

Air China: Contract Use Clarification

Considering the recent JV with Air Canada and to help our supportive agents better understand our contracts, Air China is pleased to issue the following contract explanation for your review.

We would like to clarify with you, two categories of our current contracts: Net Fares and Commissionable Fare. Please see below:

Fare Rules Clarifications

Net Fares:

- Published to selected Canadian key agents.
- Discounted fare; IT/NB allowed.
- Can only be used with through-fare.
- System auto-quote only, cannot manually input fare.
- Mark-up allowed up to 25% of base discounted fare.
- Cannot be combined with other net contract or commissionable contracts.
- Tour code must be auto-quote, cannot manually input tour code.

Commissionable Fares:

- Published to all Canadian agents.
- Commissionable with all published fares.
- No restrictions to fare basis, does not have to be through-fare.
- If booking code share, use interline rate***
- Mark up not allowed; IT/NB Not allowed.
- Not restricted by fare breaks.
- Combination allowed with up to 2 other combinable contracts; most restrictive applies to entire itinerary; input tour code order according to itinerary, differentiate using '/'.
 - Example: Itinerary YVR-PEK//SIN-PEK-YVR
 - Can combine ACTOT with HA9A06
 - Input tour code: ACTOT/HA9A06
 - Claim lowest commission between the two contracts.



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Combination Clarifications for JV Net Contract

To further clarify out contract use, the net contracts HA9A02 (CA) and LA9001P (AC), although are the same contract with the same rates and rules, they cannot be combined with each other. Within the JV scope, HA9A02 is used for 999 tickets (CA operated and CA marketed), while LA9001P is used for 014 tickets (AC operated and AC marketed). If the itinerary involves both AC+CA or CA+AC, net contracts cannot be used for 999 ticket stock and only ACTOT can be used.

Commissionable Fares Clarification

For our commissionable fares, everything within the fare box can be claimed commission on, whether it is a surcharge or navigation fee. Everything in the tax box is non-commissionable.

Commission When Re-issuing

When re-issuing a ticket, please input both the original contract tour code and the new contract tour code (e.g. ACTOT/HA9A06). The new ticket's change fee is not commissionable. However, the fare difference for the new ticket is commissionable, commission rate based on the new contract.

Examples:

1. Tour Code: ACTOT

Commission: 806.00 * 5% = 40.30

For the itinerary below, notice that there is a fare break in BJS with a fare basis of YUS. Since this is not a through-fare, you cannot use the net contract HA9A02 for this itinerary. For this, please use ACTOT and claim commission on the published fare.

1.	CA880	S1	TU15OCT	YULPEK	HK1	1520	1700+1	OVERBOOK	24	E	--T3
2.	CA8908	S1	WE16OCT	PEKDLC	HK1	2135	2310	OVERBOOK	1	E	T3-- S1
3.	CA1606	Y2	SU17NOV	DLCPEK	HK1	0715	0840	73K	0	E	--T3
4.	CA879	T2	SU17NOV	PEKYUL	HK1	1330	1315	OVERBOOK	18	E	T3--

```

FSI/CA
S CA 880S15OCT YUL1520>1700PEK0X 789 #DJCDZRGEYBMUHQVWST
S CA 8908S16OCT PEK2135 2310DLC0S 73D #DJCDZRYBMUHQVWST
S CA 1606Y17NOV DLC0715 0840PEK0X 73K #DJCDZRYBMUHQVWSTX
S CA 879T17NOV PEK1330 1315YUL0S 789 #DJCDZRGEYBMUHQVWSTX
01 SKXRCCA2+* 1274.40 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 23APR19*1726
YMQ
XBJ SKXRCCA2 NVB15OCT19 NVA15OCT19 2PC
DLC SKXRCCA2 NVB16OCT19 NVA16OCT19 2PC
XBJ YUS NVB17NOV19 NVA17NOV19 2PC
YMQ TLWRCCA1 NVB17NOV19 NVA17NOV19 2PC
FARE CAD 806.00
TAX CAD 25.91CA CAD 30.00SQ CAD 412.49XT
TOTAL CAD 1274.40
  
```

2. Itinerary 1:

Tour code: ACTOT/HA9A06

Commission: 929.00 * 5% = 46.45

For the itinerary below, notice that the it is an open-jaw itinerary with a third country involved. Since net contracts cannot be combined, you cannot combine HA9A02 (CA net fares to China) and HA9A03 (CA net fares to Beyond China). However, ACTOT can be combined with the contract HA9A06, so the itinerary below will need the corresponding tour codes.

1.	CA880	S1	TU15OCT	YULPEK	HK1	1520	1700+1
2.	CA8908	S1	WE16OCT	PEKDLK	HK1	2135	2310
3.	CA980	T2	FR15NOV	BKKPEK	HK1	0105	0630
4.	CA879	T2	FR15NOV	PEKYUL	HK1	1415	1400

```

FSI/CA
S CA 880S15OCT YUL1520>1700PEK0X 789 #DJCDZRGEYBMUHQVWS
S CA 890S16OCT PEK2135 2310DLC0S 73D #DJCDZRYBMUHQVWS
S CA 980T15NOV BKK0105 0630PEK0X 77W #DJCDZRYBMUHQVWSTLXN
S CA 879T15NOV PEK1415 1400YUL0S 789
01 SKXRCCA2+* 1326.00 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 05JUN19*1715
YMQ
XBJS SKXRCCA2 NVB15OCT19 NVA15OCT19 2PC
DLC SKXRCCA2 NVB16OCT19 NVA16OCT19 2PC
BKK S U R F A C E
XBJS TKRCCA6 NVB15NOV19 NVA15NOV19 2PC
YMQ TKRCCA6 NVB15NOV19 NVA15NOV19 2PC
FARE CAD 929.00
TAX CAD 25.91CA CAD 30.00SQ CAD 341.09XT
TOTAL CAD 1326.00
  
```

Itinerary 2:
Tour code: HA9A06/ACTOT
Commission: 903.00 * 5% = 45.15

1.	CA880	T1	SA21SEP	YULPEK	HK1	1520	1700+1
2.	CA979	T1	SU22SEP	PEKBKK	HK1	1935	2340
3.	CA1606	T2	WE25SEP	DLCPEK	HK1	0745	0910
4.	CA879	T2	WE25SEP	PEKYUL	HK1	1240	1320

```

FSI/CA
S CA 880T21SEP YUL1520>1700PEK0X 789 #DJCDZRGEYBMUHQVWSTL
S CA 979T22SEP PEK1935 2340BKK0S 321 #DJCDZRYBMUHQVWSTL
S CA 1606T25SEP DLC0745 0910PEK0X 73K #DJCDZRIYBMUHQVWSTLXN
S CA 879T25SEP PEK1240 1320YUL0S 789 #DJCDZRIGEYBMUHQVWSTLXN
01 TRCCA6+TK* 1287.50 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 05JUN19*1720
YMQ
XBJS TRCCA6 NVB21SEP19 NVA21SEP19 2PC
BKK TRCCA6 NVB22SEP19 NVA22SEP19 2PC
DLC S U R F A C E
XBJS TKXRCA1 NVB25SEP19 NVA25SEP19 2PC
YMQ TKXRCA1 NVB25SEP19 NVA25SEP19 2PC
FARE CAD 903.00
TAX CAD 25.91CA CAD 30.00SQ CAD 328.59XT
TOTAL CAD 1287.50
  
```



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3. Tour code: ACTOT/HA9A06

Commission: $1081.00 * 3\% = 32.43$

For the itinerary below, we have YUL-PEK (Canada-China), then open jaw and return from HKG-PEK-YUL (Beyond China). Similar to example #2, this itinerary uses ACTOT/HA9A06, most restrictive applies. (Please note that in this example, the HA9A06's interline rate of 3% will be claimed on the entire itinerary as it is the lowest.)

```
FSI/CA
S CA 880L16NOV YUL1430>1725PEK0S 789
S KA 900Y22DEC HKG0730 1045PEK0X 333
S CA 879L22DEC PEK1330 1315YUL0S 789
01 LLWRCCA0+* 1537.80 CAD
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 30MAY19*1456
  YMQ
  BJS LLWRCCA0 NVB16NOV
  HKG S U R F A C E
XBJS YOW2 NVB
  YMQ LLWRCCA0 NVB22DEC
FARE CAD 1081.00
TAX CAD 25.91CA CAD 30.00SQ CAD 400.89XT
TOTAL CAD 1537.80
```

4. Tour code: ACTOT

Commission: $1096.00 * 2.5\% = 27.40$

For the itinerary below, there is a stop-over in PEK followed by an MU flight. Since the itinerary is within JV scope of Canada-China, the contract to use is ACTOT and use an interline rate because MU is involved in one of the sectors.

```

FSI/CA
S CA 880L16NOV YUL1430>1725PEK0S 789
S MU 5228L25NOV PEK1020 1155TA00S 320
S CA 1576L25DEC TA01210 1345PEK0X 32A
S CA 879L26DEC PEK1330 1315YUL0S 789
01 LLWRCCA0+* 1563.30 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 30MAY19*1503
YMQ
BJS LLWRCCA0 NVB16NOV19 NVA16NOV19 2PC
TAO LOWBJ NVB NVA16FEB20 2PC
XBJS LKXRCCA2 NVB25DEC19 NVA25DEC19 2PC
YMQ LKXRCCA2 NVB26DEC19 NVA26DEC19 2PC
FARE CAD 1096.00
TAX CAD 25.91CA CAD 30.00SQ CAD 411.39XT
TOTAL CAD 1563.30
  
```

5. Tour code: ACTOT/HA9A06

Commission: 1058.00 * 2.5% = 26.45

For the itinerary below, there is a stop-over in PEK followed by MU flight on the outbound. For that, commission can be claimed on ACTOT interline rate. The inbound is from beyond China on genuine CA flights, which satisfies the combination restriction of HA9A06. As such, the tour code we use for the below itinerary is ACTOT/HA9A06, most restrictive rule applies. (Please note that in this example, the interline rate of 2.5% will be claimed on the entire itinerary as it is the lowest.)

```

FSI/CA
S CA 880S16NOV YUL1430>1725PEK0S 789 #DJCDZRIGEYBMUHQVWSX
S MU 5228S25NOV PEK1020 1155TA00S 320 #DJYBMEHKLNRX
S CA 758S25DEC BKK1625 2205PEK0X 738 #DJCDZRIYBMUHQVWS
S CA 879S26DEC PEK1330 1315YUL0S 789
01 SLWRCCA0+* 1454.40 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 30MAY19*1508
YMQ
BJS SLWRCCA0 NVB16NOV19 NVA16NOV19 2PC
TAO SOWBJ NVB NVA16MAY20 2PC
BKK S U R F A C E
XBJS SLRCCA6 NVB25DEC19 NVA25DEC19 2PC
YMQ SLRCCA6 NVB26DEC19 NVA26DEC19 2PC
FARE CAD 1058.00
TAX CAD 25.91CA CAD 30.00SQ CAD 340.49XT
TOTAL CAD 1454.40
  
```

6. Tour Code: HA9A06
Commission: 2220.00 * 3% = 66.60

For the itinerary below, the outbound destination is HKG, return is from HKG. If all sectors were on CA, you can use HA9A06 (online rate 5%). However, since we have two sectors on KA, The interline rate of HA9A06 (3%) applies to the entire itinerary.

```

FSI/CA
S CA 880L16NOV YUL1430>1725PEKOS 789
S KA 997Y20NOV PEK0325 0650HKGOS 320
S KA 900Y20DEC HKG0730 1045PEKOS 333
S CA 879L29DEC PEK1330 1315YULOS 789
01 LLWRCCA0+* 2716.60 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER
*ATTN PRICED ON 30MAY19*1555
YMQ
BJS LLWRCCA0 NVB16NOV19 NVA16NOV19 2PC
HKG YRT2 NVB NVA16FEB20 2PC
BJS YRT2 NVB NVA16FEB20 2PC
YMQ LKWRCCA9 NVB29DEC19 NVA29DEC19 2PC
FARE CAD 2220.00
TAX CAD 25.91CA CAD 30.00SQ CAD 440.69XT
TOTAL CAD 2716.60
  
```

7. Tour code:
Commission: 0

The itinerary below, due to having a CX segment from HKG-TPE, it does not satisfy the restrictions of any contracts we have, so no contract can be used and commission is 0%. (ACTOT is for China-Canada ONLY so if there is a destination beyond China, a different contract needs to be combined. HA9A06 only allows CA genuine flights and not CX, so HA9A06 cannot be used for combination in this case.)



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1 CA 880L 09SEP 1 YULPEK HK1 1520 1700 10SEP /DCCA*PKVE05 /E
 2 ARNK
 3 CX 400Y 15SEP 7 HKTPE HK1 1310 1510 /DCCX*R8WV3Y /E
 4 ARNK
 5 CA1310L 30SEP 1 CANPEK*HK1 0805 1110 /DCCA*PKVE05 /E
 6 CA 879L 30SEP 1 PEKYUL*HK1 1240 1320 /DCCA*PKVE05 /E

Price Quote Record Retained

09SEP Departure Date-----Last Day to Purchase 31MAY/23:59

	Base Fare	TAXES/FEES/CHARGES		
1-	CAD1074.00	466.61XT	CAD1540.61ADT	Total: CAD1540.61
	XT 312.00YQ	22.30YR 25.91CA	30.00SQ	
	1.50XG	2.99XQ 27.30CN	20.59HK	
	15.44G3	8.58I5		
	1074.00	466.61		

ADT-1 LLXRCCA0 YOW LKXRCCA5

YMQ CA BJS Q11.23 138.61/-HKG CX TPE463.81/-CAN CA X/BJS CA YMQ Q11.23 179.82NUC804

Q/NONEND/PENALTY APPLY

T1

VALIDATING CARRIER - CA

CAT 15 SALES RESTRICTIONS FREE TEXT FOUND - VERIFY RULES

8. Tour Code:
 Commission: 0

For the itinerary below, segment YULPVG & PVGYUL is not a CA operated flight, it does not apply to HA9A06, commission will be 0.

```

FSI/CA
S CA 7520V01OCT YUL1305>1515PVG0X 789 #OAC #DJCDZYBMUHQV
S CA 805W02OCT PVG2315>0225BKK0S 321 #DJCYBMUHQVW
S CA 806L15OCT BKK0340 0845PVG0X 321 #DJCDZRYBMUHQVWSTLXN
S CA 7519S15OCT PVG1650 1840YUL0S 789 #OAC #DJCDZYBMUHQVWS
01 VLXRCYA7+* 1364.90 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER SEG 2, 3
*ATTN PRICED ON 05JUN19*1826
YMQ
XSHA VLXRCYA7 NVB01OCT19 NVA01OCT19 2PC
BKK WRFAA8 NVB02OCT19 NVA02OCT19 2PC
XSHA LRCAA8 NVB15OCT19 NVA15OCT19 2PC
YMQ SLXRCCA4 NVB15OCT19 NVA15OCT19 2PC
FARE CAD 993.00
TAX CAD 25.91CA CAD 30.00SQ CAD 315.99XT
TOTAL CAD 1364.90

```



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9. Tour code:

Comission: 0

```
FSI/CA
S CA 7520V01OCT YUL1305>1515PVG0X 789 #OAC #DJCDZYBMUHQV
S CA 805W02OCT PVG2315>0225BKK0S 321 #DJCYBMUHQVW
S CA 980L15OCT BKK0100 0620PEK0X 321 #DJCDZRIYBMUHQVWSTLX
S CA 879L15OCT PEK1240 1320YUL0S 789 #DJCDZRIGEYBMUHQVWSTLX
01 VLXRCYA7+* 1352.90 CAD INCL TAX
*SYSTEM DEFAULT-CHECK OPERATING CARRIER SEG 2,3,4
*ATTN PRICED ON 05JUN19*1833
YMQ
XSHA VLXRCYA7 NVB01OCT19 NVA01OCT19 2PC
BKK WORFAA8 NVB NVA01JAN20 2PC
XBJL LRCCA6 NVB15OCT19 NVA15OCT19 2PC
YMQ LRCCA6 NVB15OCT19 NVA15OCT19 2PC
FARE CAD 981.00
TAX CAD 25.91CA CAD 30.00SQ CAD 315.99XT
TOTAL CAD 1352.90
```

The itinerary below, YULPVG is not a CA operated flight, it does not apply to HA9A06, commission will be 0.