

Air SERBIA GDS/CRS BOOKING POLICY

Booking procedures and consequent penalties

The content of this document is intended solely for the use of individual or entity to whom it is addressed and any others who are specifically authorized to receive it. It may contain confidential information. You are hereby notified that any disclosure, copying, distribution or otherwise placing reliance on the contents of this information is prohibited and may be unlawful in certain legal jurisdictions. The contents of the following document are the property of Air SERBIA . This document is provided for its intended recipients to use as a statement of requirements for business. Air SERBIA reserves the right to add and/or delete material from this document at any time.

October 2016

Version 2.0

1	INT	RODUCTION	3	
2	ВО	OKING POLICY	5	
	2.1	Excess cancelation ratio	5	
	2.2	Inactive segments	5	
	2.3	Passive segments	5	
	2.4	Invalid Ticket on bookings (e-ticket validation)	6	
	2.5	Waitlisted segments	6	
	2.6	Churning	6	
	2.7	Duplicate bookings	6	
	2.8	Fictitious or speculative bookings or ticket numbers	7	
	2.9	Hidden groups	7	
	2.10	Training/testing bookings	7	
3	COI	NSEQUENCES FOR BOOKING POLICY VIOLATION	8	
	3.1	ADM Fee Structure applicable for violation of GDS/CRS Booking Policy	8	
4	GLO	DSSARY & IATA RESOLUTION LIST	9	
5	5 TERMS AND APPLICABILITY1			



1 INTRODUCTION

Air SERBIA recognizes the Global Distribution System (GDS) as a valuable distribution channel, and as such, we currently participate in all major systems. As part of our participation, we pay incremental fees for travel agent bookings. Billable activity includes sell, cancel, waitlist, change, schedule change, etc.

This policy applies to all GDS subscribers including travel agents and any person or entity accessing Air SERBIA 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.

We hereby request all GDS subscribers to make every effort to comply with these policy guidelines.

The guidelines set down in this policy should encourage our partners - travel agents worldwide - to use GDS/CRS in a proper way, and at the same time discourage any other practice that has or might have negative inventory implications.

The purpose of this policy is not to generate additional revenue for Air SERBIA, but instead, to compensate GDS costs by GDS misuse.

This policy is in line with industry standards and its sole purpose is to reduce distribution costs while offering greater seat availability for Air SERBIA guests.

Air SERBIA intends to monitor all transactions to identify non-compliant practices and the right to reimburse the GDS cost by sending Agency Debit Memo (ADM) with a Cost Recovery Fee in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" table, plus the administrative fee of €10.- for each ADM.

Air SERBIA reserves the right to restrict the access to its inventory, temporary or permanently, to any GDS/CRS user if repeated non-compliance practice is registered.

This policy is valid for bookings and ticketing that include any Air SERBIA flight on/after October 1st, 2016 and replaces any other policy in place before.



When booking an Air SERBIA flight, please create a PNR for your customer by following these simple guidelines

- Request space and create reservation only for the desired flights and only if it is required by the guest or any person requesting it on behalf of the guest
- Use Reservation Booking Designators only if it is compliant with the fare
- Read Fare rule carefully, advise guest about restrictions and advantages of the chosen fare type
- Use available RBD. Refrain from waitlisting and do not waitlist segments on the flight where guest is already confirmed
- Take special care about Minimum Connecting Time. Do not create PNR and do not end the transaction if the connecting time is below the minimum required
- Insert guest mobile phone number in the PNR in case of flight irregularities our Call center
 might call your customer or send notifications. Please note that travel agent responsibility is to
 notify the customer of the reservations status of all segments and associated services and of
 any changes thereto
- Use advantages of auto pricing if it is available for the chosen Fare type. Do not override it manually
- Use advantages of Automated Ticket Changer if it is available in your GDS or your market and for the selected fare
- Respect ticketing deadline from the Fare rule, if any
- Respect ticketing deadline alert sent by our space control
- Cancel the reservation immediately if you're advised to do so by the guest

The best way to avoid violations associated with this GDS/CRS policy is to make every effort to comply with this policy. Please follow these instructions any time and without exceptions.



2 BOOKING POLICY

2.1 Excess cancelation ratio

Segments must be cancelled and inventory released immediately when a ticket has not been purchased in accordance with the fare rule or when notified by a guest that travel is no longer needed, whichever comes first.

Cancelled space for one guest shall not be used for another guest even if that guest desires an identical itinerary by adopting any internal substitution. A fresh request is mandatory for the new guest, based on the current availability and fares.

Booking cancelled by the airline system due expiry of time-limit must also be cancelled in the GDS/CRS.

The cancellation ratio (number of booked segments divided by the number of cancelled segments) differs from agent to agent.

Cancellation ratio (the relation between gross booked and cancelled segments) above 70% must be avoided.

In case of excessive cancelation cancelled segments will be subject to Cost Recovery Fee, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" table, plus the administrative fee of €10.- for each ADM.

2.2 Inactive segments

Inactive segment can be identified with the segment status HX/UC/NO/US/UN. All inactive segments must be cancelled from the GDS/CRS immediately when received but no later than 24 hours prior to departure.

Inactive segments that are not cancelled 24 hours prior to departure are subject to the Cost Recovery Fee and will result in debit memo, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" table, plus the administrative fee of €10.- for each ADM.

2.3 Passive segments

Air SERBIA only allows passive segments that are used for the purpose of ticketing. Passive segment must match an existing booking in Air SERBIA internal reservations system. The use of mismatched segments to issue tickets, or to generate false confirmation is strictly prohibited.

Industry standards require that passive segments be used "for the purpose of ticketing" only after a booking has been made in an airline inventory system. Air SERBIA does not allow passive segments to be used for other reasons, including but limited to:

- Satisfying GDS productivity requirements
- · Circumvent fare rules
- Fulfil administrative function.



If a passive segment is rejected by Air SERBIA then the passive segment should be cancelled immediately by the agent following complaint usage in order to avoid unnecessary fees to Air SERBIA

Passive segments that are created for any purpose other than the purpose of ticketing are subject to the Cost Recovery Fee, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.- for each ADM.

2.4 Invalid Ticket on bookings (e-ticket validation)

Holding confirm bookings with VOIDED/REFUNDED/FLOWN TICKET in live inventory is not permitted. Invalid ticket numbers include restricted, used, refunded, voided or non-existent ticket numbers associated with confirmed segments in a booking.

Booking needs to be cancelled immediately if ticket is voided/refunded/flown. Once identified, such booking is subject to automatic cancellation and Cost Recovery Fee will be charged, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.- for each ADM.

2.5 Waitlisted segments

Travel agent must not repeatedly create waitlisted booking, since these do not increase chances of confirming and result only in higher booking volumes and increased GDS fees for Air SERBIA.

Travel agent must ensure all waitlisted bookings are removed from the active PNR at least 24 hours prior to departure. Waitlisted segments that are not cancelled on time as well as repeatedly requested waitlists are subject to the Cost Recovery Fee, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.-for each ADM.

2.6 Churning

Churning is defined as repeated cancelling and rebooking of space with the purpose of circumventing ticket time limits set down by space control. Excessive and repeated booking and cancelling of space is often done to:

- Cancelling and/or rebooking the same flight, class, date or route to circumvent the fare rule
- Achieving the GDS productivity targets

The above practices are strictly prohibited and if identified, will be invoiced on a per segment basis and could potentially incur very high invoice amounts.

Churning is not allowed for any reason and in case of high number of repeatedly booked segments could result in high amount charged for Cost Recovery Fee, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.- for each ADM. Churning will be considered if segment is booked and cancelled more than 3 times, while Cost Recovery Fee will be applicable to all churned segments.

2.7 Duplicate bookings

A travel agent must not create impossible traveling itineraries in a single booking. It is not allowed to hold concurrent flights for the same travel period where it is not possible for passenger to travel simultaneously.



Segments booked (confirmed or waitlisted), for one guest in the same or different PNR, in the same or different GDS used by the same agency and for the same flight or for a different flight that logically cannot be flown, are considered as duplicated.

It is not allowed to create duplicate segments at any time. Each duplicate segment will result with the charge sent to the agent for the cost of the GDS on top of which Cost Recovery Fee will be charged, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.- for each ADM.

2.8 Fictitious or speculative bookings or ticket numbers

Segments booked for speculative reasons like holding the space blocked from the inventory or segments that are not requested by the guest.

It is strongly prohibited and will result in sending of ADM for Cost Recovery Fee if:

- Intentional fictitious booking which may result in blocking a class from availability
- False ticket number is entered into the PNR
- False name is used
- Voiding of several tickets before issuance of the ticket that the guest will use

In these cases Agents will be charged the **highest applicable fare** on itinerary as specified in the PNR or ticket. On top of it Cost Recovery Fee shall be applied, in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.-for each ADM.

2.9 Hidden groups

Blocking space by means of many separate individual bookings instead of the established group procedure is prohibited.

Such bookings are subject to immediate cancellation without prior notification.

2.10 Training/testing 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.

Test bookings should by no means be used for the purpose of itinerary pricing. Pricing transactions are available for all pricing requirements and it is the responsibility of the agency community to provide the personnel training necessary in order to foster the use of those transactions.

Once identified, such booking is subject to automatic cancellation and in the amount according to "ADM Fee Structure applicable for violation of GDS/Booking Policy" Table 1., plus the administrative fee of €10.- for each ADM.



3 CONSEQUENCES FOR BOOKING POLICY VIOLATION

Air SERBIA shall have the right to audit all booking transaction to identify non-compliant booking practices and reserves the right to issue ADM to recover excessive GDS cost wastage in the amount according to **Table 1. ADM Fee Structure applicable for violation of GDS/Booking Policy**, plus administrative fee for each ADM.

If the non-compliant activity is continued by travel agent, Air SERBIA reserves the right to take additional action up to and including restricting that agency's access through the specific GDS which was used by the agency to abuse Air SERBIA inventory.

3.1 ADM Fee Structure applicable for violation of GDS/CRS Booking Policy

Table 1. ADM Fee Structure applicable for violation of GDS/CRS Booking Policy

Booking Policy	Cost Recovery Fee Charges (in EUR€)
Cancellation ratio above 70%	1€ per cancelled segment exceeding the 70% limit
Un-cancelled inactive segments	10€ per passenger / per segment
Passive bookings	10€ per passenger / per segment
E-ticket validation (Invalid ticket)	Highest applicable fare on itinerary per passenger - + 10€ per passenger / per segment
Un-cancelled waitlist segments	10€ per passenger / per segment
Churning	10€ per passenger / per segment
Duplicate segments on same bookings	10€ per passenger / per segment
Fictitious/Speculative bookings or ticket numbers	Highest applicable fare on itinerary per passenger
	+ 10€ per passenger / per segment
Fake names	10€ per passenger / per segment
Training/testing bookings	10€ per passenger / per segment
Administrative fee for each ADM	10€

Air SERBIA reserves the right to hold the travel agent responsible and liable for any losses and damages due to violation of this policy by the relevant travel agent.

Air SERBIA will not send any supporting documents along with the debit memo and the travel service provider is expected to approach their GDS for the complete PNR history.

Any disputes will have to be done through the channel of receipt within the latency period after the ADM has been billed. No disputes will be taken through e-mail or telephone.



4 GLOSSARY & IATA RESOLUTION LIST

GLOSARY:

GDS Global Distribution System
CRS Computer Reservation System
PNR Passenger Name Record
RBD Reservation Booking Designator

ADM Agency Debit Memo
SSR Special Service Request

IATA RESOLUTIONS SUPPORTING AIR Serbia BOOKING POLICY:

IATA resolution 824 Passenger Sales Agency Agreement

IATA resolution 830a Consequences of Violation of Ticketing and Reservation Procedures

IATA resolution 830d Reservations procedures for accredited agents

IATA resolution 850m Issue and Processing of Agency Debit Memos (ADMs)

IATA Resolution 852 Designation and Selection of Ticketing Airline



5 TERMS AND APPLICABILITY

This manual of "GDS/CRS Booking policy" for agencies is a legitimate tool and is written according to the industry and IATA regulations and it serves as a guide to different markets that may make the amendments they find necessary, adapting it to their trade policy.

Air SERBIA reserves the right to modify, add or remove parts of this document without prior notice and expects travel agencies to refer to it regularly.

If you have any questions or suggestions, please contact us via e-mail callcenter@airserbia.com

As always, we thank you for your support!

Air SERBIA www.airSerbia.com