligence any other liability which cannot be limited by law or any liability it has under an express obligation in this Agreement to indemnify the other.

e. Representations and Warranties. (i) Each Party represents and warrants that: (A) it is duly organized and validly existing under the laws of its state of organization and has full entity power and authority to enter into this Agreement and carry out the provisions included in this Agreement; (B) such Party is authorized to enter into this Agreement and perform its obligations under this Agreement; (C) this Agreement constitutes a valid and binding obligation enforceable against such Party in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws of general applicability relating to or affecting creditors’ rights and to general equity principles; (D) the execution and performance of the each Party’s obligations under this Agreement will not violate any Laws of any jurisdiction nor the terms and conditions of any agreement or obligation between each Party and any third party, and (E) each Party holds all licenses, permits and authorizations required to comply with the obligations under this Agreement and no approval, order, consent of or filing with any Governmental Authority is required on the part of such Party in connection with its execution and delivery of this Agreement or the performance of its obligations under this Agreement. Decolar represents, warrant and covenants that: (a) each Property has executed and delivered to Decolar a Hotel Agreement, (b) to the extent that of the Hotel Agreement, (i) Decolar is legally authorized to bind each Property to the terms of this Agreement, and (ii) the terms and conditions of the Hotel Agreement are appropriate to enable Decolar to comply with and ensure the Property’s compliance with the obligations set forth herein, including, but not limited to, the obligation of the Property to indemnify the Decolar, its Affiliates and the Decolar Parties, and by virtue of the terms hereof, End Users, Expedia and its Affiliates against any losses caused by or resulting from any act, omission, failure, negligence of the Property
to any End User, Expedia and/or its Affiliates in connection with claims from End Users; and (c) Decolar will make commercially reasonable efforts to enforce the terms of the Hotel Agreement.

f. OFAC. Sanctions Regimes. Expedia represents and warrants that Expedia and each of its Affiliates is not and will not provide the Decolar Travel Products, or any information related thereto, to any entity incorporated in or resident in a country subject to economic or trade sanctions by the U.S. State Department or OFAC or are listed as a “Specially Designated National,” a “Specially Designated Global Terrorist,” a “Blocked Person,” or similar designation under the OFAC sanctions regime, except as permitted by law, license or exemption. Any material breach of this Section E.7.f arising from a Booking shall be deemed a material breach of this Agreement, and Decolar may immediately terminate this Agreement unless such breach has been cured within ten (10) days of notice of its occurrence; provided that any notice of violation from OFAC reflecting the misuse of Decolar Travel Products, or other final judgment indicating a breach of this Section E.7.f, shall be considered a material breach of this representation unless the result of a voluntary self-disclosure notice by Expedia as soon as practicable following becoming aware of any OFAC violation. Supplier represents that no Property is incorporated in or resident in a country subject to economic or trade sanctions by OFAC, or is listed as a “Specially Designated National,” a “Specially Designated Global Terrorist,” a “Blocked Person,” or similar designation under the OFAC sanctions regime. Expedia represents that neither it, its Affiliates, nor any beneficial owner of Expedia, are incorporated in or resident in a country subject to economic or trade sanctions by OFAC, or are listed as a “Specially Designated National,” a “Specially Designated Global Terrorist,” a “Blocked Person,” or similar designation under the OFAC sanctions regime.

g. Insurance. Decolar represents and warrants that before the Effective Date it has obtained the Policy (which has been previously approved by Expedia), and will at all times maintain the Policy or a substantially similar policy. The Policy currently names, and will continue to name, Expedia as an additional insured. Expedia may terminate this Agreement immediately upon written notice to Decolar if Supplier fails to comply with this Section E.7.g.

h. Indemnification. Expedia agrees, at its expense, to indemnify, defend and hold harmless Decolar, Properties and any of Decolar’s or Properties’ officers, directors, employees, or agents (“Indemnitees”) against any third-party claim or action for a breach or default by Expedia and/or its Affiliates under this Agreement; such indemnity to be limited to the loss, damage, expense or other liability (including without limitation, reasonable attorneys’ fees and expenses) directly incurred by an Indemnitee from that third-party claim or action and to apply only where the claim or action arose from breach or default by Expedia, its Affiliates or an Expedia Partner under this Agreement, including, without limitation, a breach of any representation, warranty or covenant. Supplier agrees, at Supplier’s expense, to indemnify, defend and hold harmless Expedia, each of its Affiliates and any of Expedia’s or any of its Affiliates’ officers, directors, employees, or agents against any third-party claim, action, loss, damage, expense or other liability (including without limitation, reasonable attorneys’ fees and expenses) arising from or relating to (i) the performance of any duties and obligations of Decolar, its Affiliates under this Agreement or any breach or default by any Decolar, its Affiliates under this Agreement, including, without limitation, a breach of any representation, warranty or covenant, (ii) lack of commercially reasonable cooperation by Decolar, its Affiliates in recovering losses caused by or resulting from any act, omission, failure, negligence of the Property to End Users, Expedia and its Affiliates in connection with claims from End Users. The Parties agrees to use counsel reasonably satisfactory to the other Party to defend any indemnified claim, and the other Party may participate in the defense or settlement of any claim at any time. The Parties also agrees not to consent to the entry of any settlement or judgment without the other Party’s prior written consent, which consent will not be unreasonably withheld.

i. Notices. All notices must be in English, in writing, and sent by facsimile, by electronic transmission or a nationally recognized overnight air courier to the applicable facsimile number, email address or address included in this Agreement, or such other notice address/fax/email delivered in a manner permitted by this Section E.7. i. Notices are deemed delivered and received (i)
j. Assurances. Expedia reserves the right to recoupment and offset of any amounts owed to Expedia by Supplier under this Agreement or any other agreement between Expedia and Decolar and/or any of its Affiliates. Upon written notice, Expedia may terminate this Agreement if Decolar ceases to do business, becomes insolvent, or is subject to bankruptcy or insolvency proceedings, whether actual or reasonably believed to be imminent. Upon written notice, Supplier may terminate this Agreement immediately with respect to any entity listed in the definition of “Expedia” if such entity ceases to do business, becomes insolvent, or is subject to bankruptcy or insolvency proceedings, whether actual or reasonably believed to be imminent. If reasonable grounds for insecurity arise regarding a Party’s performance of this Agreement, then the other Party may demand written adequate assurance of due performance (Expedia may provide such assurance on behalf of any of its Affiliates). Until the requesting Party receives such assurance in writing, it may suspend its performance of this Agreement. If the written assurance is not received within five (5) days after its request, or within such other reasonable period of time as a requesting Party may designate, then the failure to furnish such assurance constitutes a material breach of this Agreement, and the requesting Party may immediately terminate this Agreement upon written notice to Expedia, in the case of Decolar, or Decolar, in the case of Expedia.

k. Amendment. Any modification of this Agreement must be in writing and signed by Expedia and Decolar.

l. Governing Law; Arbitration. This Agreement is governed by and shall be construed in accordance with the laws of the state of New York without giving effect to any conflict of law principles. Without prejudice to Section E.7.b, any dispute arising or relating to this Agreement, or breach thereof, which cannot otherwise be resolved as provided above shall be resolved by binding arbitration conducted in accordance with the commercial arbitration rules of the American Arbitration Association (the “Arbitrator”) (or, major international arbitration institution agreed by the Parties) and judgement upon the award rendered by the arbitration may be entered in any court of competent jurisdiction. The arbitration shall be conducted by a single arbitrator appointed in accordance with such rules, provided however, that if either Party requests the arbitration to be conducted by a panel of three arbitrators, one will be appointed by each Party and the third will be appointed in accordance with such rules. The place of arbitration shall be New York, New York, United States of America, unless the Parties shall have agreed to another location within fifteen (15) calendar days from the first referral of the dispute to the Arbitrator. The decision or award made by the arbitrator or arbitrators shall be final and binding, and the Parties waive any right to appeal the arbitral award, to the extent a right to appeal may be lawfully waived. The costs of any arbitration, including administrative fees and fees of the arbitrator or arbitrators, shall be shared equally by the Parties, unless otherwise specified by the arbitrator or arbitrators. If the Party initiating the arbitration is determined in the arbitral award to have lost the Dispute, such Party shall pay the other Party’s attorneys’ and expert fees. Otherwise, each Party shall bear the cost of its own attorneys’ and expert fees. Each Party retains the right to seek judicial assistance: (a) to compel arbitration; and (b) to enforce any decision of the arbitrator, including the final award. The arbitration proceedings contemplated by this Section C.7.j shall be as confidential and private as permitted by law. To that end, the Parties shall not disclose the existence, content or results of

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
any proceedings conducted in accordance with this Section C.7.j., and deem that all materials submitted in connection with such proceedings are for the purpose of settlement and compromise; provided, however, that this confidentiality provision shall not prevent a petition to vacate or enforce an arbitral award, and shall not bar disclosures required by law (including any rule, regulation or policy statement of any national securities exchange, market or automated quotation system on which the Receiving Party’s securities are listed or quoted).

m. Miscellaneous. Each Party will fully comply with all international, national, state, federal or local laws, regulations and treaties applicable to its business and operations. Supplier acknowledges that Expedia provides bookings for multiple properties, including Supplier’s competitors, that Expedia has no obligation to disclose any terms relating to Expedia’s relationship with other properties, and that Expedia does not have any duty to disclose or segregate in any manner any amounts collected by Expedia from End Users under this Agreement. This Agreement is not intended to and does not create a partnership or joint venture relationship between or among the Parties. A Party’s failure to perform under this Agreement, other than the obligations set forth in Section E.3.c, is excused if the failure results from a Force Majeure Event. A Party whose performance is impaired as a result of a Force Majeure Event shall promptly notify Expedia, in the case of Supplier, or Decolar, in the case of the Expedia. No Party may assign or otherwise transfer in any manner (whether voluntary or involuntary, or by operation of law, sale of securities or assets, merger, reorganization or otherwise) this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of Expedia, in the case of Supplier, or Decolar, in the case of Expedia; provided, however, that Expedia may assign any of its rights or obligations to any of its Affiliates. Any purported assignment in contravention of the preceding sentence will be void and of no force or effect. This Agreement is binding upon, and inures to the benefit of, the Parties and their respective permitted successors and assigns. Expedia may terminate this Agreement with immediate effect upon written notice to the Decolar should any Governmental Authority regulatory entity or any of its agencies, including but not limited to any state gaming commission, require that Expedia be investigated, registered or licensed in any form as a result of this Agreement. No provision in this Agreement may be waived, unless such waiver is confirmed in a writing signed by Expedia and Decolar. If any part of this Agreement is deemed invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement continues in effect. The language of this Agreement will be English and any translation of this Agreement into a language other than English will be for reference purposes only. In the event of a conflict of interpretation, the English language will prevail. Except as otherwise agreed by the Parties, all payments contemplated under this Agreement will be made in US dollars. Sections A.1, B.1-B.3, C.1, E.3.b-d, E.4.a, E.4.c, E.5.b-c, E.5.e, E.6 and E.7, any other definitions, and any terms that, expressly state that they survive or by their nature, are intended to survive, will survive termination or expiration of this Agreement. This Agreement (including any amendments, exhibits or addenda hereto) is the Parties’ entire agreement respecting the subject matter hereof and supersedes all prior agreements, written and oral, respecting the subject matter.

n. DECOLAR DISCLAIMER. EXCEPT AS OTHERWISE SET FORTH HEREIN, THE DECOLAR API IS PROVIDED BY DECOLAR AND ITS AFFILIATES “AS IS” AND WHERE AVAILABLE, AND NEITHER DECOLAR NOR ANY OF ITS AFFILIATES MAKES ANY REPRESENTATIONS OR WARRANTIES WITH REGARD TO THE SAME. DECOLAR AND ITS AFFILIATES EXPRESSLY DISCLAIM ALL IMPLIED WARRANTIES, OBLIGATIONS AND LIABILITIES ARISING BY LAW OR OTHERWISE, WITH RESPECT TO THE DECOLAR API, INCLUDING WITHOUT LIMITATION ANY: (a) IMPLIED WARRANTY OF MERCHANTABILITY, SATISFACTORY QUALITY OR FITNESS FOR A PARTICULAR PURPOSE; (b) IMPLIED WARRANTY ARISING FROM COURSE OF PERFORMANCE, COURSE OF DEALING OR USAGE OF TRADE; OR (c) IMPLIED WARRANTY OF NON-INFRINGEMENT. Neither Decolar nor any of its Affiliates will have any liability to Expedia or any of its Affiliates or any End User relating to: (a) any failure of the systems of Decolar or its Affiliates or any third party that results in the failure or inability to process a Booking or transaction; (b) the quality of the Decolar Travel Products provided by Properties to End Users or (b) Expedia’s failure to meet its payment obligations.
o. LIMITATION OF LIABILITY. THE TOTAL AGGREGATE LIABILITY OF EITHER PARTY FOR CLAIMS ARISING IN CONTRACT, EQUITY OR OTHERWISE ARISING OUT OF OR RELATED TO THIS AGREEMENT WILL NOT EXCEED THE GREATER OF: (A) THE TOTAL COMPENSATION PAID OR PAYABLE BY DECOLAR TO EXPEDIA UNDER THIS AGREEMENT IN THE MOST RECENT TWELVE (12) MONTH PERIOD PRECEDING THE EVENTS GIVING RISE TO SUCH LIABILITY; AND (B) *** DOLLARS ($***); PROVIDED, HOWEVER, THAT THE LIMITATIONS OF LIABILITY SET FORTH IN THIS SECTION SHALL NOT APPLY TO ANY LIABILITY OF A PARTY ARISING FROM (a) SUCH PARTY’S FRAUD, INTENTIONAL MISREPRESENTATION, GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR BREACH OF THIS AGREEMENT, (b) AN AWARD OF DAMAGES AGAINST AN INDEMNIFIED PARTY IN CONNECTION WITH A THIRD-PARTY CLAIM OR (c) ANY PAYMENT OBLIGATIONS OR AMOUNT OF DAMAGES SPECIFICALLY PROVIDED FOR IN THIS AGREEMENT (INCLUDING THOSE UNDER SECTION E.7.B.II AND E.3.D).

p. DECOLAR API. Subject to the process set forth in Section D.2 and D.4, Decolar reserves the right to remove Decolar API access from Expedia and its Affiliates, if (i) a significant security breach of the Expedia Platform has occurred and is ongoing, as identified by Expedia, and such security breach poses a material threat to the Decolar systems or (ii) a malfunction by the Expedia Application, Expedia systems or any Expedia Partner’s systems, directly through its connection to the Decolar API, creates, or poses a material and likely threat of creating, a failure of the Decolar systems which would lead to a material adverse effect on Decolar and its Affiliates, taken as a whole. Except for limited testing, Expedia will provide Decolar with 10 days’ prior notice before Expedia makes available Decolar Travel Products through the Decolar API on a brand owned or operated by Expedia, other than Brand Expedia-powered points of sale.

q. Right to Specific Performance. The Parties hereby expressly recognize and acknowledge that immediate, extensive and irreparable damage would result, no adequate remedy at law would exist and damages would be difficult to determine in the event that any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Each Party further acknowledges that a breach or violation of this Agreement cannot be sufficiently remedied by money damages alone and, accordingly, each Party shall be entitled, without the need to post a bond or other security, in addition to damages and any other remedies provided at law or in equity, to specific performance, injunctive and other equitable relief in order to enforce or prevent any violation. Each Party agrees not to oppose the granting of such equitable relief, and to waive, and to cause its representatives to waive, any requirement for the securing or posting of any bond in connection with such remedy.

8. Expedia Parent Payment Guarantee. Expedia Parent irrevocably, absolutely and unconditionally jointly and severally guarantees to Decolar the full and timely payment of Expedia’s payment obligations hereunder, in each case during the Term (the “Expedia Guaranteed Obligations”). This is a guarantee of payment, and Expedia Parent acknowledges and agrees that this guarantee is full and unconditional, and no release or extinguishment of Expedia’s obligations or liabilities under this Agreement, whether by decree in any bankruptcy proceeding or otherwise, shall affect the continuing validity and enforceability of this guarantee. Without limiting the generality of the foregoing, Expedia Parent authorizes Expedia in its sole and absolute discretion, without any notice to or consent of Expedia Parent and without in any way discharging, terminating, releasing, affecting or impairing the obligations of Expedia Parent hereunder, to (a) amend, modify, extend or accelerate the time or manner of payment for or performance of the Expedia Guaranteed Obligations or otherwise amend or modify any other terms of provisions of this Agreement in accordance with its terms, (b) release, discharge, compromise or make any settlement with Decolar in respect of the Expedia Guaranteed Obligations or (c) exercise any right or power conferred in this Agreement, or fail or omit to enforce any such right or power, or waive any covenant or condition therein provided.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
9. Definitions. Except as set forth in Section A of this Agreement, Capitalized words used but not defined herein have the meaning described in the body of this Agreement.

“Accountant” means KPMG LLP, or if KPMG LLP becomes unavailable, shall mean a certified public accounting firm chosen together by each Party’s auditors.

“Affiliate” means, in relation to Expedia, (a) Expedia, Inc., a Delaware corporation, and any entity that is directly or indirectly controlled by Expedia, Inc., a Delaware corporation (an “Expedia Controlled Affiliate”) or (b) any third party that facilitates bookings through the Expedia System (an “Expedia Partner”). For purposes of this definition, “control” shall be the beneficial ownership of 50% or more of any class of the voting securities of the relevant entity. With respect to (a) above, the term “Affiliate” will not be interpreted to include trivago GmbH or any of its subsidiaries. In relation to Decolar, means each entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with Decolar including, for the avoidance of doubt, Decolar.com, Inc., a Delaware corporation; provided that in no event will Expedia or any of its Affiliates be deemed to be an Affiliate of Decolar or any of its Affiliates.

“Annual Gross Booking Value” means the aggregate Room Price for any and all Bookings of Decolar Travel Products in any given Contract Year or calendar year, as applicable.

“Booking” means a Standalone Booking, a Package Booking and an Opaque Booking.

“Business Day” means any day on which banks in New York, New York and Buenos Aires, Argentina and Montevideo, Uruguay, are open for commercial banking business during normal banking hours, other than Saturday, Sunday or any federal or national holiday in the United States, Argentina or Uruguay.

“Compensation Statements” means the HC Compensation Statement(s) and/or EC Compensation Statement(s).

“Consumed” means, in the context of a Booking booked through the Decolar API, that the accommodation underlying such Booking has actually been provided to, and consumed by, the End User by the relevant Property and that the Compensation for such Booking has been retained or otherwise received by Decolar or its Affiliates.

“Contract Year” means the twelve month period immediately following the Effective Date and each anniversary thereof.

“Cross-Selling Efforts” means marketing efforts made by Expedia or its Affiliates to offer a booking of a Decolar Travel Product in connection with and after the End User has booked an air, car rental, or rail travel products.
“Customer Personal Data” means any of the following information with respect to an individual (a) highly sensitive information (such as financial/payment, account numbers, credit/debit card numbers, authentication data and passwords, SSN, Driver’s license, passport numbers, email addresses, telephone numbers and data related to ethnic origin, political opinion, health and/or sexual preferences among others), (b) confidential information (such as contact information, IP addresses, demographic information, date of birth or age and citizenship), and any other sensitive information.

“Decolar API” means the application programming interface or any other method, conduit or medium of delivery or access (including any future method, conduit or medium) that makes available Decolar Travel Products for booking by End Users on an Expedia Travel Solution.

“Decolar Logos” means the trademarks, copyrights and brand names associated with Decolar and its Affiliates, including Decolar and Despegar.

“Decolar Party” means any third party with authorized access for booking Decolar Travel Products.

“Decolar Travel Products” or “Travel Products” means lodging and lodging-like products and services (available now or hereafter fully developed by Decolar), whether as a Standalone Booking, Package Booking or Opaque Booking, which are offered or otherwise made available by Decolar or any of its Affiliates for booking on through the Decolar API.

“Decolar Travel Solution” means a Travel Solution operated by or on behalf of, or otherwise powered (whether through the provisions of Travel Products, technology or otherwise), supported or facilitated by Decolar or its Affiliates through the use of Decolar API.

“Decolar Territory” means all countries in the South American continent and the countries of Anguilla, Antigua and Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, Bonaire, British Virgin Islands, Cayman Islands, Costa Rica, Cuba, Curacao, Dominica, Dominican Republic, El Salvador, Grenada, Guadeloupe, Guatemala, Haiti, Honduras, Jamaica, Martinique, Mexico, Montserrat, Nicaragua, Panama, Puerto Rico, Saba, Saint Barthélemy, Saint Kitts and Nevis, Saint Lucia, Saint Martin, Saint Vincent and the Grenadines, Saint Eustatius, Saint Maarten Trinidad and Tobago, Turks and Caicos Islands and U.S. Virgin Islands.

“Decolar Territory Travel Solution” means a Travel Solution (i) in the Decolar Territory, which Travel Solution is owned and/or operated by Decolar and/or its Affiliates or (ii) outside of the Decolar Territory, which Travel Solution is (a) owned and/or operated by Decolar or its Affiliates and (b) *** (c) with respect to the promotion of such Travel Solution, Decolar and/or its affiliates made and have budgeted to make marketing investments in excess of US$ *** in each of the prior and current calendar years, respectively.

“End User” means a person that is a consumer of a good or service.

“Exchange Rate” means, for any given day, from (i) 12:00:00 a.m. to 7:59:59 p.m. New York time on such day, the Bloomberg Generic: BGN; Last, which was updated at 5:00 p.m. New York time on the previous day and (ii) 8:00 p.m. until 11:59:59 p.m. New York time on such day, the Bloomberg Generic: BGN; Last, which was updated at 5:00 p.m. New York time on such day.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
<table>
<thead>
<tr>
<th>Entity(ies)</th>
<th>Type of Bookings</th>
<th>Relevant Property Geography</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expedia Lodging Partner Services Services, Sarl, a Switzerland limited liability company</td>
<td>Standalone Bookings, Package Bookings, Opaque Bookings</td>
<td>Worldwide</td>
</tr>
<tr>
<td>Travelscape, LLC, a Nevada limited liability company (d/b/a Expedia Travel);</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VacationSpots, LLC, a Spanish private company;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotels.com, L.P., a Texas limited partnership; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AAE Travel Pte., Ltd., a Singapore private company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expedia Brazil Agência de Viagens e Turismo Ltda.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Venere Net S.r.l.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hotwire, Inc., a Delaware corporation</td>
<td>Opaque Bookings</td>
<td>Worldwide</td>
</tr>
</tbody>
</table>

Supplier agrees the foregoing chart may be updated by Expedia from time to time, with prior consent of Supplier.


“Expedia Platform” means any and all of the platforms accessed or utilized by Expedia and its Affiliates, or supplied by Expedia or any of its Affiliates, or to which they provide Travel Products, to a third party, for booking Expedia Travel Products, including Expedia’s desktop and mobile Websites, telesales services and systems, mobile applications and any other tools or mediums now or hereafter developed, whether or not branded with the Expedia Brand.

“Expedia Travel Solution” means a Travel Solution operated by or on behalf of, or otherwise powered (whether through the provisions of Travel Products, technology or otherwise), supported or facilitated by Expedia or its Affiliates through the use of an Expedia Platform or Expedia API.

“Expedia Travel Product” means any travel product which is offered, made available or otherwise permitted to be booked by, through or on behalf of Expedia and/or its Affiliates.

“Expedia System” means the software, databases, products, and other components that make up the services marketed by Expedia and/or any of its Affiliates to enable End Users to shop for, reserve, book, and/or pay for travel and/or accommodation and related services through a computer, telephone, other interactive device, or other booking channel.
“Force Majeure Event” means an unforeseeable act or event beyond that Party’s reasonable control, such as war, work stoppage, fire, weather events, air carrier interruption, or act of government; provided, that a Force Majeure Event does not include economic hardship, changes in market conditions or insufficiency of funds.

“Governmental Authority” means any national, state, provincial, municipal or local or similar governments, regulatory or taxing authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, courts, bodies, boards, tribunals, or dispute settlement panels or other Law, rule or regulation-making organizations or entities (including any travel industry regulatory or administrative body): (i) having or purporting to have jurisdiction on behalf of any nation, territory, state, or other geographic or political subdivision of any of them; or (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or any Affiliate.

“Hotel Fees” means all mandatory fees, costs or charges imposed by Property on End Users (other than the nightly rate for the applicable room and Taxes) that such End Users must pay in order to stay at the relevant Property, including without limitation resort fees and extra-person charges (to the extent not already included in the nightly rate for the applicable room), whether or not collected directly by the relevant Property. Hotel Fees do not include fees, costs, Taxes or charges for services or amenities included in the nightly rate for the applicable room or for any additional optional services or amenities that End Users choose to pay for (e.g., room service or spa appointments) or any service charges or other fees Expedia may charge to End Users.

“Limited Exceptions” means (i) limited partner’s promotions funded by such partner (which partner is not a Property) on a Decolar owned and/or operated Website, (ii) members of closed user groups where the End User has logged in to the Decolar owned and/or operated Website, (iii) coupons issued by Decolar and/or its Affiliates or (iv) limited testing optimization.

“Marks” means to patents, copyright, inventions, rights over designs and databases, registered designs, trademarks, trade names, registered trademarks, logos, service marks, practical knowledge, models, non-registered designs or, if relevant, the application of such rights, practical knowledge, trademark or trade name, domain or other similar rights or obligations whether registered or not, or any other intellectual or industrial property right, rights existing in other territories or jurisdictions worldwide.

“Materials” means all text, graphics, animation, audio and/or digital video components that reside on or are accessible from or through the Expedia System.

“Opaque Booking” means a booking of a Decolar Travel Product sourced through the Decolar API made by an End User through the Expedia System which is presented in such a manner that the Property name, flag affiliation (if any) and precise location are withheld from the End User until the End User has paid for the room.

“Package Booking” means a booking of a Decolar Travel Product sourced through the Decolar API by an End User through the Expedia System in connection with a trip that includes a booking by the same End User of a car-hire and/or airfare and/or rail ticket and/or cruise.

“Party” or “Parties” means Supplier and Expedia, individually or collectively, as the case may be.
“**Personal Data**” means personally identifiable information and, to the extent applicable Data Protection Legislation includes a definition of personal data or personally identifiable information, has the meaning set out in applicable Data Protection Legislation; and relates only to personal data, or any part of such personal data, that is made available by Expedia to Supplier under this Agreement.

“**Policy**” means the Technology Liability (E&O) and Data Protection (Cyber) Indemnity Insurance Policy, policy number *** issued by *** to Decolar, provided by Decolar to Expedia prior to the execution of this Agreement.

“**Property and Room Information**” means all information, including availability information, photographs, trademarks, names, trade names, logos, descriptions, and other content or material (a) provided by Decolar or any of its Affiliates through the Decolar API, or (b) otherwise obtained by Expedia or any of its Affiliates with Decolar’s knowledge and/or consent.

“**Property**” means any (i) hotel, inn, suite, resort or other accommodation (or parent chain or franchisor of the foregoing) and/or (ii) any third party that aggregates and distributes hotel, inn, suite, resort and/or other accommodation supply, in each case, that has entered into a contractual relationship with any Decolar or any of its Affiliates whereby it has authorized such Decolar or such Affiliate to instruct Expedia to make its rooms available for booking by End Users through the Expedia System on a Standalone Booking, Package Booking and Opaque Booking basis and which is included in Decolar API; provided, that Expedia may choose not to accept any such hotel, inn, suite, resort or other accommodation in its sole discretion.

“**Rate Plan**” means the applicable Room Price and associated booking conditions, attached to each relevant room type for a Standalone Booking or a Package Booking.

“**Room Price**” means, for any given Decolar Travel Product, the rate which is provided to Expedia by Decolar through the Decolar API for such Decolar Travel Product, including the nightly rate, applicable Taxes, Hotel Fees and any other pricing related information, other than any service charges or other fees Expedia may charge to End Users; provided that in no event will the Room Price made available to Expedia through the Decolar API for display on any Expedia point of sale include any fees from Decolar or its Affiliates, except (a) Room Prices for Expedia Collect Bookings for Expedia points of sale in regions where (i) there is a Decolar Territory Travel Solution and (ii) Decolar applies the same fee(s) on the corresponding Decolar Territory Travel Solution, and (b) Room Prices for Hotel Collect Bookings should this becomes a possibility pursuant to Section B.2 of this Agreement.

“**Standalone Booking**” means a standalone booking of a Decolar Travel Product sourced through the Decolar API by an End User through the Expedia System.

“**Tax**” or “**Taxes**” means any and all federal, national, state, local, provincial and other taxes, imposts, duties, levies, assessments and other similar governmental charges and fees imposed by any Governmental Authority, including capital gains, occupancy, gross receipts, business, income, profits, sales, use, lodging or accommodation, value added, goods and services, ad valorem, transfer, franchise, withholding, recapture, stamp duty, excise and property taxes and other taxes of any nature whatsoever (but not, for the avoidance of doubt, any Unclaimed Property Liabilities), together with all interest, penalties, and additions imposed with respect to such amounts.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
“Travel Booking” means the booking of a Decolar Travel Product.

“Travel Solution” means any online (including Websites) or offline portal, medium or other channels for consumer activities relating to travel or travel-related products, services or other offerings, including shopping, booking, reviewing, searching and redeeming of such travel or travel-related products, offering or services.

“Website” or “Websites” means any and all mediums, tools, instruments, channels and/or methods, now or hereafter developed for the access, distribution or sharing of information or electronically conducting commerce over a publicly available network, including a website, application and any and all versions of such sites and/or applications specifically designed and optimized for mobile device, such as a smartphone, tablet computer or other similar end user device.

The Parties are entering into this Agreement effective as of the Effective Date.

EXPEDIA

By: Expedia Lodging Partner Services, Sarl, individually and on behalf of:

Travelscape, LLC
VacationSpot S.L.
Hotels.com, L.P.
AAE Travel Pte., Ltd.
Hotwire, Inc.
Expedia do Brasil Agência de Viagens e Turismo Ltda.
Venere Net S.r.l.

Signature: ____________________________
Name: ____________________________
Title: ____________________________

DECOLAR

By: TRAVEL RESERVATIONS S.R.L.

Signature: ____________________________
Name: ____________________________
Title: ____________________________

EXPEDIA PARENT

By: Expedia, Inc.

Signature: ____________________________
Name: ____________________________
Title: ____________________________
Annex A

Compensation

Booking:
Any Booking for a Property through the Decolar API.

Compensation:
***% of the Revenue for such Booking through the Decolar API, provided that Decolar may increase such percentage from time-to-time whether generally or at the Property level.

“Revenue” means, with respect to each Booking, (i) for a Rate Plan or Room Price on which Decolar or any of its Affiliates is entitled to receive a commission from a Property, the sum of the following amounts related to such Rate Plan or Room Price: (a) the amount designated as a commission, plus (b) the amount which Decolar or any of its Affiliates are or would be entitled to retain from amounts received from Expedia or any of its Affiliates, an End User, other third party and/or the Property or (ii) for a Rate Plan or Room Price on which Decolar or any of its Affiliates does not receive a commission from the Property, the sum of the amounts related to the Rate Plan or Room Price for such Booking, the amount designated as a markup, fee or other amount that Decolar or any of its Affiliates receives or is entitled to retain from amounts received from Expedia or any of its Affiliates, an End User, other third party and/or the Property, in each case, solely and directly in respect of a specific Booking, excluding any and all Indirect Revenues and Taxes.

“Indirect Revenues” means, for a given period, the aggregate amount (without duplication) of any revenues received by a Party or its Affiliates indirectly related to any Travel Bookings or other transactions through a Travel Solution, including Overrides, marketing funds from Properties or other third parties, bonus payment processing revenues (such as credit card fees and rebates), and vendor bonuses.

“Overrides” means, for a given period, the aggregate amount (without duplication) of any and all remuneration of any kind paid by a Property to Decolar or its Affiliates which remuneration is, or was, contingent upon the achievement of one or more performance metrics and is not directly related to a specific Booking.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Competitors:

1. ***

The Parties agree that, upon a written request from Decolar, the Parties will review the list of Decolar competitors above (the “Competitors”) during a 3 Business Day period (each such review period, a “Competitor Review Period”), but in no event will any two Competitor Review Periods be closer together than six (6) months. During such Competitor Review Period, Decolar may, subject to Expedia’s consent (with such consent not to be unreasonably withheld), replace up to one Competitor listed above with a new competitor to Decolar, which new competitor is headquartered and primarily operates in the Decolar Territory (a “Replacement Competitor”). Expedia’s consent will be deemed to be unreasonably withheld if it withholds consent with respect to a Replacement Competitor that engages in unfair market practices which (a) generate, or if there is a high likelihood that they will generate, a material impact on Decolar’s or its Affiliates’ financial results and (b) are not in line with both (i) applicable law and (ii) common practice.

Expedia must remove access to the Decolar Travel Products from the Replacement Competitor within one month following the date of the agreement between the Parties to replace a Competitor with a Replacement Competitor.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
Annex C

Local Currency Properties: Countries

Country:

1. ***

The Parties agree that, upon a written request from Expedia or Decolar, the Parties will review the list of countries above (the “Countries”) in consultation with each Party’s treasury, tax and accounting teams. In connection with such review, the party that requested such review may, subject to the other Party’s consent (with such consent not to be unreasonably withheld), add additional countries to the list of Countries above.

*** Represents material which has been redacted and filed separately with the Securities and Exchange Commission pursuant to a request for confidential treatment pursuant to Rule 406 under the Securities Act of 1933, as amended.
CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Registration Statement on Form F-1 of Despegar.com, Corp. of our report dated May 4, 2017 relating to the financial statements, which appears in such Registration Statement. We also consent to the reference to us under the heading “Experts” in such Registration Statement.

PRICE WATERHOUSE & CO. S.R.L.

by /s/ Mariano Carlos Tomatis
Mariano Carlos Tomatis (Partner)

Buenos Aires, Argentina
August 31, 2017