

Management Guidelines for International/Domestic Agent's Malpractice

(Revised as of December 2024)

Korean Air

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International/Domestic Agent's Malpractice Handling Guidelines

1. Agent Malpractice Category

Category	Violation Detail	Etc.
Ticketing	<ul style="list-style-type: none"> • Improper use of Credit Card <ul style="list-style-type: none"> - Use of Travel Agent (including Sub-Agent) Business or Employee Credit/Debit Card - Use of Credit/Debit Card without card holder's approval - Deliberately make cash refunds on Credit/Debit Card purchase as well as overcharge on Credit / Debit Card • Implication on Fraud Ticket / Ticket Forgery / ITR Forgery, Fabrication or alteration of discount authorization document • Intentionally promote partial non-use of ticket / coupon use in reverse order 	
Reservation	<ul style="list-style-type: none"> • Use of Passenger's personal information without customer's approval • Imminent Group cancellation (*) • Input invalid ticket number to extend Ticket Time Limit • Reserve in higher booking class to secure seat in a flight • Applying individual discount rate to confirmed group seats (rate for the disabled, for persons of distinguished service to the state etc.) (**) • Misuse of GDS <ul style="list-style-type: none"> - Duplicate booking between GDS 	<p>(*) Imminent group cancellation standards on International/Domestic routes</p> <ul style="list-style-type: none"> - Cancel within D-1 month of departure for a group of more than 100 passengers Cancel within D-5 days of departure for a group of less than 100 passengers <p>(**) Dom Only</p>

	<ul style="list-style-type: none"> - Fake booking to receive incentive • Violation of O&D booking regulations <ol style="list-style-type: none"> 1) Married Segment Control (MSC) violation <ul style="list-style-type: none"> - Breaking apart married segment logic with malicious intention - Partial use of married segments 2) Manipulation of POC (Point of Commencement) / POS (Point of Sale) <ul style="list-style-type: none"> - Availability search with putting dummy segment, which is not for an actual use (POC) - Availability search with applying other office ID, which does not belong to the actual sales region (POS) 3) Other types of O&D violations • Misuse of Spell Change Guideline 	
Others	<ul style="list-style-type: none"> • Operation and service disturbance <ul style="list-style-type: none"> - Cause customer complaints and undermine KE's reputation, due to failure to comply with the guideline • Failure to provide essential service notifications <ul style="list-style-type: none"> - Ticket Restrictions - Flight Change Notice - Confirmation Notice to waitlisted passengers • Overdue remittance, Delay in renewing financial security (*) 	(*) Dom Only

2. Sanctions Policy on Agent Malpractice

- Relevant BSP / ARC agents hold full responsibility for the violation cases originating from Sub-Agents
- Each RHQs shall maintain a violation record log
- If agent's reservation and other rules violations are found ill-intentioned, RHQ could levy sanctions on the agent, such as prohibiting reservations (Imposing or lifting a ban on certain agent's reservations must be notified in advance to 'SELCSL'/'SELCND')

2.1 Sanctions By Categories

Category	Violation Detail	Sanctions Policy
Ticketing	<ul style="list-style-type: none"> Improper use of Credit Card 	KE Ticketing Authority Withdrawal(*)
	<ul style="list-style-type: none"> Implication on Fraud Ticket / Ticket Forgery / ITR Forgery, Fabrication or alteration of discount authorization document Intentionally promote partial non-use of ticket / coupon use in reverse order 	KE Ticketing Authority Withdrawal
Reservation	<ul style="list-style-type: none"> Use of Passenger's personal information without customer's Approval 	KE Ticketing Authority Withdrawal
	<ul style="list-style-type: none"> Imminent Group cancellation Input invalid ticket number to extend Ticket Time Limit Reserve in higher booking class to secure seat in a flight Applying individual discount rate to confirmed group seats (rate for the disabled, for persons of distinguished service to the state etc.) Misuse of GDS Misuse of Spell Change Guideline 	<p>Managed in four phases</p> <p>1st : Warning</p> <p>2nd : Prohibit Reservation & Ticketing for 1 week</p> <p>3rd : Prohibit Reservation & Ticketing for 1 month</p> <p>4th : KE Ticketing authority Withdrawal</p>
	<ul style="list-style-type: none"> Violation of O&D booking regulations 	<p>· Before ticketing</p> <p>1st : Reservation cancellation, Warning</p> <p>2nd : Reservation cancellation, One week suspension of reservation and sales</p> <p>3rd : Reservation cancellation, One month suspension of reservation and sales</p> <p>4th : Reservation cancellation, KE Ticketing authority withdrawal</p> <p>· After ticketing (**)</p> <p>1st : \$600 (Pax/O&D), Warning</p> <p>2nd : \$600 (Pax/O&D), One week suspension of reservation and sales</p> <p>3rd : \$600 (Pax/O&D), One month suspension of reservation and sales</p> <p>4th : \$600 (Pax/O&D), KE Ticketing authority withdrawal</p>

Others	<ul style="list-style-type: none"> • Operation and service disturbance • Failure to provide essential service notifications 	Managed in three phases 1st : Warning 2nd : Prohibit Reservation & Ticketing for 2 weeks 3rd : KE Ticketing authority Withdrawal
	<ul style="list-style-type: none"> • (DOM) Delay in renewing financial security 	KE Ticketing authority Withdrawal
	<ul style="list-style-type: none"> • (DOM) Overdue remittance (***) 	1st : Prohibit Reservation & Ticketing for 1 week 2nd : Prohibit Reservation & Ticketing for 1 month 3rd : KE Ticketing authority Withdrawal

(*) Only for the case of 'Use of Travel Agent (including Sub-Agent) Business or Employee Credit/Debit Card', one category of 'Improper use of Credit Card, considering the reason for occurrence is unintentional such as a simple mistake or a human error, Head of Regional Headquarters (or Head of SELCS for agents in EUR/SEA Region) can issue a measure of "warning" instead of ticketing authority withdrawal (Limited to first-time violation only)

(**) In case of violations originating from Sub-Agent, sanctions are respectively imposed on BSP/ARC agents and Sub-Agents. BSP/ARC agents are charged \$600 (Pax/O&D) regardless of sequence of sanction, Sub-Agents are sanctioned under a phase-based policy (1st violation : Warning, 2nd violation : One week suspension of reservation and sales, 3rd violation : One month suspension of reservation and sales, 4th violation : Unlimited suspension of reservation and sales)

(***) When remittance is delayed for a day, Head of Regional Headquarters or Regional Manager can issue a warning to the agent instead of implementing the 1st sanction policy, considering the agent's intention to commit misconduct. (Limited to first-time violators within the retention period of violation records)

2.2 Retention Period of Violation Records

Category	Violation Detail	Period that violations stay on record
Ticketing	<ul style="list-style-type: none"> • Improper use of Credit Card 	First-time violators will face withdrawal of KE Ticketing authority
	<ul style="list-style-type: none"> • Implication on Fraud Ticket / Ticket Forgery / ITR Forgery, Fabrication or alteration of discount authorization document • Intentionally promote partial non-use of ticket / coupon use in reverse order 	
Reservation	<ul style="list-style-type: none"> • Use of Passenger's personal information without customer's Approval 	

	<ul style="list-style-type: none"> • Imminent Group cancellation (*) • Input invalid ticket number to extend Ticket Time Limit • Reserve in higher booking class to secure seat in a flight • Applying individual discount rate to confirmed group seats (rate for the disabled, for persons of distinguished service to the state etc.) (**) • Misuse of GDS • Misuse of Spell Change Guideline • Violation of O&D booking regulations 	24 months (since the first violation case)
Others	<ul style="list-style-type: none"> • Operation and service disturbance • Failure to provide essential service notifications 	
	• (DOM) Delay in renewing financial security	First-time violators will face withdrawal of KE Ticketing authority
	• (DOM) Overdue remittance	24 months (since the first violation case)

3. Agent Malpractice Handling Procedure & Deliberation Committee Operation

3.1 Agent Malpractice Handling Procedure

Category		Procedure	Relevant Parties
Initial Deliberation	Case Report	Branch should report Agency Malpractice Case to RHQ immediately on becoming aware of it	Branch→RHQ
	Report Malpractice Case in detail & Level of Sanction	After checking the situation, branch needs to report Malpractice Case Details & sanctions plan to RHQ in accordance with guidelines	Branch→RHQ
	Decide Level of Sanction	RHQ determines the level of sanctions after reviewing a branch's report, and notifies the result to the branch	RHQ→Branch
	Level of Sanction Notice	Branch notifies level of sanctions to the agent and implement it according to the RHQ's decision	Branch→Agent
Reexamination	Notice of opposition	Agent objection may rise if the agent is against to KE's decision of sanctions	Agent→Branch/RHQ

	Calling for Reexamination	RHQ leader reviews the issue and call for reexamination by deliberation committee	RHQ→HQ
	Review Request	Decide whether to place the issue on the agenda	HQ (Administrative secretary)
	Reexamination	Review and reexamine by deliberation committee	HQ (Deliberation committee)
	Final determination / Notification	Approval of commissioners' agreed conclusion (Chairman→Passengers Business Division Senior V.P.)	Deliberation committee→RHQ
	Sanctions Notification	Notify agent of the result	Branch→Agent

3.2 Deliberation Committee

- Frequency of Activity : On a request basis
- Decision-making : Unanimity rule (agreement made at a meeting or in writing)
- Agenda :
 - ① Request of reexamination made by the Head of Regional Headquarters regarding the sanctions posed to the agent
 - ② Due consideration of other issues that are not stated in the guideline
- Members of Committee

Category	International	Domestic
Chairman	Head of SELCS	Head of SELCN
Commissioner	Head of SELCG, SELCSCSL	Head of SELCG, SELCNCND
Administrative secretary	KOR - SELDQROG OTHERS - SELCSL	SELDQROG

(END)