

FIVE FORTY AVIATION LTD

Your Local Airline

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TARRIFS NOTICE NO: **001 5H-03-18**

TO ALL: FLY-540 COUNTRY MANAGERS
AREA MANAGERS
FLY-540 SALES OFFICES
FLY-540 STATION MANAGERS
REVENUE ACCOUNTS FLY-540
SECURITY

FLY-540 AVIATION ADM POLICY EFFECTIVE 1 APR 2018.

SCOPE:

FLY- 540 AVIATION will issue ADMS/invoices to collect amounts or make adjustments to all Travel Agents and Staff transactions related to the bookings, ticketing, sales and refund as per IATA'S 850m, 824, 830a, 830d, 852 and 830a.

This policy applies to all GDS subscribers including travel agents and any person or entity accessing **FLY-540 AVIATION** internal reservation system content via the internet or any other electronic means. It is the responsibility of the GDS subscribers to ensure that all of its employees, agents and contractors, in all of its locations are familiar with this policy.

The scope of the adult not exhaustive will be applied to what is mentioned in the matrix below;

ADM Matrix

Following matrix defines different violations or non- compliance practices which will result in the issuance of ADM i.e. a debit will be raised to the booking/ticketing agent.

Violations	Scope of Audit	Outcome	Cost Recovery Fee
Churning	The act of repeatedly cancelling and rebooking the same or different itinerary for the same or different classes across one or more GDSs is defined as churning. If segments in a PNR are rebooked and cancelled more than 3 times (E.g., in an attempt circumvent the TTL or in order to meet GDS productivity), Churning for the sole and clear purpose of speculating, ADM will be raised for the excessive churn cost amount	Debit will be raised to Booking/ Ticketing agent	CRS abuse fee of USD 15 per segment per passenger will be applied the 3rd and consecutive times. This is regardless if

			the PNR was ticketed afterwards.
High cancellation rate	A cancellation of more than 30% of the bookings for flights departing within the month. This is regardless of the time the bookings were generated.	Debit will be raised to booking/ticketing agent	A fee of one (2) USD will be applied per passenger segment booked above the 30% limit.
Waitlist	Waitlists are roster names of those wishing passage on a full flight or other trip usually honored in case of cancellations Agents MUST ensure all waitlisted bookings are removed from the active PNR at least 24 hours before departure time	Debit will be raised to booking/ticketing agent	USD 20 per segment, per passenger.
Ticketing	If agent does not ticket within time limit specified in the fare rule, an agent shall immediately cancel the reservation and release such cancelled inventory. Failure to do so will generate significant additional GDS cost and loss of REVENUE to the airline. ONLY IATA agents may issue tickets and create passive segments in a PNR for ticketing Agents subscribed to Multiple GDS's MUST issue tickets in the same GDS in which the bookings (active segments) was made to avoid creating passive segments (E.g. when tickets are issued by IATA agent for NON –IATA or sub agents) Passive segments MUST NOT be created to bypass fare restrictions	Debit will be raised to booking/ticketing agent	Applicable cost per violation

Ticketing information (Fictitious, Test or Training Bookings)	Verification on bookings created with fictitious names and ticket numbers.	Debit will be raised to Booking/Ticketing agent	USD 50 per segment, per passenger
Bookings and ticketing of infants	<p>Verification of bookings with INF where status is on HN.</p> <p>Passengers travelling with infant must have INF SSR present and confirmed in their PNR. No ticket should be generated when the request is on HN or UC status.</p>	Debit will be raised to Booking/ticketing agent	A penalty of US \$ 50 per ticket.
Private & Corporate fares Abuse	<p>Where we have private or other special fares, and agent does not adhere to the pax eligibility criteria or fare rules and conditions. An ADM will be sent to the travel agent where passengers holding tickets with special Tour Operator /Travel Agent fares are not eligible to travel with these fares, for instance when a tour operator/Travel Agent fare is sold without any additional services or if the minimum required level of these services (in regard to FLY-540 AVIATION rules) is not reached.</p> <p>Applying corporate discount on tickets sold to passengers who are not employees of the contracted corporate.</p>	Debit will be raised to Booking/Ticketing agent	Difference between fare paid and first unrestricted public fare in the same cabin.
Commissions, service fee, surcharges and taxes violations	Incorrect collection of taxes and surcharges, Missing taxes/ surcharges, Wrongly altered taxes/ surcharges, and Already used taxes refunded by mistake	Debit will be raised to Booking/Ticketing agent	Fare/tax/commission difference

Use of correct SSR codes	FLY-540 AVIATION will accept SSR requests only when the relevant SSR codes are confirmed and booked correctly. Any cost incurred due to wrong booking of the SSR shall be pushed to the originator of the booking	Debit will be raised to Booking/Ticketing agent	USD per segment per pax plus any cost incurred
Group Bookings/Hidden group	<p>Conditions specified in the FLY-540 AVIATION group's policy will be audited such as fare, taxes and surcharges, number of passengers travelling (minimum 10 passengers).</p> <p>Groups must be plated on the airline ticket stock specified in the group section of the distribution policy between agent and FLY-540 AVIATION.</p> <p>Non-materialization of group (less than 10 clients travelling) are charged retrospectively per ADM for each no show passenger. ADM is calculated with a fixed amount.</p> <p>Verification on multiple individual ticketed PNRs created for large groups which expressly prohibited as against FLY-540 AVIATION. Group policy and procedures.</p>		
No show segment for a void/refund Ticket.	Verification of holding bookings with voided/refunded/fictitious tickets without cancelling the booking.	Debit will be raised to Booking/Ticketing agent	Kes 1500 Local, USD30 Regional per one way routing per passenger for any un ticketed / voided/ refunded tickets with booking still live in the system. In all other cases of NO-SHOW, charges will

			apply as per fare rules.
Inactive and passive segments	<p>Verification on agency bookings with segment status HX/UN/NO/UC/US/UU/TN/TL/TK/SC/PN/WL/WN/DL/DS/IX/MM/RM/GN and WK. Otherwise knowns as non-productive segments.</p> <p>The agent undertakes to delete these segments from the PNR all flight segments with the status listed atleast 24 hours before departure (segment date) or be subjected to a fixed fee as per stated penalty.</p> <p>Any booking that does not reserve a seat in the airline inventory and is a duplicate of a live booking, i.e. bookings with status codes ending with K (except 'HK'), or BL,ML,GL,PL.</p> <p>Industry standards require that passive segments be used "for the purpose of ticketing" only after a booking has been made</p> <p>If a passive segment is rejected by FLY-540 AVIATION then the passive segment should be cancelled immediately by the agent to avoid unnecessary GDS fees to FLY-540 AVIATION. Any passive cancelled within 24hrs to flight departure is chargeable.</p>	Debit will be raised to booking/Ticketing agent	US \$15 per segment, per pax
Name update/Changes	<p>Where name update fee is not collected on FLY-540 AVIATION stock only</p> <p>Agents are not allowed to change passenger's name/surname in the individual PNR, except when the passenger provides the document providing the fact of his/her name/surname change.</p>	Debit will be raised to booking/Ticketing agent	Applicable name update fee as per FLY-540 AVIATION policy.

	<p>Agents are allowed to change the name/surname on reservation only for the purpose of correcting a misspelling of the passenger's name and only before issuing the ticket.</p> <p>It is NOT allowed to change the passenger's name/surname after issuing the ticket</p> <p>FLY 540 AVIATION is entitled to charge agents with the penalty for every PNR, where the passenger's name/surname was changed without providing required documents and after issuing the ticket.</p>		
Schedule change	<p>Segments created due to schedule changes e.g. TK,TL should be cancelled by the agent to avoid double costs and agent accept schedule changes or rebook passengers as deemed appropriate.</p> <p>Un- actioned schedule change costs are very expensive and must be cleared from the queues urgently and in accordance with IATA standards. For any schedule change made during nonworking hours but are for future dates, these must be actioned by the next agent the next working day.</p>	Debit will be raised to booking/Ticketing agent	US \$15 per segment, per pax
Duplicate PNRs by same agent	<p>Verification on created duplicate PNRs for same passenger.</p> <p>Duplicate bookings are those which in which use of the same passenger name for additional flight for the same market/data/IATA number regardless of flight number, class of service or status code.</p> <p>Duplicate PNR's in your GDS or in the Airline Reservations Systems are NOT allowed.</p> <p>FLY-540 AVIATION does and will NOT allow customers to hold more than one reservation to/for travel on, or around the same date for bookings created by the same agent. In case of</p>	Debit will be raised to booking/Ticketing agent	Fixed amount USD100 per passenger

	cancellation of those duplicate bookings by FLY-540 AVIATION, a fixed amount per passenger and per cancelled segment will be raised		
Duplicate segments	<p>Creating multiple one way itineraries for one passenger in the same PNR is PROHIBITED. It causes problems during check-in and processing upgrades and reissues.</p> <p>In case of cancellation of those duplicate bookings by FLY-540 AVIATION, a fixed amount per passenger and per cancelled segment will be raised</p>		Fixed amount USD50 per passenger per segment.
Back to Back ticketing	The issuance or use of coupons from two or more tickets issued at round trip fares or the combination of two or more round trip fares end to end on the same ticket for the purpose of circumventing applicable tariff rules, such as advance purchase and minimum stay requirements or low fares. Etc.	Debit will be raised to booking/Ticketing agent	The higher applicable fare for the travelled itinerary plus penalty of USD10 per segment
Fare/sales violation/Fare quote	<p>Validation on the compliance of fare and sales conditions on all (e.g. advance purchase, agency, applicability, add-on fares, blackout period, booking class, under collection of fare, booking flight condition, Other Airlines (OAL) carrier condition, sale date validity, travel date validity/ seasonality violation, stop over surcharge, up sell charge for class upgrade, combination condition, min/max stay conditions, under collection of taxes and fees, weekend surcharge, child/infant discounts and all other special discounts, date of birth check, expiry of fare, pricing unit concept (PUC).</p> <p>ALL PNR's MUST be Fare quoted.</p> <p>Creating a 'LIVE' PNR for a fare quote when passenger has no intention of travelling will result to an ADM</p>	Debit will be raised to booking/Ticketing agent	Fare/Tax/commission difference

	<p>Blocking inventory for the sole purpose of a fare quote will result to an ADM</p> <p>Always use the entries available in your GDS without creating a PNR. E.g. FQP in Amadeus, or Quote a fare without 'End of Transaction'</p>		
<p>Training Tickets from IATA code 9999999(0-9) And Ticket series XXX-9xxxxxxx</p>	<p>Non cancellation of Test tickets and use of the same for re-issue into an acceptable series that can be used for travel.</p> <p>Staff are advised NOT to reissue any ticket with series number 99xxxxxxx issued from IATA codes 9999999(0-9) These tickets can be identified after the airline code with series 99e.g. 540-99xxxxxxx, they are training tickets issued on 1A -Amadeus live environment and should be reported immediately to RM system support team with copy to security investigation team</p>		<p>Full ticket cost shall be recovered from the staff who re-issues these tickets</p>
<p>Fare violation for tickets issued with open/request status</p>	<p>Validation on purchased tickets with open/request status where confirmed reservation is required</p>	<p>Debit will be raised to booking/Ticketing agent</p>	<p>Fare difference to first higher fare where wait list (WL) is permitted</p>
<p>Refund violation</p>	<p>Validation on documents claimed for refund, duplicate refund check.</p> <p>Incorrect calculation of refund amount, taxes and fuel</p> <p>Incorrect application of cancellation penalty (e.g. in case of no-show)</p>	<p>Debit will be raised to booking/Ticketing agent</p>	<p>Fare/tax/commission difference</p>

	Incorrect calculation of refunds commission amount		
Reissue violation/ uncollected change fee	Validation on reissued documents	Debit will be raised to booking/Ticketing agent	Fare/tax/commission difference plus penalty of USD15
Split bookings	Any abusive use of split bookings which overrides the ticketing time limit (TTL) generated by the robot to benefit from more lenient ticket time limit will be liable to a fixed ADM amount per passenger and per FLY-540 AVIATION flight segment	Debit will be raised to Booking/Ticketing agent	Per passenger per segment USD 50 for economy USD100 for business
Credit card charge-back	In case FLY-540 AVIATION is debited by the credit card acquirer for purchase rejection by passenger, credit card misuse or fraud case on a ticket issued by the agent, FLY-540 AVIATION will charge the agent for the cost. The agent is always responsible for checking the validity of the credit card and to ensure that the credit card holders signature is provided or to secure the eligible website for e-tickets purchase	Debit will be raised to Booking/Ticketing agent	FLY-540 AVIATION will charge the agent for the cost
Ticket Not Reported /miscellaneous	In case of discrepancy in the sales information/reporting of agents, an ADM is issued. This can be due to reasons such as an unreported ticket or cases in which flown tickets are missing in BSP/ARC sales reporting.	Debit will be raised to Booking/Ticketing agent	Value of unreported sale.

Actions to Avoid

1. Do NOT create PNR's which contain
 - Fictitious passenger names
 - Booking classes that do not match the fare quoted
 - Mixed booking classes for protection

- Duplicate Segments
 - More than one waitlisted segments
 - Excessive cancelled and rebooked segments, not allowed
2. The practice of booking a seat (inventory) for the sole purpose of securing a visa, passport with no intent to travel on the seat booked is not allowed
 3. Ensure that you enter Ticket Time Limit (TTL) element according to the fare conditions, if applicable or not automatically automated
 4. A PNR for a passenger (active segments) may not be created in one GDS with the intention to drive tickets (passive segments) for the same passenger in another GDS
 5. Cancellation ratio (the relation between gross booked and cancelled segments) above 70% must be avoided

Definition: Using OW flight sector length; **SH** -Where flight time is less than 2hrs; **MH**- Between 2hrs and 6hrs; **LH**- Above 6hrs.

TRAVEL AGENT'S, GSA'S, Online Travel Agents (OTAS) and Airline staff Obligations:

Travel Agents obligations are described in IATA Resolution 824 and ARC ARA in which it is stated that all tickets must be issued in compliance with the carriers "fares, conditions, general Conditions of carriage and written instructions provided to them.

TRAVEL AGENTS', GSA'S and OTAs BEST PRACTICES

- Train their staff to comply with FLY-540 AVIATION booking policy guidelines and also with IATA Resolutions and ARC-ARA-ADM procedures:
- Make available the carriers "General Conditions of carriage to the customer and advice the customer and advice the customer of the fare conditions, eligibility when required and free baggage allowance.
- Inform customers that FLY-540 AVIATION will honor flight coupons only if used in sequence and from the point of origin as displayed on the ticket. Otherwise the ticket will be rendered invalid, customer denied boarding and no refund will be accepted.
- Inform customers that at any time, customers could be charged the fare difference (plus change fee, if applicable) between the paid travel plan and the effective one, or risk

denied boarding. Travel Agents should take payments systematically for any changes made to the original booking.

- Inform the carrier of all pseudo city codes (PCC) / office IDs linked, bridged or emulated to its main agent codes. The carrier will hold the agent fully responsible for all bookings made by all PCCs/ office IDs linked to their agent codes.
- The Agent undertakes to only book from the availability display for the O&D (origin & destination) concerned and not by subverting married segment controls before or after EOT (end of transaction) on other O&Ds.
- Action all queues on daily basis and Delete all HX, NO, UC, UN & US segments 24hrs prior to departure to minimize GDS costs.
- Reservations must consist of all the full names of each customer as in the customer's passport.
- Reservations/ ticketing training in "live" PNRs is not permitted, only in the GDS training mode.
- Use fare levels and fare basis as stipulated by the carrier. All fares must be applicable at date of ticketing.
- Inform passengers that the Airline reserves the right to collect any differences in taxes implemented by respective Government Authorities.
- Ensure that the baggage allowance on the ticket is in accordance with the fare conditions and the GDS.
- Agents subscribed to multiple GDS must issue tickets in the same GDS where the booking is made, and not to generate unnecessary GDS costs.
- Check passenger's eligibility for private and other special fares (e.g. Seaman, Corporate, Labor etc.) or Tour Operator (TO) fares, before issuing a ticket and to form the passenger that the proof of eligibility may be requested by the Airline at any time. The Airline reserves the right to settle with the customer or alternatively an ADM shall be raised on the Travel Agent (e.g. in case of passenger's holding tickets with corporate fares without being eligible to travel with such fares).
- To ensure that when an ADM is disputed, the response is specific in detail and the relevant supporting information is sent to FLY-540 AVIATION to the address indicated on the ADM.
- Not to dispute an ADM where the reason is valid and evidence to the contrary is not available.
- To raise all disputes as per BSP/ARC guidelines applicable.

FLY-540's Responsibility:

- Aim to minimize irregularities in issuing/ managing tickets through audits.
- Provide as much information and detail about the reason a charge is being made in order to ensure its accuracy.

- To avoid recurrence of irregularities, agree with the Agent concerned the most suitable corrective action if the volume and types of anomalies are deemed to be above average. FLY-540 AVIATION will endeavor to address these issues bilaterally with the agent concerned.
- FLY-540 AVIATION reserves the right to take preventative measures, including but not limited to, inhibiting access- point of sale closure (POSCI) to its inventory, by any Travel Agent / OTA engaged in booking malpractices.

General ADM process Worldwide:

In compliance with IATA Resolution 850 m and ARC ARA processes,

- An ADM can be sent out by the airline via BSP/ARC Link within 9months after final travel date. When final travel date cannot be established, expiry date of the document will be used. After this period, payments will be settled directly between the travel agent and the airline.
- In line with IATA Resolution 850m, FLY-540 AVIATION will send ADMs via BSP/ARC – link with no financial consequences during the latency period (14 days or period fixed by the local BSP/ARC-link organization).
- When making a dispute, a valid and clear justification must be provided at all times. Otherwise dispute cannot be handled. Responsible behavior in case of ADM disputes is required from both the Travel Agent/ OTAs and the Airline staff.
- Please mention your contact details for an efficient handling by FLY-540.
- FLY-540 AVIATION will reply to your dispute within 60 days (in consistency with IATA Resolution and ARC ARA procedures) giving a clear explanation of acceptance or denial of the dispute.
- Should FLY-540 AVIATION reject a dispute and agent wants FLY-540 to re-investigate, agent is requested to respond to FLY-540 within 14days to provide additional new information. Otherwise ADM will be submitted for settlement to BSP/ARC link.
- For non BSP/ARC cases, the ADMs shall be circulated by respective FLY-540 AVIATION local office.

ADM issuance process

- An ADM relates to a specific transaction and will not be used to group unrelated transactions together. However more than one charge can be included in an ADM if the reason for the charge is the same and a detailed supporting list is provided with the ADM.
- No more than one ADM will normally be raised in relation to the same original ticket issuance. When more than one ADM is raised in relation to the same ticket, it shall be specified for a different adjustment to previous issues.
- Except where otherwise agreed in the local market, ADMs will not be used to collect third party costs not directly associated with the initial ticket issuance of passenger journey. However GDS wastage costs form an exception and will be settled through ADMs.

- In case deviations of the fare rules are found on tickets during audit process, FLY 540 AVIATION will systematically generate ADMs reflecting value of difference between the real applicable fare and the applied fare. E.g. A fare with a maximum stay of 3 months is issued for a passenger and the passenger later changes the return date to beyond the 3 months say 6 months, the agent will be debited the amount between the originally applied fare and the new applicable fare.

Minimum ADM Amount

- The minimum amount, for which an ADM is raised, is USD15.
- FLY-540 AVIATION can issue one ADM with multiple reasons for one original ticket in regard to minimum amount. In case of persistent practices of under collection (multiple occurrences of underpayments of less than **USD 2** by the same IATA/ARC Agent FLY-AVIATION reserves the right to recover these underpayments by sending an ADM.
- In case of ADM related to fuel surcharge, other surcharges, commission, taxes, penalties and fees, no minimum applies and an ADM will be generated for real amount due.

ADM Dispute

- FLY-540 AVIATION shall endeavor to handle rejected or disputed ADMs in a timely manner in compliance with applicable IATA resolutions and regulations. Where an agent has disputed an ADM within the Latency dispute period provided (14 days or period fixed by the local BSP/ARC –link organization) the dispute was sent to the address notified on the ADMs in question, FLY-540 AVIATION will endeavor to handle rejected or disputed ADMs in a timely manner in compliance with applicable IATA resolutions and regulations. The travel agent can dispute the ADM as per the “Latency period” applicable in respective BSP/ARC country/market practice.
- FLY-540 AVIATION shall evaluate the reasons for the dispute and approve where it is proved that the charge was not due.
- For any un-resolved disputes, FLY-540 AVIATION reserves the right to deduct the disputed amount from applicable Agents incentive Programme.

FLY-540 AVIATION expects travel agents not to dispute an ADM where the reason is valid and evidence to the contrary is not available and to raise all disputes as per applicable BSP/ARC guidelines. If the dispute is invalid or evidence to the contrary is not available, and this is repeatedly done minimum administration charge could apply.

Contact Information

Policy also available through the link;

The e-mail address to contact for ADM/ACM questions and issues is:

Beatrice.ndegwa@fly540.com

Please be guided accordingly and ensure Tariff Notice is circulated to ALL Fly-540 and GSA's ticketing offices

ISSUED BY: COMMERCIAL DEPARTMENT

TN NO. : 001 5H-03 18

ISSUED ON: 23MAR 18

EFFECTIVE : 01 APR 2018