

Appendix 5

Virgin Atlantic Airways Limited Global BSP Agency Debit Memo Policy

Introduction

In accordance with IATA Resolution 850m, the Virgin Atlantic Airways Ltd Global BSP Agency Debit Memo Policy clarifies the objectives of the Sales Audit process and the circumstances under which an Agency Debit Memo ("ADM") may be raised.

The Sales Audit Process is intended to ensure the Travel Agent ("the Agent") complies fully with fare rules, industry standards and Virgin Atlantic Airways Ltd ("VS") policies.

The Sales Audit Process recovers any loss incurred to VS by raising an ADM. It also highlights the causes resulting in an ADM to the Agent, including incorrect ticketing and/or incorrect or incomplete information being available at the time of audit, to ensure these errors are not repeated.

VS will manage high numbers or repetition of violations directly with the Agent, and reserves the right to inhibit their booking and ticketing capabilities on VS operated or marketed services.

1 Issue and processing of ADMs

- 1.1 ADMs are a legitimate accounting tool and will be issued to notify the Agent that, unless justification exists to the contrary, the Agent owes VS the amount shown on the ADM, for the reasons indicated.
- 1.2 VS will raise ADMs to collect amounts, or make adjustments to Agent transactions, related to the issue and use of VS traffic documents by or at the request of the Agent, regardless of which airlines are included in the itinerary.
- 1.3 VS will raise ADMs to collect amounts for use of VS inventory where a ticket has not been issued, or has been issued but not reported through Billing and Settlement Plan ("BSP").
- 1.4 Further alternative uses of ADMs may exist, including charges not directly associated with the issue of a traffic document, and these will be communicated by VS to the Agent.
- 1.5 VS may include multiple transactions in one ADM, if the reason and charge for each transaction is the same.
- 1.6 VS may raise more than one ADM in relation to the same original traffic document, if different reasons for adjustment exist.
- 1.7 VS does not apply a per ADM administrative charge to cover the cost of raising ADMs.
- 1.8 VS reserves the right to raise ADMs of any value, with no minimum.
- 1.9 If a fare, taxes, fees or charges are collected incorrectly, VS will raise an ADM to recover any underpayment in full.
 - 1.9.1 The Agent will not be eligible for commission on underpaid amounts collected by ADM.

- 1.9.2 A non-refundable penalty charge will be included in ADMs raised for adjustments pursuant to 1.9.
- 1.10 If VS raises an ADM for non-compliance with fare rules, the general principle is to adjust the original fare collected to the next applicable fare meeting all booking criteria and fare rules.
- 1.11 If tickets are issued incorrectly, VS may raise an ADM for a fixed penalty charge.
- 1.12 A Tariff of ADM Charges will be available to the Agent.
- 1.13 The ADM will specify full details of any fare adjustment or penalty charge being levied and, where appropriate, supporting documentation will be provided.
- 1.14 The ADM will include full contact details the Agent can use to discuss the ADM.
- 1.15 ADMs will be raised through the BSP within nine months of the final travel date or, when the final travel date cannot be established, before the expiry date of the travel document.
- 1.16 Any debit action beyond the time limits detailed in paragraph 1.15 will be managed directly between VS and the Agent. ADMs will only be issued through the BSP process if agreed in writing between VS and the Agent.

2 Refunds

- 2.1 An ADM to adjust a refund will only be processed through the BSP within nine months of the date the Agent has processed the refund.
- 2.2 Any adjustment to a refund more than nine months after the date the Agent has processed the refund will be managed directly between VS and the Agent. ADMs will only be issued through the BSP process if agreed in writing between VS and The Agent.
- 2.3 Commission will be recalculated on tickets submitted for refund and an ADM will be raised to recover overpaid commission from the Agent where appropriate.
- 2.4 Refunds are not permitted outside ticket validity, as defined in the IATA General Conditions of Carriage

3 Disputes

- 3.1 If the Agent considers an ADM is invalid, the Agent should raise a dispute against the ADM.
- 3.2 The Agent should provide specific and relevant details of the dispute and, where appropriate, supporting documentation.
- 3.3 The Agent should include full contact details within the dispute.

Via BSP Link

- 3.4 VS will allow the Agent a minimum amount of time to review an ADM, in accordance with local BSP procedures, prior to submitting an ADM to BSP for processing. If necessary, the Agent should dispute the ADM via BSPLink within this review period.
- 3.5 If VS agrees an ADM is not valid, it will not be submitted to BSP for processing and will be cancelled by VS.
- 3.6 If VS rejects a dispute, VS will send an explanation for the rejection to the Agent and will allow a time period within which the Agent should provide new or additional information to support the dispute.
 - 3.6.1 If VS does not receive further information within this time period, the ADM will be submitted to BSP for processing.
 - 3.6.2 VS will review any additional supporting documentation provided and communicate a decision on the dispute within 60 days of the information being received.
 - 3.6.3 If VS agrees the dispute is valid, an Agency Credit Memo ("ACM") may be raised.
 - 3.6.4 If VS maintains the dispute is not valid, VS will endeavour to arrive at an agreement with the Agent for resolution of the dispute.

Directly between the Agent and VS

- 3.7 If the Agent wishes to dispute the ADM after it has been included in the BSP settlement, they should contact VS in writing within 6 months of the issue date of the ADM, using the contact details included in the ADM. Disputes will not be considered after this time.
 - 3.7.1 The Agent will receive an automated response confirming VS has received the dispute.
 - 3.7.2 VS will investigate and communicate a decision on the dispute, or request additional information from the Agent, within 60 days of the dispute being received.
 - 3.7.3 If VS agrees the dispute is valid, an ACM may be raised.
 - 3.7.4 If VS maintains the dispute is not valid, VS will endeavour to arrive at an agreement with the Agent for resolution of the dispute.

Tariff of ADM Charges Europe
Applicable for tickets issued on or after 15th March 2017

The table below summarizes the ADM penalty charges for European points of sale. Where EUR is not the local currency the fee will be converted to match BSP local reported currency.

ADM Reason	Description	ADM Charge (per ticket unless otherwise specified)
Incorrect Fare	Incorrect fare, based on the applicable fare for the ticketed journey, has been remitted	Undercollection of fare + EUR30.00 penalty charge
Incorrect taxes, fees or surcharges	a) Incorrect taxes, fees or surcharges, remitted, based on the applicable charges for the ticketed journey b) incorrect tax, fee or surcharge code ticketed, but correct amount collected	Undercollection of taxes, fees and charges + EUR30.00 penalty charge EUR30.00 penalty charge
Incorrect change/penalty fees	The incorrect change/penalty fee remitted, based on the change/s made to the ticketed journey	Undercollection of applicable change/penalty fees
Incorrect commission	Commission has been overclaimed	Over claim + EUR30.00 penalty charge
Incorrect Fare Basis	The ticketed Fare Basis does not match the ticketed fare	EUR30.00 penalty charge + undercollection of fare (if applicable)
Incorrect/Missing Ticket Designator/Dealcode	Incorrect/missing ticket designator or dealcode not displayed on the ticket	EUR30.00 penalty charge + undercollection of fare (if applicable)
Ticketing Time Limit (TTL) violation	The ticket issue date is later than the TTL filed in the applicable fare rule/contract permits, including as a result of VS sectors being churned (sectors cancelled and rebooked for the same passenger, on same flight, in same booking class or lower)	Penalty charge by cabin Upper Class EUR250.00, Premium Economy EUR100.00, Economy EUR50.00

Unticketed no-shows	Fare type exempt from TTL/Agent action causes automated system to exempt booking from a TTL: tickets not issued/VS segments not cancelled by Agent prior to departure	Penalty charge by cabin, per no-show segment Upper Class EUR250.00 Premium Economy EUR100.00 Economy EUR50.00
Class abuse	Booked/ticketed booking classes do not match	EUR30.00 penalty charge + undercollection of fare (if applicable)
Equivalent fare paid	Exchange rate manipulated, Incorrect fare remitted	EUR30.00 penalty charge + undercollection of fare (if applicable)
Married Segment Logic violation	Flight segments sold from origin to destination as "married segments" separated to obtain segments not available on local legs	EUR300 penalty charge Penalty applies per passenger, per VS segment booked
Invalid use of child fare	Child/Adult passengers booked separately, no cross reference to adult PNR on child tickets/in child PNR	Undercollection of fare + EUR30.00 penalty charge
Invalid use of VS Carrier Identification Plate	a) VS CIP used, no VS segments in ticketed itinerary b) VS CIP used, VS not listed as a plating carrier in applicable fare rule	EUR50.00 penalty charge EUR50.00 penalty charge + undercollection of fare (if applicable)
Incorrect form of payment	Form of payment not permitted/not accepted by VS under terms of applicable contract (e.g credit card payment)	Collection of fare and all applicable taxes, fees and surcharges + EUR50.00 penalty charge
Late/unreported sales	Sale not reported via BSP/sale reported in a subsequent billing period	Collection of fare and all applicable taxes, fees and surcharges + EUR50.00 penalty charge
Incorrect Refund	Incorrect refund calculated, based on applicable fare rule	Collection of fare and all applicable taxes, fees and surcharges + EUR50.00 penalty charge

Name Correction	No SSR information within booking	EUR30.00 penalty charge
	Complete name amendment	Collection of fare minus refund conditions on original ticket and tax.

Notes:

- 1) All information must be available at the time of Audit to avoid an ADM being raised
- 2) If the Agent provides all missing information after the ADM has been raised in BSPLink, the ADM will be reduced to the applicable penalty charge
- 3) If any undercollection or overclaim is less than EUR10.00, the per ticket penalty charge will be waived
 - a) If multiple occurrences of underpayment or overclaim by the same IATA location are identified, VS reserves the right to apply the per ticket penalty charge
- 4) If the ADM charges relate to a GDS error, the Agent should seek reimbursement of associated costs directly from the GDS
- 5) VS reserves the right to vary its Global BSP Agency Debit Memo Policy and Tariff of Charges with a minimum of 30 day's written notice