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Section 1: Introduction to ARC's Direct Connect Program

The Direct Connect Program ("Program") was developed by ARC to facilitate processing of Transactions transmitted by ARC participating Carriers (parties to the Carrier Services Agreement ("CSA")).

This Manual and the Direct Connect Supplementary Agreement of the CSA ("Direct Connect Agreement") describe the operational requirements for participation in the Direct Connect Program.

In this Manual, the term Carrier with a capital "C" refers to the Carrier party to the Direct Connect Agreement. Unless noted otherwise, the terms ARC Accredited Agent ("Agent") and Agent Reporting Agreement ("ARA"), also include Corporate Travel Department ("CTD") and Corporate Travel Department Reporting Agreement ("CTDRA"), respectively, and include Sovereign Entity Agents and Sovereign Entity Reporting Agreements. Except as noted otherwise in the Direct Connect Agreement, Direct Connect Manual and/or ARC's written instructions, the terms of the Carrier Services Agreement (CSA) and ARA remain in full force and effect for Carriers and Agents in the Program.

For this Program, the term Transaction includes sales, refunds, debit and credit memos and exchanges, orders, ancillary services, and other transactions that may be designated by ARC in writing. Transactions may be issued on ARC Traffic Documents using ARC ticket numbers or form codes (collectively called "ARC Form Codes") or on the Carrier's own traffic documents using carrier ticket numbers or form codes (referred to as "Carrier Form Codes"). Unless specifically stated otherwise, the term "Form Codes" refers to both ARC and Carrier form codes and ticket numbers and the term "Traffic Document" refers to both ARC and Carrier Traffic Documents.

The Manual's content will be updated when applicable. ARC will notify Carrier of these updates by notice to the technical and business contacts Carrier has provided to ARC. It is the Carrier's responsibility to review the Manual and updates, implement updated procedures, and provide updated contact information (including for Carrier's business and technical representatives). Failure to do so does not relieve Carrier of its responsibility to comply with the obligations in the current version of the Manual.

Please email the Direct Connect Program Administrator at NDC@arccorp.com if you have any questions about the Direct Connect Program or would like a copy of the Direct Connect Application or Direct Connect Agreement.

Section 2: Direct Connect Program Application, Fees, and Testing

The Direct Connect Program Application "Application" fees are stated on the Application form and are subject to change. Application fees will be paid by Carrier in the manner specified by ARC in writing.

Transaction fees for Direct Connect Transactions will be determined and assessed in the manner described in Part XI.3 and 4 of the CSA. Carriers will be notified of Transaction fees in accordance with Part XI.3 and 4 of the CSA.

Following receipt of a completed Application and payment of Direct Connect Application fee(s), ARC will test the Carrier's ability to among other things, issue and transmit Transactions. ARC will manage and coordinate the testing process to be sure that the files and the transaction details meet ARC's specifications and edit requirements. This provides some assurance that information associated with the reported transactions will be accurately represented in reports and data feeds to Carrier and Agents. ARC will notify the Carrier in writing when the testing is completed in a manner deemed satisfactory by ARC.

A production implementation date will be set and communicated in writing upon satisfactory completion of ARC's testing procedures, payment of fees, and approval of the Application. Although ARC cannot guarantee a specific implementation date, ARC will work cooperatively with Carrier to establish such date.

Section 3: Direct Connect Transactions

3.1 Direct Connect Transaction Output and Identification

Direct Connect and non-Direct Connect transactions will be transmitted on the Carrier Accounting Tape ("CAT") using the existing frequency and delivery method previously determined by the Carrier. Carriers can uniquely identify Direct Connect transactions on the CAT by SASP and form code combination or for sale transactions the Electronic Ticket/Document Indicator (ETDI) field will contain a 7.

3.2 Designation of Agent by Carrier and Agent Transactions

Any ARC Accredited Agent may be selected by Carrier to participate in the Direct Connect Program. ARC plays no role in the Carrier's selection or revocation of the Agent(s) for the Direct Connect Program.

Carrier is responsible for communicating in writing to each Agent selected for the Program, all instructions or notices issued by ARC related to the processing, reporting, settlement, and administration of Transactions in the Direct Connect Program, including any Addendums.

Additionally, Carrier will notify each Agent that the section(s) of the ARA that pertains to reasonable care determinations for stolen or unauthorized tickets or transactions (including, for example, ARA sections 36.3-36.7) are not applicable to Transactions issued through the Direct Connect Program and ARC will not make reasonable care determinations for such Transactions.

Carrier is responsible for monitoring the status of any Agent selected to participate in the Direct Connect Program (for example, change of ownership, and change of designation) and modify their participation, if applicable. If Carrier fails to monitor status and allows a non-Accredited ARC Agent to issue Direct Connect Transactions, the Carrier will be responsible for collecting any amounts due.

If the Carrier chooses to terminate any Direct Connect agreement between Carrier and Agent, it is the Carrier's responsibility to revoke an Agent's access to issue Direct Connect

Transactions. ARC does not perform that function for, or on behalf of the Carrier. ARC will continue to process and settle all Transactions received on the Transaction File, therefore it is the Carrier's responsibility to monitor the Transaction File being sent to ARC for any revoked Agents.

Carrier will not enter any contract, agreement or other understanding with an Agent in the Direct Connect Program that conflicts with the CSA, ARA, the Direct Connect Agreement, Direct Connect Manual, or written instructions provided by ARC.

3.3 Agent Non-Compliance

If Agent fails to follow ARC's procedures for reporting and/or settling any Transactions under the Direct Connect Program, or if the Agent reports and/or settles in a way that adversely affects the operations or efficiencies of the ARC Settlement Plan ("ASP"), ARC may immediately suspend or terminate processing of Transactions by the Agent and Carrier in the Direct Connect Program.

3.4 Compliance with Industry Standards

Each Transaction transmitted to ARC through the Direct Connect Program must comply with the Transaction File requirements stated in the following documents (collectively referred to as the "Industry Documents"), as periodically amended or revised:

- Airlines for America (A4A) Trade Practices Manual, and
- IATA Passenger Services Conference Resolutions Manual, and
- Transaction Information Exchange Standards (TIES) and
- ARC Industry Agents' Handbook (IAH), and
- Other instructions as may be provided in writing by ARC (including, but not limited to IATA's Data Interchange Exchange Specifications Handbook (DISH) for carriers transmitting RET files to ARC).

The current version of the TIES standards and ARC IAH are published on the My ARC web portal.

Transactional data supplied to ARC must be identical to the data that appears on the ticket or transaction supplied to the passenger or customer.

Transactions issued with credit card form of payment must comply with requirements stated in the Industry Documents for issuance of credit cards.

Section 4: Transaction File

The data in the Transaction File transmitted to ARC by Carrier is used by ARC to, among other things, populate Agents' Interactive Agent Reporting (IAR) Sales Reports, settle transactions, and create daily billing files for credit card processors.

Subject to any Transaction Business Rules, as defined below, all Direct Connect Transactions will be included, reported and/or settled in the IAR Sales Reports of all Agents selected by the Carrier.

Transaction Files must be submitted timely and comply with the technical requirements for data transmission described in this Manual. Files that are received late or are otherwise deficient may adversely impact transaction processing.

4.1 Technical Requirements

ARC will notify Carrier if the transactional data and/or the Transaction File are not in the format required by ARC or otherwise fail to meet specified standards for quality of data. ARC reserves the right to suspend processing and/or terminate the Carrier's Direct Connect Agreement if the deficiency is not corrected within the time frame stated in ARC's notice.

Transaction Files must be transmitted to ARC via an encrypted transmission mechanism (for example, SFTP) that complies with the Payment Card Industry (PCI) standards.

4.1.1 SPRF

The format of each Carrier's Transaction Files must comply with the requirements in the most current version of TIES, except as ARC and Carrier may agree otherwise in writing. ARC will notify Carrier in advance of updates and revisions to TIES.

ARC requires a minimum of one set of Transaction Files daily. The number of Transaction File sets is typically based on volume. A Transaction File set consists of one sales and one void file to be transmitted by the cutoff time stated in Section 4.2 of this Manual. If there are zero transactions to report, a NULL file is required.

ARC will need a minimum of 30 days' advance written notice for any changes to the number of Transaction File sets.

4.1.2 RET

The format of each Carrier's Transaction Files must comply with the requirements in the most current version of IATA's DISH standards, except as ARC and Carrier may agree otherwise in writing. IATA is responsible for managing and distributing the DISH standards. It is the Carrier's responsibility to maintain updates to the Transaction File accordingly.

ARC requires a minimum of one Transaction File daily to be transmitted by the cutoff time stated in Section 4.2 of this Manual. If there are zero transactions to report, a NULL file is required.

4.2 Receipt of Transaction File

Each of the Carrier's Transaction Files must be received by ARC no later than 4:00 a.m. (U.S. Eastern Time) for data transactions issued the previous day, unless otherwise authorized by ARC in writing. Before implementation, the method of transmission for the Transaction file must be approved by ARC in writing. ARC will notify the contact(s) provided by Carrier in the Direct Connect Application if the Transaction File is not received timely. ARC reserves the right to suspend processing and/or terminate the Carrier's Direct Connect Agreement if the Transaction File is not submitted within the time frame stated in ARC's notice.

4.3 Technology Provider

Following written approval by ARC, Carrier may use a Technology Provider to create and/or transmit the Transaction File. Carrier represents and warrants that the Technology Provider complies with the requirements set forth in this Manual. If ARC determines that the Technology Provider is not in compliance with or is otherwise in breach of any term of this Manual or Direct Connect Agreement, ARC will notify the Carrier. ARC may, following notice to Carrier, suspend processing of files submitted by the Technology Provider and/or terminate the Carrier's Direct Connect Agreement.

Depending on the selected Technology Provider there may be a delay in reporting, billing, settlement, and transmission of data.

4.4 Carrier Form Codes

Carrier Form Codes are 10-digit codes that are provided by Carrier to ARC to facilitate the issuance of Transactions that are reported in Agents' IAR sales reports. Carrier may choose to use their own Form Codes. The Carrier signatory to the Agreement must be the validating Carrier on all Transactions transmitted to ARC. Carrier Form Codes for use on Transactions in the Direct Connect Program must be supplied only to ARC Agents and must be compliant with Industry Standards. Unless otherwise expressly stated in writing, ARC's testing procedures and all other requirements of this Manual apply to Transactions issued using Carrier Form Codes.

4.4.1 Subsequent Carrier Form Codes Requests

If Carrier decides to change its form code range(s), ARC requires at least 30-day advance written notice prior to the date that the form codes are to be issued. Please direct this notice via email to NDC@arccorp.com. The old form codes will be retained by ARC to facilitate the processing of refunds and exchanges.

4.4.2 Recall of Carrier Form Codes

Following suspension or termination of the Direct Connect Agreement and/or the CSA for any reason, ARC will discontinue processing of transactions issued using Carrier Form Codes.

4.5 ARC Form Codes

ARC Form Codes are 10-digit codes that are allocated to ARC by the Airlines for America (A4A). They are assigned by ARC to facilitate the issuance of Transactions reported in Agent's IAR sales reports. ARC Form Codes will only be used on Transactions issued on ARC Traffic Documents. All Transactions issued using ARC Form Codes must be supplied only to ARC agents and must be transmitted to ARC in accordance with this Agreement. The Carrier signatory to the Agreement must be the validating Carrier on all Transactions transmitted to ARC.

4.5.1 Initial Supply of ARC Form Codes

ARC will supply Carrier with an initial range of ARC Form Codes and notify Carrier in writing of

the date when the ARC Form Codes may be used on Transactions.

4.5.2 Subsequent Requests for ARC Form Codes

Upon written request from Carrier, ARC will supply additional ARC Form Codes considering Carrier's usage of such Codes. Requests for additional ARC Form Codes should be sent via email to ARC's Direct Connect Program at NDC@arccorp.com at least 30 days prior to the date when the Form Codes are required. Expedited requests may be fulfilled at ARC's discretion, and a fee may be assessed.

Carrier may sub-allocate a specific range of ARC Form Codes to certain ARC-accredited Agents. For example, Form Codes 100-200 would be allocated to Agent # 1; Form Codes 200-300 would be allocated to Agent # 2, etc. However, a sub-allocation of Form Codes must not exceed the average three-month supply of ARC Traffic Documents issued by the Agent. This is to ensure that ARC Form Codes are efficiently allocated. Sub-allocations of ARC Form Codes to multiple Agents must be made sequentially.

4.5.3 Return or Recall of ARC Form Codes

Periodically, ARC may recall ARC Form Codes. Upon ARC's notice of recall, Carrier must immediately discontinue use of specified ARC Form Codes and confirm in writing that they are not being used. Following termination of the Direct Connect Agreement for any reason, Carrier must discontinue any use of ARC Form Codes supplied under the Agreement.

4.5.4 Prohibition on Reuse of ARC Form Codes

ARC Form Codes shall not be reused, reissued or recycled by Carrier without prior written authorization from ARC. Carrier shall not use ARC Form Codes outside of the range supplied by ARC.

4.5.5 Testing

Carrier shall not use ARC Form Codes for testing or other non-production purposes without prior written authorization from ARC.

4.5.6 Security

ARC Form Codes supplied by ARC to Carrier are the property of ARC. To avoid potential losses, Carrier must take reasonable actions to safeguard ARC Form Codes, and disclose ARC Form Codes only to persons who have a legitimate business reason to access and use them.

Section 5: Settlement and Transaction Business Rules

The carrier has the option to set certain parameters which only apply to Direct Connect Transactions ("Transaction Business Rules"). ARC and Carrier will agree to the Carrier's processing options in the Direct Connect Program Application. It is the responsibility of the Carrier to inform all selected Agents of the Carrier's Transaction Business Rules.

5.1 Credit Billing

For Direct Connect transactions, the Carrier has the option to initiate its own payment card billing or request ARC to initiate the billing.

If ARC initiates the billing, the existing payment card processing guidelines provided by the Carrier for GDS transactions will apply to Direct Connect Transactions.

If Carrier initiates payment card billing, ARC Carrier reports will display a unique form of payment for Carrier billed Direct Connect Transactions.

5.2 Agent Edit & Modification Packages

Available Agent Edit & Modification Packages can be found in the Application. Based on the package selected, the Agent experience may differ in IAR.

5.3 Verification Database (VDB)

ARC's Verification Database (VDB) contains ARC's ticket history, including the sale amount, residual amount available, available coupons, taxes, and form of payment types by ticket. This data is used for most of the refund and exchange edits, which are applied to transactions transmitted to ARC by the GDS.

5.3.1 SPRF

For Direct Connect Carriers that utilize the SPRF format, the refund and exchange edits will apply.

5.3.2 RET

For Direct Connect Carriers that utilize the RET format, the refund and exchange edits will not apply.

Section 6: Revocation and Reinstatement Functionality

In accordance with the terms of the ARA, an Agent's eligibility to use or issue Transactions on Traffic Documents may be suspended or revoked by ARC. For that reason, Carrier (and Carrier's technology provider(s), if any) must have the ability and functionality to immediately revoke and reinstate the issuance of Direct Connect Transactions and Traffic Documents by specified Agents as stated in this Section.

6.1 Notification by ARC

6.1.1 Revocations

Upon written notification (including electronic requests or communications) by ARC, Carrier

must immediately, but in any event not less than two (2) hours thereafter, revoke the ticketing and/or issuance of Transactions by the Agents identified in ARC's notice.

Notices concerning revocation of ticketing may be sent to Carrier via the CTAC (Carrier Ticket Authority Center) system or via an email, data transmission, data file or any other method deemed appropriate by ARC at its sole discretion.

ARC reserves the right to suspend processing and/or terminate the Direct Connect Agreement if Carrier fails to follow the instruction provided in the revocation notice.

6.1.2 Reinstatements

Upon written notification (including electronic requests or communications) by ARC, Carrier may, at its discretion, reinstate the ticketing and/or issuance of Transactions by the Agents identified in ARC's notice.

Notices concerning reinstatement of ticketing may be sent to Carrier via the CTAC (Carrier Ticket Authority Center) system or via an email, data transmission, data file or any method deemed appropriate by ARC at ARC's sole discretion.

Section 7: Prevention or Investigation of Fraudulent Transactions

Upon reasonable request by ARC, Carrier will assist ARC in investigation of actual or potential fraudulent use, unauthorized or misuse of any Form Codes and Traffic Documents used in the Direct Connect Program.

Section 8: Payment Card Industry (PCI) Standards

Carrier will establish and maintain security safeguards against the destruction, loss or alteration of credit card account data to which Carrier has access, or which is in the possession of Carrier, that complies with applicable certification requirements under the Payment Card Industry Data Security Standard (PCI DSS). Carrier represents and warrants that any person or entity acting on behalf of the Carrier that has access to, or is in possession of credit card data under the Direct Connect Program, including Carrier's Technology Provider(s), complies with the PCI standards. ARC reserves the right, at ARC's sole discretion, to periodically require Carrier to provide documentation that demonstrates Carrier's (and/or Technology Provider's) compliance with current PCI-DDS standards (including, for example, the Report on Compliance (ROC).) Failure to provide required documentation, may result in suspension of processing of Direct Connect Transactions and/or termination of the Direct Connect Agreement.

Section 9: Notices

Unless otherwise stated in this Manual, any notice required to be in writing under the Direct Connect Agreement and this Manual may be sent by first class mail, or express or overnight delivery, or e-mail, as follows:

9.1. From Carrier to ARC

Notices from Carrier to ARC are to be addressed to—Attention: ARC’s Direct Connect Program, at NDC@arccorp.com. Any change to ARC’s email address will be provided in writing to Carrier.

9.2. From ARC to Carrier

Notices required to be in writing from ARC to Carrier will be addressed to the primary business or technical contact designated in the Direct Connect Application or any updated business or technical contact subsequently provided in writing to ARC. Carrier must notify ARC in writing of any change to Carrier contacts including phone, address of record and email address. Failure to provide ARC with timely notification of changes to the contact addresses or emails does not relieve Carrier of its obligations in the Direct Connect Program.

9.3. Direct Connect Program Questions

If you have questions about ARC’s Direct Connect Program, please contact the NDC team at NDC@arccorp.com.