

FAQ - New Distribution Capability - version 3 November 2017

1. What is NDC?

The travel industry is a dynamic environment subject to constant change. Competition, digitalization and new customer expectations reinforce the need to adapt processes and technology.

NDC (New Distribution Capability) is an enriched messaging standard designed to modernize the way air products are distributed to travel agents, corporations and travelers. NDC is an industry distribution standard developed by IATA over the past years.

This modern technology will allow the transmission of richer information, eventually improving the service offer to customers. For example, NDC will progressively ease the sale of ancillary products in travel agencies and support the distribution of differentiated and personalized offers.

2. What is Air France KLM's approach towards NDC?

NDC will be at the core of Air France KLM product development in the future. As an enriched distribution standard, NDC brings new opportunities to create value for customers and partners.

As a first step, Air France KLM current content will be made available on NDC APIs (Application Programming Interface). The first version of the APIs will be released in January 2018 while Air France KLM will continue to be distributed in the Global Distribution Systems (GDS).

In the future, NDC will allow Air France KLM to improve its distribution to travel agencies by:

- Differentiating products through rich media
- Improving time to market of new ancillary products
- Creating personalized offers.

Air France KLM participates in IATA NDC certification process and aims for "level 3" certification by end of 2017.

3. How can I access Air France KLM's NDC offer?

There are three options for partners to access Air France KLM's NDC offer in the future:

- Use Air France KLM "Agent Booking Tool", a new online booking portal for travel agencies, accessible via Agentconnect.biz
- Connect to the APIs using the services of an intermediary IT provider
- Connect directly to the APIs and source NDC offers without third party intermediation

The NDC APIs will be available from January 2018. The Air France KLM Agent Booking Tool will be deployed from April 1 2018.

4. What are the major benefits of connecting to Air France KLM's NDC APIs?

Connecting to the APIs (or using the Agent Booking Tool) will offer the following advantages:

- *Access new products:* Air France KLM is developing its NDC product offer, for example bundles that combine flights and flight related products (such as lounge access, Wifi on board, Fast Track) and/or partner products (such as taxi, shuttles or assistance services). Such products will be distributed progressively beginning the second half of 2018.
- *Reduce offer and services gap with airline direct sales:* Travel agents will be able to access content that is available in Air France KLM direct channels.
- *Access to "rich media"* such as detailed product information including pictures and videos.
- *Benefit from a Distribution Surcharge exemption*

5. Why is Air France KLM implementing a Distribution Surcharge on GDS sales?

The GDS are today a key component of Air France KLM distribution process to travel agencies. However, the current GDS model represents higher costs than other options do and comes with more constraints. The Distribution Surcharge covers the cost difference created by the GDS model in comparison with corresponding costs of Air France KLM direct sales.

6. What is the level of the Distribution Surcharge?

The Distribution Surcharge level is 11 Euros per direction.

On international markets, it is filed in following local currencies: 13.00 USD ; 17.50 SGD ; 10.00 GBP ; 430 THB ; 1500 JPY ; 175000 IDR ; 16.50 CAD ; 390 TWD ; 12.50 CHF ; 1320 XPF ; 850 INR.

The same level applies to all cabins and haul types.

The level of the Distribution Surcharge will be reassessed regularly and is subject to change in the future.

7. How will the Distribution Surcharge apply?

Effective for ticketing from April 1st, 2018 the Distribution Surcharge will apply per direction whenever Air France, KLM or HOP! participate as marketing carriers. It applies worldwide (subject to approval from regulatory authorities) to all fares, cabins and classes, regardless of ticket stock.

8. Examples

The Distribution Surcharge is filed per direction, meaning that the surcharge will apply once for each direction of travel on the journey. For example:

- One way PAR–AMS (1 direction): the Distribution Surcharge applies once.
- One way PAR–AMS–NYC (1 direction): the Distribution Surcharge applies once.
- Round trip PAR–AMS–PAR (2 directions): the Distribution Surcharge applies twice.
- Round trip PAR–AMS–NYC–PAR (2 directions): the Distribution Surcharge applies twice.
- Open Jaw PAR–NYC/LAX–PAR (2 directions): the Distribution Surcharge applies twice.

9. How will the Distribution Surcharge be collected?

The Distribution Surcharge is filed using the YQ code. It is priced automatically at fare quotation and collected at time of ticketing. It is part of the “total amount” as indicated on the ticket, and displayed in the tax box similar to other taxes and surcharges.

10. Are there exceptions?

The Distribution Surcharge applies worldwide (subject to authorization from regulatory authorities where applicable) with the following exceptions:

- Bookings created and issued by connecting to Air France KLM NDC APIs (available in January 2018) or on Air France KLM “Agent Booking Tool” (deployed from April 2018)
- Groups
- Infants without a seat
- Some markets may be exempted from Distribution Surcharge for regulatory reasons, where applicable. The list will be confirmed and communicated as soon as available.
- Bookings created and issued on airline direct sales channels (websites, call centers, airport and city ticket offices)

11. Where can I find out more?

Agentconnect.biz will be frequently updated with general information on Air France KLM NDC. You will find more detailed information about the Distribution Surcharge in the “Operational Guide” available on Agentconnect.biz. Should you want to learn more about NDC implementation from a technical perspective, we recommend visiting Air France KLM Developer portal (<https://developer.airfranceklm.com/Home>). Your dedicated Air France KLM account manager is at your disposal if you need further information.