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1. Objectives

- Ensure the airlines inventory integrity, the purpose of the audits is to maintain an integrate inventory, to have as much sales as possible
- Keep a close commercial relationship with travel agencies, through this policy, Avianca will give the guidelines and good practices to avoid Debit Memos
- Promote good practices in the reservation systems in order to encourage an efficient sales process

2. General Concepts

2.1 What is an unproductive booking or segment?

An unproductive booking is a booking that does not generate any revenue to the airline; instead it generates an additional cost and / or blocks seats.

3. Unproductive practices audit by Avianca

Unproductive Practices:
1. Non-canceled Segments
2. Churning
3. Duplicates
4. Passive Segments
5. Fake Names
6. Fake Tickets and No Shows due to Fake Tickets
7. Waitlist
8. Hidden Groups

Inventory Abuse Practices
1. Married Segments Abuse
2. Overbooking in Classes already Closed
3. Point of Commencement Logic Abuse (POC)

Additionally in Avianca, Productivity Analysis are made to travel agencies that have access to the company's inventory.

The present document includes the guidelines that dictate the correct issuance of tickets through online sales channels.

Values indicated for the charge of each unproductive can be modified by the airline at any time and with future implications.

3.1 Non-Cancelled segments (HX)

Non- Cancelled segments are those sent to an agency queue, with the following status UC, UN, NO, US, HX. These segments should be cancelled according to what has been described in this policy to avoid incurring in this unproductive practice.

Segments booked by travel agencies may be cancelled for the following reasons:

- Expiration of time limit for issuing the tickets
- Duplicate reservations or segments
- Fictitious names or tickets
- Married Segments Abuse
- Speculative bookings

Travel agencies are responsible for reviewing the queues and canceling all those segments in order to avoid debit memos due to non-cancelled segments

The applicable charge for non-cancelled segments is **$25 per segment/passenger.**

If the PNR contains an issued ticket, the charge for non-cancelled segment will not proceed. The charges will only apply for those PNR without an issued ticket.

Audits are performed monthly and all transactions occurring during the corresponding calendar month will be taken in consideration.

The segments that are received on the queue must be cancelled according to the following:

- The travel agency must cancel all messages status **HX, UC, UN, US, NO during the same month in which segments are received in the corresponding queue.**

- If the flight date on the reservation occurs during the current month, **HX, UC, UN, US, NO** segments must be cancelled at least **24 hours prior to the scheduled flight departure time.**

Recommendation:

To avoid debits we recommend that agencies **check the queues** in the respective systems **every day** and **cancel all HX, UC, UN, US, NO status segments on a daily basis.**

HX segments are received in the following queues:

	Queue por Estatus				Entrada para eliminar
GDS	HX	UC	UN	NO	segmentos
SABRE	7	1	1	0	.2XK (Línea de segmento)
AMADEUS	7	7	7	7	XE2 (Elemento a eliminar)
APOLLO	18	18	18	18	X2 (Línea de segmento)
GALILEO	23	21	21	21	X2 (Línea de segmento)
WORLDSPAN	1	1	1	1	X2 (Línea de segmento)

Please confirm with your GDS the corresponding queue for each status and the entries to cancel segments

Example:

The following PNR was cancelled by the airline due to expiration of time limit, the travel agency did not cancel the HX segments, and the reservation was charged by the GDS to the airline as a HK segment

```
*OLMNSR«
 1.1SUAREZ/AZUCENA MRS
 1  OTH YY 04MAR J GK1  BOG
*H«
XS   AV8420U 27SEP CLOBOG HK/HX1    111P  212P /DCAV*ZRW2KH/E
XS   AV9832T 27SEP BOGMZL HK/HX1    335P  448P /DCAV*ZRW2KH/E
R-   AZ
               1024/07APR16
A4S  SSR OTHS 1S ITINERARY CNL BY TTL EXPIRED PLEASE CNL HX
A4S  SSR OTHS 1S SEGMENTS TO AVOID DEBIT MEMO
SC   AV8420U 27SEP CLOBOG HK/HX1    111P  212P /DCAV*ZRW2KH/E
SC   AV9832T 27SEP BOGMZL HK/HX1    335P  448P /DCAV*ZRW2KH/E‡
R-   MUCRM1A18215436 80577461-001 SSC
PLT PLTRM1A 1554/18FEB16
```

3.2 Churning

Churning refers to the process of repeatedly creating and canceling segment(s), for the same passenger that meets the following characteristics:
- Same travel date(s)
- Same or different flight number: Cancel and rebook for the same travel date due to change in the flight number, is only permitted in routes with 5 or more daily frequencies.
- Churning can be made on the same or multiple PNR's

From June 1st, 2017, Churning will be consider since fifth cancellation and sixth booking of the same segment-passenger.

For Churning purpose, only travel agency transactions will be take into account.

Applicable charge will be **$30 per passenger** regardless of issuing a ticket or passenger has traveled.

Recommendations:

- Before performing receive from transactions or making changes on the service class, verify the availability of the desire class in order to avoid unnecessary bookings
- We recommend you to issue the ticket before performing the sixth cancel and rebook of the same segment.
- Do not avoid ticket time limit by cancelling and rebooking segments.

Example:
The PNR contains 5 cancellations and 6 bookings made by travel agency:

```
ZTLOCM
     000 ON/LY/ANA R LY/HELEN
     000 OS/AV 493 H 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 1
     000 RF-MD CR-XXXX XXXXXXX SU 0000MD/DS-67ED6DF2 12AUG1
         955Z
 000/001 XS/AV 493 H 08OCT 3 LIRSAL HK2 1650 1835/NN *1A/E*        >Cancellation 1
     001 AS/AV 493 W 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 2
     001 RF-MD CR-XXXX XXXXXXX SU 0000MD/DS-67ED6DF2 12AUG1
         957Z
     021 AS/AV 493 S 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 3
 021/039 XS/AV 493 S 08OCT 3 LIRSAL HK2 1650 1835/NN *1A/E*        >Cancellation 2
     039 AS/AV 493 H 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 4
     039 RF-MD CR-XXXX XXXXXXX SU 0000MD/DS-67ED6DF2 21AUG0
         132Z
 039/040 XS/AV 493 H 08OCT 3 LIRSAL HK2 1650 1835/NN *1A/E*        >Cancellation 3
     040 AS/AV 493 S 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 5
     040 RF-MD CR-XXXX XXXXXXX SU 0000MDDS-67ED6DF2 21AUG0
         143Z
 040/047 XS/AV 493 S 08OCT 3 LIRSAL HK2 1650 1835/NN *1A/E*        >Cancellation 4
     047 AS/AV 493 W 08OCT 3 LIRSAL LK2 1650 1835/NN *1A/E*        >Booking 6
     047 RF-MD CR-XXXX XXXXXXX SU 0000MD/DS-67ED6DF2 21AUG1
         459Z
 047/057 XS/AV 493 W 08OCT 3 LIRSAL HK2 1650 1835/NN *1A/E*        >Cancellation 5
     057 RF-MD CR-XXXX XXXXXXX SU 0000MD/DS-67ED6DF2 22AUG0
         038Z
```

Churning Examples on Multiples PNRs

Travel agency creates multiple reservations with the same segment, travel date and passenger, adding up to 5 cancellations and 6 bookings.

```
PRN 1
5W7HOG
     000 ON/CARDOSO DE ARAUJO/GISELLE CARDOSO DE ARAUJO/LAURA(CHD
     000 OS/AV 079 Y 19DEC 4 CCSBOG LK2 0603 0735/NN *1A/E*        >Booking 1
     000 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
         14Z 57977286 18SEP1939Z
PNR 2
35ZDBQ
     000 ON/CARDOSO DE ARAUJO/GISELLE CARDOSO DE ARAUJO/LAURA(CHD
     000 OS/AV 081 Y 19DEC 4 CCSBOG LK2 1836 2010/NN *1A/E*        >Booking 2
     000 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
         14Z 57977286 16SEP1232Z
 000/012 XS/AV 081 Y 19DEC 4 CCSBOG HK2 1836 2010/NN *1A/E*        >Cancellation 1
     012 AS/AV 081 T 19DEC 4 CCSBOG LK2 1836 2010/NN *1A/E*        >Booking 3
     012 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
         14Z 57977286 16SEP1237Z
 012/030 XS/AV 081 T 19DEC 4 CCSBOG HK2 1836 2010/NN *1A/E*        >Cancellation 2
     030 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
         14Z 57977286 17SEP1417Z
```

```
    PNR 3
    36FMVW
        000 ON/CARDOSO DE ARAUJO/GISELLE CARDOSO DE ARAUJO/LAURA(CHD
        037 AS/AV 079 Y 19DEC 4 CCSBOG LK2 0603 0735/NN *1A/E*        >Booking 4
        037 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 16SEP2115Z
    037/043 XS/AV 079 Y 19DEC 4 CCSBOG HK2 0603 0735/NN *1A/E*        >Cancellation 3
        043 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 17SEP1554Z
    PNR 4
    45UVSG
        000 ON/CARDOSO DE ARAUJO/GISELLE CARDOSO DE ARAUJO/LAURA(CHD
        000 OS/AV 079 Y 19DEC 4 CCSBOG LK2 0603 0735/NN *1A/E*        >Booking 5
        000 RF-AR CR-RIOB2216V 57976376 AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 17SEP1758Z
    000/010 XS/AV 079 Y 19DEC 4 CCSBOG HK2 0603 0735/NN *1A/E*        >Cancellation 4
        000 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 17SEP1758Z
    PNR 5
    45AVCP
        000 ON/CARDOSO DE ARAUJO/GISELLE CARDOSO DE ARAUJO/LAURA(CHD
        009 AS/AV 081 Y 19DEC 4 CCSBOG LK2 1836 2010/NN *1A/E*        >Booking 6
        009 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 17SEP1737Z
    009/024 XS/AV 081 Y 19DEC 4 CCSBOG HK2 1836 2010/NN *1A/E*        >Cancellation 5
        024 RF-AR CR- XXXXXXXXX XXXXXXX AS 0000AR/RO-585561B4 SAOB22
            14Z 57977286 18SEP1949Z
```

3.3 Duplicates

Refers to two or more reservations for the same passenger active in system at the same time, which their itineraries could be identical, overlap, and non-flyable.

Duplicates can be classified in:

- **Duplicated PNRs:**
  PNR created by the same Pseudo City Code (PCC) or office ID will be audited, that contains common elements, such as same passenger (first name and first last name), same primary contact information, with the same or different itinerary.

The itinerary can be classified according to three types:
Identical: reservations actives at the same time, which contains exactly the same origin/destination, flight number and travel date.

Example:

Original PNR
```
        000 ON/DASILVA/ARELIS
        000 OS/AV7630 A 15APR 4 CCSSJO LK1 1535 1655/LK *1A/E*
        000 OS/AV7690 A 15APR 4 SJOMIA LK1 1740 2230/LK *1A/E*
```
Duplicate PNR
```
        000 ON/DASILVA/ARELIS
        000 OS/AV7630 A 15APR 4 CCSSJO LK1 1535 1655/LK *1A/E*
        000 OS/AV7690 A 15APR 4 SJOMIA LK1 1740 2230/LK *1A/E*
```

Overlap: the itinerary of one PNR is contained within the date range of the itinerary of another PNR.

Example:

Original PNR
```
        000 ON/KOPES/HERBERTMR KOPES/MONIKAMRS
        000 OS/AV 712 W 21MAY 5 SJOTGU LK2 1915 2110/LK *1A/E*
        000 OS/AV 711 U 05JUN 6 TGUSJO LK2 1600 1755/LK *1A/E*
```
Duplicate PNR
```
        000 ON/KOPES/HERBERT MR(ADT) KOPES/MONIKA MRS(ADT)
        000 OS/AV 215 W 20MAY 4 SALTGU LK2 1918 2028/NN *1A/E*
        000 OS/AV 375 L 05JUN 6 TGUSAL LK2 1710 1755/NN *1A/E*
```

Non-Flyable: the itinerary dates do not overlap, and the last flight date of the first PNR falls within 48 hours of the first flight date of the second PNR.

Example:

Original PNR
```
         000 ON/PEREZ/JOSE PEREZ/LUIS PEREZ/MARIA
         000 OS/AV 050 U 21MAR 7 LIMSAL LK3 1458 1818/NN *1A/E*
         000 OS/AV 560 U 21MAR 7 SALSFO LK3 1907 0015+1/NN *1A/E*
```
Duplicate PNR
```
        000 ON/PEREZ/JOSE PEREZ/LUIS PEREZ/MARIA
        000 OS/AV 531 L 21MAR 1 LAXSAL LK3 0140 0730/NN *1A/E*
        000 OS/AV 522 L 09APR 5 SALLAX LK3 0849 1309/NN *1A/E*
```

- **Duplicated Segments:**

Refers to two or more active segments created on the same reservation, with the same origin and destination, on the same or different flight date and flight numbers.

Example 1
Duplicated segments within the same reservation:

```
        000 ON/ALVAREZ/ROGER
        000 OS/AV 640 G 06SEP 7 SJOGUA LK1 1735 1915/NN *1A/E*
        000 OS/AV 640 A 11OCT 7 SJOGUA LK1 1735 1915/NN *1A/E*
```

Example2
Duplicated segments within the same reservation with different flight number and fight date:

```
        000 ON/JARAMILLO/MELVA MRS MARTINEZ/LAURA MRS
        000 OS/AV 131 B 27MAR 6 BOGLIM LK2 0623 0923/NN *1A/E*
        007 AS/AV 133 H 26MAR 5 BOGLIM LK2 1737 2037/NN *1A/E*
```

The applicable charge will be **$20 per segment passenger**, regardless of issuing a ticket or passenger has traveled.

Recommendation:

- Avoid multiple reservations for the same passenger
- Avoid duplicate segments within the same reservation, same segment with different flight date and number
- Avoid making reservations for the same passenger with different itineraries but overlap flight dates, or non-flyable itineraries
- In the case that father and son have the same name and last name, we recommend you to include in the contact field, a different contact associate to each passenger or frequent flyer number of each passenger.
- In order to identify PNRs for homonyms passengers created on the same Pseudo, we recommend you to include contact data for each passenger instead of agency information.
- In order to verify if there is another reservation with same information, we recommend you to introduce the following commands on your GDS system:

  Amadeus   RT AV641/25JAN-APELLIDO
  Galileo   *AV641/25JAN-APELLIDO
  Sabre   *AV641/25JANSJO-APELLIDO
  Worldspan *AV641/25JANSJO-APELLIDO

  Note: please confirm commands with your GDS

3.4 Passive Segments

Refers to reservations with passive status such as: **AK, BK, BL, GK, GL, MK, PK, PL, DS, YK.**

Passive status are only allowed in group reservations with the intent of the issuance of the ticket.

After the issuance of tickets, it **is required to cancel the passive segments of a group reservation and their respective splits**; otherwise, those segments will be subject to Debit Memos.

All reservations, individual or group, with passive status that are not canceled, will be debited with a charge of **USD $ 10 per segment / passenger.**

Passive Segments must be cancelled according to the following:

- If the flight date occurs in a different month from the month of the ticket issuance, **the segments must be canceled during the same month in which the ticket was issued.**
- In the event that the flight date of the reservation is within the month in which the tickets were issued, **must cancel the segments at least 24 hours before the departure time of the flight.**

Recommendation:

- Use the passive segments only to issue tickets for Group bookings (10 or more passengers) or their individual reservations (splits of group).

- Ensure that both reservations, the one created in the GDS of the travel agency as the created in the airline system, are exactly the same including the groups format in the name field. Otherwise, the agency PNR will not be associated with the airline PNR, and will be included into the passive segments audit.
- After the issuance of group booking tickets or splits derived from groups, it is necessary to cancel the passive segments to avoid charges through Debit Memos.

Example:
Group booking with passive segments that remains active after ticket issuance

```
*ASDIHV«
 1.1BERGHUS/KARLHEINZMR  2.1DOBELT/HAGEN GUNTERMR
 3.1FAUSS BERGHUS/WALTRAUDMRS  4.1FENCK JUD/MARENMRS
 5.1GRIPP/BODO MANFRED KLAUSMR  6.1OEST BAHR/INGEBORG MARIAMRS
 7.1RODECK/ANDREASMR  8.1SCHINDL/GABRIELEMRS
 9.1SCHONBERG/JENSMR 10.1WEGNER/GUNTHER WILMR
 1 AV8503G 31AUG F BOGPEI GK10  221P  321P WMVID7 /E
 2 AV8512G 04SEP T PEIBOG GK10 1025A 1120A WMVID7 /E
 3 AV9766G 04SEP T BOGSMR GK10  100P  231P WMVID7 /E
 4   ARNK
 5 AV9547G 11SEP T CTGBOG GK10  342P  512P WMVID7 /E
 6   OTH YY 18DEC T GK1  BOG
TKT/TIME LIMIT
  1.T-21JUN-1245*AXX
  2.TE 1342650310220/21-CO BERGH/K 1245*AXX 1055/21JUN*D
    TV 1342650310220/21-CO  *VOID* 1245*AXX 1357/21JUN*E
  3.TE 1342650310236/37-CO BERGH/K 1245*AXX 1400/21JUN*D
  4.TE 1342650310238/39-CO DOBEL/H 1245*AXX 1426/21JUN*D
  5.TE 1342650310240/41-CO FAUSS/W 1245*AXX 1426/21JUN*D
  6.TE 1342650310242/43-CO FENCK/M 1245*AXX 1426/21JUN*D‡
  7.TE 1342650310244/45-CO GRIPP/B 1245*AXX1426/21JUN*D       ‡
  8.TE 1342650310246/47-CO OEST /I 1245*AXX 1426/21JUN*D
  9.TE 1342650310248/49-CO RODEC/A 1245*AXX 1427/21JUN*D
 10.TE 1342650310250/51-CO SCHIN/G 1245*AXX 1427/21JUN*D
 11.TE 1342650310252/53-CO SCHON/J 1245*AXX 1427/21JUN*D
 12.TE 1342650310254/55-CO WEGNE/G 1245*AXX 1427/21JUN*D
```

Important note: The passive status generates costs to the airline, for this reason they must be canceled after the issuance of tickets / tickets for group bookings.

3.5 Fake names

Names entered incorrectly or with a high probability of not being the name of a real passenger will be considered fake, for example:

- AAA/BBB,
- ABCD/EFGH,
- EXCHANGE/REISSUE
- Any name that includes NULL, NAME, PAX, PASSENGER, TEST, MOUSE, etc.

Airlines at a worldwide level require their passengers first and last name are complete and entered correctly.

The applicable charge is **USD $30.00 per passenger** on the reservation.

Recommendations:

- Please enter the complete passenger name according to the ID required to travel.
- Refrain from creating speculative reservations when there is no intention of traveling or creating reservations to obtain fare quotes or provide customers with an itinerary.
- For training purposes, please use your GDS' test/training environment.
- When a real name could be considered as fake, please save documents that proves that passenger name is real.

3.6 Fake tickets

Reservations that in the ticket field has a different numeration than a real ticket generated by airline system.

Any of the following cases will be considered as fake ticket:

- Fake ticket number
- Real ticket number used previously for another reservation
- Tickets issued for a route different from the one on the reservation
- Tickets issued in the name of a person other than the one on the reservation
- Voided tickets
- Tickets with invalid check digit
- EMD or another accounting fake ticket
- Ticket number entered incorrectly

The charge for fake tickets will be **USD $50.00 per passenger.**

Recommendations:

- Please refrain from creating reservations with invalid ticket numbers.
- If a ticket is cancelled, cancel the reservation immediately after in order do not block space

3.7 Waitlist

Refers to segments which are pending for confirmation according to it availability and priority. The airline does not allow this type of segment under any situation, therefore, if these segments created from the GDS are detected, the travel agency will receive a charge of **USD $10 per passenger** for each segment

Recommendation:
- Avoid requesting segments on classes already closed (0).

3.8 Hidden Group

Hidden Group refers to groups that has been booked through individual reservations (10 or more passengers), with the same Origin-Destination, flight date and created by the same agency.

Reservations with issued ticket will not be audited.

From June 1st, 2017, a monthly audit of Hidden Group will be made by Avianca. The applicable charge will be **USD $20.00 per passenger.**

Recommendations:
- The group reservations (10 or more passengers) must be required according to the Avianca group procedure.
- Refrain to create speculative reservations that blocks spaces in airline inventory.
- Issue tickets or cancel reservations before they are canceled by the airline's robot.

All the reservations that meets the mentioned characteristics and has not been created under the airlines guidelines for group reservations will be audited.

4. Inventory Abuse Practices

4.1 Married Segments Abuse

Refers to Origin-Destination (O&D) Flight segments sold together, must not be separated, and requires to book connecting flight segments in a single availability display from point of Origin to point of Destination.

Abusive practices of travel agencies to Married Segment abuse are:
- Booking manipulation of married segments in order to brake the Origin-Destination logic.
- Partial cancellation of itineraries
- Booking flights to a fictitious destination in order to find flight availability in a lower booking.
- Creating itineraries with connection segments booked separately, forcing the confirmation when there is no availability in the complete Origin-Destination.

The applicable charge will be **USD$175 per segment/passenger**, regardless of issuing a ticket or if the passenger has traveled.

Recommendations:

- Book married segments from the current availability display
- When rebooking, cancel all connecting flight segments of a married Origin & Destination
- Do not circumvent the logic of Origin / Destination trying to get a space in a closed class, in order to obtain a lower rate that does not apply because there is no longer providing the requested service class

It is possible to identify unmarried segments only in the airline host system when a reservation is available.

Avianca has developed tools to identify reservations with unmarried segments; those reservations are cancelled automatically when the Origin-Destination logic has been circumvent.

```
000 ON/ESPINOZA/RICARDO
000 OS/AV 839 S 24JUN 5 LIMCUZ LK1 0520 0639/LK *1A/E*     > Segement Sold
     /1S/PE/C/D/CAB Y//0/0001////
     /Y 2047/B   64///EY 1863/BOGCUZ/PE/Y                  > OD used to make the unproductive practice.
000 OS/AV 838 Z 31JUL 7 CUZLIM LK1 0722 0855/LK *1A/E*       Initially the booked segments were BOGCUZ y CUZBOG.
     /1S/PE/C/D/CAB Y//0/0001////                            Agency cancelled LIMBOG and BOGLIM segments, and
     /Y 2047/B  166///EY 1792/CUZBOG/PE/Y                    only leaved active the LIMCUZ and CUZLIM segments.
000 OO/OSI AVCTCP LIM 57445
000 RF-HDQRM1S 202034 DK3C2D49C10A5F 0966303A00F1B4//HDQ1STI
    PBVR/XXXX/9999999/LIM/1S/T/PE/PEN CR-HDQ RM 1S 20JUN203
    4Z
001 RF-PNR.STATISTICS.8 CR-DFW1S4100 00000000 SU 0001AA 20JU
    N2034Z
002 RF-PNR.STATISTICS.8 CR-DFW1S4100 00000000 SU 0001AA 20JU
    N2034Z
000/003 CS/AV 839 S 24JUN 5 LIMCUZ HX1 0520 0639/HK *1A/E*  > Airline cancellation when unmarried segmets were
     /1S/PE/C/D/CAB Y//0/0001////                             detected
     /Y 2047/B   64///EY 1863/BOGCUZ/PE/Y
000/003 CS/AV 838 Z 31JUL 7 CUZLIM HX1 0722 0855/HK *1A/E*
     /1S/PE/C/D/CAB Y//0/0001////
     /Y 2047/B  166///EY 1792/CUZBOG/PE/Y
   003 SA/SSR OTHS1S SEGMENT CANCELLED BY THE AIRLINE.
   003 SA/SSR OTHS1S SEGMENT CANCELLED BY THE AIRLINE.
   003 RF-1AINV ENI RM TA  20JUN2034Z
```

Take in consideration that the married segment abuse, is only identified in the Avianca Host System, because in the agency GDS history there are not transactions that prove the unmarried segments, since the fraudulent transaction are made before the PNR is generated.

Since GDS's have verified with real cases that agencies make this unproductive practice, this audit is **not disputable**. However, if the agency wants to dispute the charge, Avianca will sent the information generated from the inventory tool as proof, in which is reflected the origin and destination originally booked and the sold origin and destination.

4.2 Overbooking in Classes already Closed

Overbooking in classes already close, are those reservations made on an unavailable service class that are forced and confirmed by the travel agency through a set of commands that circumvent the system logic.

As a result of the forced overbook, the OBLK indicator is generated in the reservation history, however this indicator can only be identified in the airline host system.

The follow example shows a force overbooking in the airline's host system:

```
000 ON/ROJASIBANEZ/MAYRA ALEJANDRA MRS
000 OS/AV 964 K 13DEC 5 EZELIM LK1 0552 0834/LK *1A/E*
000 OS/AV 148 T 13DEC 5 LIMCLO LK1 1025 1313/LK *1A/E*
000 OS/AV 149 K 05FEB 3 CLOLIM LK1 1750 2040/LK *1A/E*
000 OS/AV 965 K 05FEB 3 LIMEZE LK1 2209 0421+1/LK *1A/E*
000 RF-HDQRM1S 032041 DKC7D17CC1882B 0918A03400C2AB//HDQ1SYC
    KTTZ/XXXX/XXXXXXX/CLO/1S/T/CO CR-HDQ RM 1S 03DEC2041Z
002 QA/QME/AV0965/05FEB
002 RF-PNR.OVERBOOKING.OBLK CR-HDQ RM 1SRM    0000    03DEC20
    41Z
```

→ Overbooked flight
→ Overbooking indicator

As shown in the image above, it can be identify that the overbooked flight was AV0965 with flight date 5th of February, and the OBLK indicator confirms that there was a force overbook in the system.

Avianca audits all overbooking segments that have been confirmed through a set of commands that force the booking, and will apply a charge of **USD$175 per segment/passenger,** regardless of issuing a ticket or if the passenger has traveled.

Recommendations:

- Book segments based on availability display
- Do not circumvent the logic of Origin-Destination trying to get a space in a closed class, in order to obtain a lower rate that does not apply.

Take in consideration that the Overbooking in Classes already Closed, is only identified in the Avianca Host System, because in the agency GDS there are not transactions that prove the reservation was taken in a service class that was already closed, since the fraudulent transaction are made before the PNR is generated.

Since GDS's have verified with real cases that agencies make this unproductive practice, this audit is **not disputable**. However, if the agency wants to dispute the charge, Avianca will sent as proof, the PNR history from the airline Host System, containing the (Overbooking.OBLK) indicator.

4.3   Point of Commencement logic abuse (POC).

The availability of the airline is based on Origin Destination (O&D) and the Point of Commencement (POC) of the trip, which may differ if the segments are sold separately.

When a PNR is created or modified, the travel itinerary must be sold in chronological order according to the segment schedule.

It will be considered an abuse of the logic of POC when detecting reservations whose itineraries have been confirmed through the use of entries that circumvent the logic of the system, and are not reserved according to availability based on the point of origin of the itinerary.

Any type of manipulation of the PNR will be considered bad practice and Avianca strictly prohibits any type of manipulation in the reservations. Agencies will be responsible for bad practices and will receive an ADM.

The applicable charge is **USD$175 per segment/passenger,** regardless of issuing a ticket or if the passenger has traveled.

Since GDS's have verified with real cases that agencies make this unproductive practice, this audit is **not disputable**. However, if the agency wants to dispute the charge, Avianca will sent the information generated from the inventory tool as proof, in which is reflected the correct POC and the POC with which the calculation of availabilities was made.

Recommendations:
- Enter the segments of the itinerary according to the chronological order of the passenger's travel intention.
- Book according to the availability provided by the system.
- Refrain to circumvent the POC logic through the use of entries or mechanisms that affect the determination of the point of origin of the itinerary.

5. Travel agency productivity

5.1 Travel agency productivity

It refers to a comparison between costs, generated by a travel agency, and the sales generated during the same period of time.

When measuring a travel agency's productivity, the following costs will be included:
* Availability of flights request
* Bookings creation, modification and cancelation
* Tickets issued
* Credit card commissions
* Sales commissions

Evaluated costs:

Case 1. Travel agency with generated costs exceeding 15% of its sales.
Case 2. Travel agency with generated costs and no sales.

In case of inefficiency, Avianca reserves the right to apply any of the following actions:
- Suspend access to seamless availability Requests
- Full or partial suspension of access to inventory
- Modification of business relationship
- Warning letter

These policies apply to both IATA/ARC and non-IATA/ARC travel agencies.

5.2 Reactivation of access to Airline Inventory

Avianca reserves the right to block and inhibit access to inventory for any of the following reasons:

- Lack of productivity
- Unproductive practices on Avianca's inventory
- Fraud
- IATA/ARC status default
- Irregularities in payments to Avianca
- Voluntary deactivation

If the Travel Agency wishes to have access again to airline inventory, it will have to cancel a fee of **USD $300**.

Avianca reserves the right to not reactivate the access to inventory depending on the severity of the case.

The following steps are required to reactivate access to Avianca inventory:
- The travel agency asks the local Sales Manager to reactivate Avianca inventory.
- Avianca will analyze if it is possible to return the inventory access depending on the reason for inhibition.
- In case Avianca accepts to reactive access to inventory, the airline will send an ADM* or invoice** with a USD **$300.00** reactivation fee.
- Once payment has been received, travel agency access will be reactivated.

*ADM (Agency Debit Memo) applies only to IATA travel agencies.
**Invoice applies to non-IATA agencies.

6. Dispute Process

Travel Agencies can dispute the received Debit Memos through the following options:

- **BSPLink**
  The ADM can be dispute during the following 14 days, through the active option in the system to submit comments and attach the support that sustains the dispute, which must be requested to Agency GDS.

- **E-mail**
  After 14 days, the option to dispute through BSP will be disable, however the agencies can sent their cases to the following e-mail according to the country they belong:
  - Colombia ADMs not Billed: notasdecargo@avianca.com
  - Colombia Credit Note Request: notasdebaono@avianca.com
  - Rest of the word: soluciones.bsp@avianca.com

Dispute must be supported with the complete PNR history, and all other supports that prove the travel agency did not incurred in the audited practice.

7. Issuance of tickets through online sales channels

In order to guarantee a clear and consistent publicity to the final customer, and in accordance with numeral 1) of the 830a IATA Resolution, the following practices will

be considered by Avianca as infractions against the adequate issuance of tickets through online sales channels and it will be sanctioned according to the exposed in this document.

7.1 Undercutting

For the commercialization and sales of the airline´s air fares, the AGY/OTA that counts with an online platform, is free to make agreements with third parties that offer a benefit to the final customer; however, in any publicity or announcement made about this benefits, it´s necessary that the fare offered by Avianca is informed by the full amount of its value (according to published fares and parameters uploaded by Avianca to APTCO and sent to the Global Distribution Systems), regardless of the final fare offered by the AGY/OTA after applying any benefit.

Effective immediately, the information provided by the AGY/OTAs on its online platforms related to public fares applicable to Avianca's services, must comply with the following guidelines:

a. The deployment and promotions of fares during the search process on web sites, metasearch, aggregators and price comparison engines must be consistent with published fares by Avianca or agreed fares with the agency in case it applies.
b. Benefits that the AGY/OTA wishes to offer to its customer derived of alliances with business partners or third parties, or fare discounts must be reflected and duly informed during the online purchase process.

7.2 Sales triangulation from or to other countries

Fares published in each country obey to the specific conditions of the market. It is forbidden to share inventory from one country to another given that it generates distortion of the fares published in the country where the purchase is originated. The AGY/OTA´s booking and issuance IATA must be the same.

7.3 Hidden Return

To display or offer a round-trip fare whenever the client manifests an interest to travel one-way only, regardless that a cheaper fare is offered for a round-trip on the same date. This is considered an invitation for the passenger to present as a "no show", which translates to additional costs for the carrier.

7.4 Bad use of Avianca´s registered brand in search engines

The use of Avianca´s brand in online publicity must be done according to Google´s Trade Mark policy, where Avianca is a registered brand.

The use of the word "Avianca" at the beginning of the URL text of the AGY/OTA's website is not accepted by the company.

It is considered a bad practice to index the meta title with "Avianca.com". It is suggested to include "Avianca" after the main brand in the meta title.

7.5 Bid for the "Avianca" keyword

It is advised, that in any market the AGY/OTA should not bid the keyword "Avianca" neither "Avianca.com" in any digital publicity platform that commercialize ads in search engines such as, Google.com (Google Ads) and Bing.com (Bing Ads). In case that the words "Avianca" or "Avianca.com" are bid, with the hopes of maintaining a healthy commercial relationship, it is suggested that the AGY/OTA looks to position itself second.

7.6 Applicable sanctions

In the case Avianca identifies or detects that the AGY/OTA has incurred in any of the previously mentioned practices, Avianca reserves the right to apply any of the following measures:
   a. Modify the incentives plan offered to the AGY/OTA.
   b. Inhibit access to the airline´s inventory.
   c.
Avianca reserve the right to cancel tickets issuance authorization, in accordance with numeral 7.2.3 of the IATA Resolution 812 and finalize the Sales Agency Contract in accordance with numeral 13 (IATA Resolution 824).

8. Policy Validity

The information contained in this document is current as of the date of publication. Avianca reserve the right to modify at any time and without notice, effective to the future, the guidelines and general conditions, for the adequate use of the distribution systems contained in this document.

AGENCY NAME	_____	PSEUDOS	_____
LEGAL REPRESENTANT SING	_____	DATE	_____
LEGAL REPRESENTANT NAME	_____	AGENCY SEAL	
FEIN NUMBER	_____		
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