



Meridiana
2015, June 29th

Meridiana GDS Efficiency Policy and Agency Debit Memo (ADM)

Dear Travel Agent Partner,

With this document Meridiana publishes the updated policy on AGENCY DEBIT MEMO (ADM), with reference to the provisions of IATA Resolutions 850m, 818, 824, 832.

We remind that the Agent is responsible for the proper issuance of tickets, in compliance with tariffs, rules, general conditions of carriage and instructions provided by the Carrier (IATA Reso 824).

In an effort to eliminate unnecessary cost and effort for you as an agent and to offer our customers the best possible service and availability, Meridiana carefully reviews all reservation activity at the same time addressing avoidable GDS costs caused by improper CRS/GDS booking practices.

Please take a moment to review the booking and ticketing practices listed and explained below. We thank you in advance for your support and cooperation.

General Information: ADM types issued by Meridiana

ADMs are used by Meridiana to adjust the amount collected on agency transactions, on Meridiana travel documents, to the correct amount of said transaction.

An ADM may also be used to collect amounts where a traffic document has not been issued, if agreed with the agent.

Types of ADMs issued by Meridiana include, but are not limited to:

- **Fare violations:**
 - Incorrect fare application and combinability (e.g. routing or sales restrictions)
 - Incorrect fare value (under collection)
 - Minimum / maximum stay, advanced purchase rules
 - Seasonality, flight applications
 - Codeshare flights not allowed
 - Stopovers, transfers and surcharges
 - Incorrect RBD (booking class)
 - Incorrect Fare Basis
 - Open or waitlisted sectors (where reservation is required)

- **Commission violations:**
 - Incorrect application
 - Over-collection of commission (standard & supplementary)
 - Discounts

- **Service Fees, Surcharges and Taxes:**
 - Incorrect collection of taxes and surcharges
 - Missing taxes/surcharges
 - Wrongly altered taxes/surcharges
 - Already used taxes refunded by mistake

- **Refund violations:**
 - Incorrect calculation of refund amount, taxes and fuel
 - Incorrect application of cancellation penalty (e.g. in case of no-show)
 - Incorrect calculation of refunds commission amount
 - Incorrect form of payment on refunds (versus sale)

- **Exchange violations:**
 - Missing rebooking fee (calculated per transaction)
 - Missing fee in case of name change/correction

- **Other violations such as but not limited to:**
 - Invalid / no ticketing agreement
 - Use of fake / manual ticket numbers
 - Invalid or incomplete ticket designator data
 - Non-compliance with group agreements
 - Charge backs and unreported tickets

Meridiana GDS efficiency policy: guidelines on correct usage of CRSs

The purpose of this policy is to reduce the costs associated with inactive segments and other booking-related practices which cause negative inventory consequences and malpractice regardless of ticket issuance, thus generating a revenue loss and for which an ADM may be raised. The below regulations have to be intended effective as from August the 1st, 2015 .

To avoid ADM, we kindly recommend what follows:

Inactive segments

When a reservation is affected by a schedule change, ticketing time limit action, flight cancellation or other extraordinary circumstance, Meridiana sends notification directly to the original booking agent's GDS queue. This notification communicates the change and directs the booking agent to accept the changes in the passenger name record (PNR) and remove the inactive segments. Changes to itinerary segment status resulting in inactive segments require action at least 24 hours prior to flight departure. This includes cancelling ticketed or un-ticketed segments with a status code of UN, NO, HX, WK, WL, or WN. Also, please action or cancel where applicable all unnecessary segments in your PNRs with the following status codes: UC, US,DS, HL,HN, LL, TL, PN, PW, NN, IN, UU, XK.

Queues

Regularly work your queues and ensure that all status codes are actioned accordingly.

Duplication of space

The creation of active or passive duplicate bookings is prohibited. This includes any simultaneous combination of bookings for a passenger which logically cannot be flown.

Fictitious/speculative bookings and ticket numbers

Holding onto Meridiana's inventory until a passenger or ticketing opportunity arises, increases Meridiana's booking fees and reduces the availability of our product. Your cooperation is requested to use the GDS only when it relates directly to a passenger's request or intention to purchase a

ticket. Creating segments, passive or active, or a combination of both, to meet GDS productivity agreements is a breach of standard industry procedures. This includes the ticketing of duplicate space from one GDS to another to fulfil booking requirements and gain GDS incentives. Inputting fictitious ticket numbers to hold a booking leads to a reduction of availability of our product. Eliminating fictitious or speculative bookings will free up seats.

Live Bookings

Do not hold space under speculative names. Do not make excessive reservations/waitlists for the same passenger. Ensure the correct booking class is used according to the fare quoted.

Training/test bookings

The training mode or non-billable status codes provided by the GDS must be used when testing situations or training personnel. Creating PNRs for training purposes using active sell segment status codes is prohibited.

Multiple CRS(s)

If your agency uses more than one CRS, ensure you always book and drive your ticket from the same CRS.

Passive bookings

An acceptable passive segment is entered into a GDS for the purpose of ticketing. It must match an existing booking in Meridiana's internal reservations system.

Use "claim PNR" functionality where necessary, as active for Meridiana on all main GDSs.

Industry standards require that passive segments be used "for the purpose of ticketing only" after a booking has been made in an airline's inventory system: Meridiana does not allow passive segments to be used for other reasons, including but not limited to satisfying GDS productivity requirements, to circumvent fare rules, or to fulfil administrative functions.

Cancel and excessive cancellations

Ensure you remove from the PNR any inactive segments (UN, UC, HX, NO).

Release all unwanted reservations or waitlists. Action is required at least 24 hours prior to flight departure. This includes cancelling ticketed or un-ticketed segments with a status code of UN, NO, HX, WK, WL, or WN.

In general, excessive segment cancellation volumes are considered not justifiable; accordingly, the cancellation/gross booking ratio is defined equal to 70,0%: exceeding cancellation rates will be considered malpractice.

Space churning

Repeated cancelling and rebooking of space is often done to circumvent ticketing time limits of the fare rule. This practice is strictly prohibited.

Ticketing

Ensure ticketed classes correspond to those which are booked. Ensure you ticket within the time limit according to the fare rule.

ADM amounts for violation of GDS efficiency policy guidelines

In case of verified and ascertained violation of any of the above regulations, Meridiana reserves the right to issue ADM corresponding to the deriving wasted costs as measured into the GDS BIDT analysis reports, informing the involved travel agency through BSP link and providing all necessary details. No less than EUR 20,00 amount ADMs will be issued.

With specific reference to cancel and excessive cancellations regulations, each cancelled segment to exceed the 70,0 % cancellation ratio will be considered as a malpractice: the deriving wasted GDS costs measured into the GDS BIDT analysis reports will be charged through ADM issuance, informing the involved travel agency through BSP link and providing all necessary details.

ADM issuance and dispute PROCEDURE

ADM issuance

For any ADM issued through BSPlink, the date of issue is considered as the date of receipt by the Agent.

A daily monitoring of ADMs through BSPlink is highly recommended to the Agents.

ADM dispute

The Agent shall have 15 days of receipt (=issuance) of the ADM to examine and dispute the ADM via BSPlink before it is submitted for settlement to BSP ("Latency Period").

When logging a dispute the Agent will provide the reason for dispute and the contact details (e-mail address and/or phone numbers) for any clarification or supporting information needed. Failure to provide the reason for dispute will lead to rejection of the dispute.

The Carrier will endeavour to handle the ADM disputed in a timely manner. In this regard we remind that the raising of the dispute via BSPlink suspends the billing and payment of ADM, until the dispute is not defined.

The Carrier will examine the reasons for the dispute and will approve it where it is proved that the charge was wrong/not due and/or evidence to the contrary is provided.

In case of full approval of the dispute, the Carrier will delete the ADM.

In case of partial agreement an Agency Credit Memo (ACM), at no fee, will be issued for the value accepted.