



AIRLINE ADM POLICY

AIRLINE ALPHA + NUMERIC CODE: **CZ - 784**

Dear agents,

Unless otherwise specified, **China Southern Airlines** will generally issue ADM for the following five major reasons:

1 Incorrect Commission	2
2 Unnecessary GDS Booking Fee	2
3 Ticket Handling	4
4 Irregular Operations on Reserving the US Related Flights	5
5 Credit Card Surcharge for Sales in Australia and New Zealand	5
6 Contact Details.....	5

China Southern Airlines regards all ADM as being disputable but retains the right to issue ADM for the above mentioned anomalies which can only be disputed through correspondence with the airline or its representative.

China Southern Airlines reserves the right to change any of these requirements without advance notification. All parties involved will be notified of any changes.

1 Incorrect Commission

If the agent issues a ticket by the incorrect commission rate, an ADM will be sent to the issuing agent.

2 Unnecessary GDS Booking Fee

To reduce the costs associated with inactive segments and other booking-related practices which cause negative inventory consequences, China Southern Airlines (CZ) has implemented a formal GDS booking policy.

2.1 GDS Booking

2.1.1 Booking Policy Terms

The agent has the responsibility to take action based on the following recommendation list to avoid unnecessary GDS booking fee:

- (1) Tickets must be booked and issued within the same GDS.
- (2) Do not issue passive tickets.
- (3) Holding inventory for future is prohibited. False or speculative booking, including blocking seats or holding a reservation due to expected demand, or the customer's indecision, are not permitted under any circumstances.
- (4) Cancel bookings before ticketing deadlines
- (5) During booking, agents should leave passengers' contact or agents' mailbox information in PNR. When agents receive Q message concerning schedule change or flight cancellation, agents have the responsibility to inform passenger as soon as possible through effective ways, such as email, phone call or messages on APP.
- (6) Promptly remove all non-productive segments with status codes of HX, NO, UC, UN, HL, SC, TL, HL, TN, UU, US, PN, WL, WN, DL, DS, IX, MM, RM, GL from the PNR.

2.1.2 Booking Irregularities

Making fake or virtual bookings include but not limited to the followings:

- (1) Making duplicated reservations on the same segment and/or same flight with a same passenger name;
- (2) Making duplicated reservations on the same segment and/or same flight in consecutive days with a same passenger name;

- (3) Using fake ticket number on bookings. Fake ticket number includes non-existent number, number of the voided or refunded ticket, or number does not match PNR information (passenger name, flight number, flight date, bookings class, date of issuance, etc.)
- (4) Making duplicated bookings with same passenger identity information;
- (5) Making reservation with fake passenger identity information;
- (6) Making reservation but not generating PNR in 10 minutes;
- (7) Voiding/refunding/reissuing/exchanging a ticket or knowing travel has been canceled by a passenger but not canceling the original booking in time;
- (8) Making reservation but not to issue relevant tickets, or making partial issuance to part of the passengers or part of the travel segments;
- (9) Making reservation with duplicated segments or obvious misconnections;
- (10) Making fake or duplicated bookings using auto computer program;
- (11) Other booking behaviors violating the regulations.

2.2 The Standard of Punishment

2.2.1 Accredited Agents

For violation on booking policy terms and unnecessary GDS booking fee cost, the agent should compensate for the loss.

- (1) In case that agents fail to inform passenger of schedule change or flight cancellation which leads to passenger complaints, agents should pay 1000 RMB compensation or equal local currency per ticket.
- (2) Duplicate booking - Multiple seats for a passenger, including but not limited to multiple seats with the same origin and destination, or multiple flight trips that are not possible at the same time, and duplicated booking in different GDS. The agent should compensate for \$8 or equal local currency per flight segment for duplicate booking.
- (3) Churning - More than 3 times of cancellation and booking on the same passenger name, flight date and itinerary would result in 5 US dollars or equal local currency compensation for each segment since the fourth time.
- (4) Inactive Segments - It is the agent's responsibility to monitor the queues and release inactive segments with HX, UN, UC, NO, SC, TK, TL, TN, UU, US, PN, WL, WN, DL,

DS, IX, MM, RM, HL, GL or WK status codes from the booking. Fail to remove these segments within 24 hours before departure would result in a 5 US dollars or equal local currency compensation for each segment.

(5) Fictitious Name - pay 8 US dollars or equal local currency per flight segment for compensation.

Any other violations - 5 US dollars or equal local currency compensation for each segment.

2.2.2 Unaccredited Agents

If more than 3 times violations are found, the agent will be blocked according to the BIDT billing audit data. If the agent applies for unblocking, it must compensate for the loss according to the punishment standard of the accredited agents aforementioned.

3 **Ticket Handling**

The following irregularities ticket handling operations may cause punishment:

- (1) Uncompleted passenger contact details
- (2) Unreported
- (3) Under collected taxes
- (4) Under collections of fares / incorrect fares
- (5) Double Refunds
- (6) Credit card chargebacks / Fraudulent use of credit card
- (7) Re-issuance without endorsements of other airline tickets
- (8) Booking classes versus fare basis class as per fare rules
- (9) Published fares and/or fare rules not respected
- (10) IT fares and/or fare rules not respected
- (11) Ticketing deadline violation
- (12) Cancellation fees or administration fees not deducted on refunds
- (13) Other fees that are not collected or under collected, including but not limited to: no show fees, change fees, rebooking fees

(14) Interline tickets issued when no interline agreement exists

(15) Ticket issued with an OPEN segment status whereas the fare basis does not permit an open segment status

(16) Ticket issued with a segment status NOT CONFIRMED whereas the fare basis demands that all segments be confirmed

4 Irregular Operations on Reserving the US Related Flights

The Transportation Security Administration (TSA) regulated that the operating airlines must go through the process of Secure Flight system verification for passenger who fly to, fly away from or fly across the United States. It cannot go through the Secure Flight system if the personal information edited after the passenger reservation record has been created. Please noted that:

4.1 When dealing with reservations for the U.S. related flights, all agents should inform passengers to provide correct and complete personal information.

4.2 Within 72 hours prior to the departure of U.S related flight, any departments and agents are not allowed to edit the passenger personal information (SSR DOCS), including but not limited to editing name or surname, replenishing names, editing genders, date of birth, passport numbers, increasing/ deleting characters or space. When a passenger asks for a relevant change, agents should also inform the passenger of the regulations. Any relevant change must be processed according to the regulation of voluntary refund. If the change meets name modification regulation, it is a must to cancel the original PNR, refund the ticket, rebook the PNR and issue a new ticket.

4.3 For those agents which have their own websites or self-constructed systems, should conduct system improvement for avoiding any violations.

4.4 On the account of the violated operation of agents, the violated agent should compensate for the loss of penalization to our company by TSA or the loss of refusing the related flight for entry.

5 Credit Card Surcharge for Sales in Australia and New Zealand

For sales in Australia and New Zealand on/after 1st JUL 2019 (date of issuance), a surcharge must be collected when tickets are paid by credit card. If agents fail to collect the surcharge, an ADM will be issued accordingly. Tickets paid by credit card in the name of an agent or company are not permitted, failure to comply will result in an ADM being applied.

6 Contact Details

If there is any inquiry about the policy, please contact us by the email address on the ADM.

We sincerely appreciate your understanding and cooperation. Thank you for your continued support.

China Southern Airlines