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Despite our consistent investment in technology to prevent fraudulent bookings, abusive bookings made through unauthorized ways have been increasing to unacceptable levels. These bad practices are effectively a pilferage of our inventory, leading to financial losses and to unfair competition in the marketplace.

Cathay Pacific Airways manages inventory on an "Origin and Destination" (O&D) basis. A specific booking class may not be available for a specific O&D but available for another O&D including the same segment. Any attempt to recreate the original O&D at a lower booking class using Other O&Ds and the cancellation of sectors is a fraudulent way of by-passing our inventory management control.

Example:

- O&D required: SFO-HKG in Q Class
- O&D requested: DFW-BKK in Q class
- Sectors cancelled: DFWSFO & HKGBKK

As of 01 July,

- Any ARC locations booking or issuing tickets for reservations made through abusive practices will be suspended from ARC for a minimum duration of 1 month.
- This applies for booking made by agents, subagents, employees or outside agents using a GDS.
- A fee of \$10,000 will apply to regain access to bookings and ticketing capabilities of Cathay Pacific flight segments through ARC.
- If the same ARC gets suspended a second time, the fee for reopening ARC access will rise to \$50,000.
- If these bad practices were to reoccur, Cathay Pacific reserves the right to remove access to the Consolidator Contract.

We ask that your Company communicates this policy to all your associates and implement proactive actions to ensure such malpractices do not occur.

Cathay Pacific strives to work in partnership with your Company and to create a level playing field for all throughout the country. We therefore thank you for your immediate attention and your cooperation in complying with this policy.