



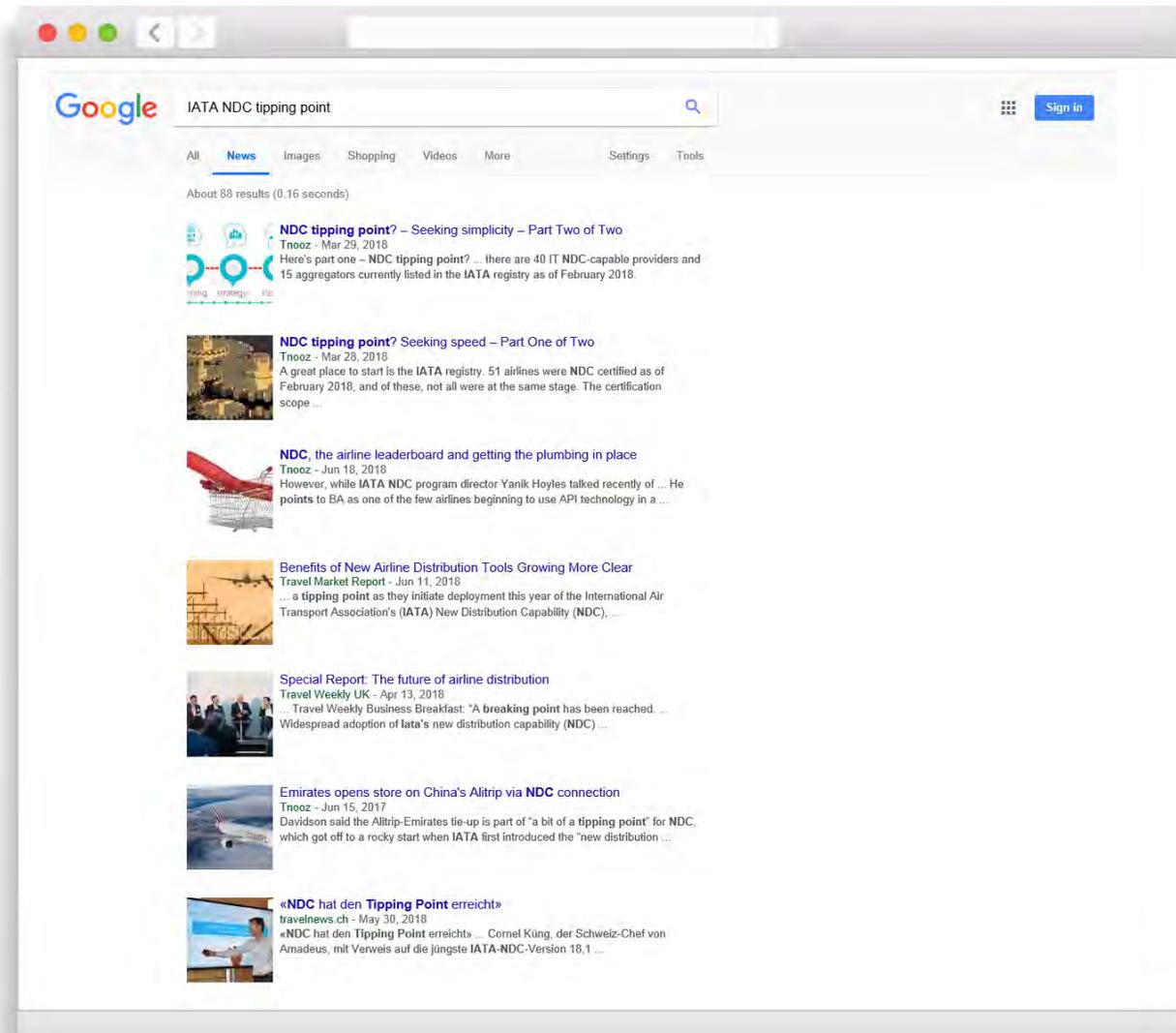
TRAVEL CONNECT



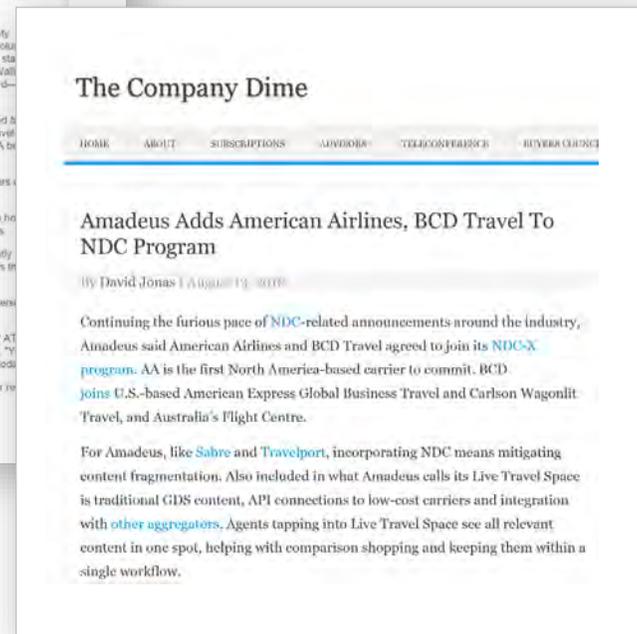
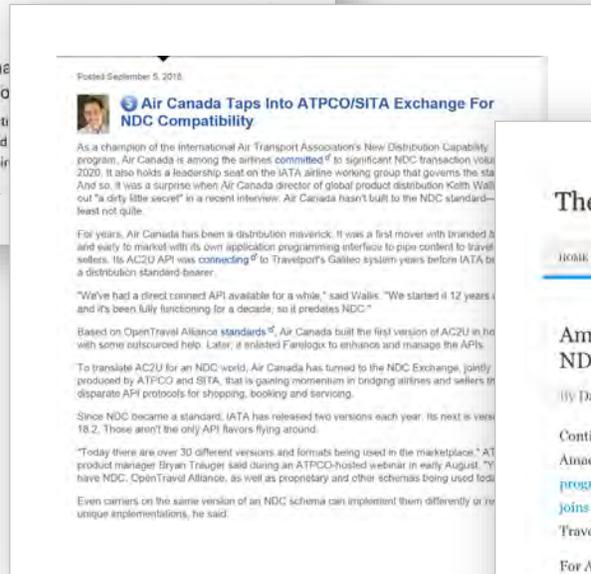
How ARC Is Transforming Settlement

DOUG MANGOLD
Vice President, Product, ARC

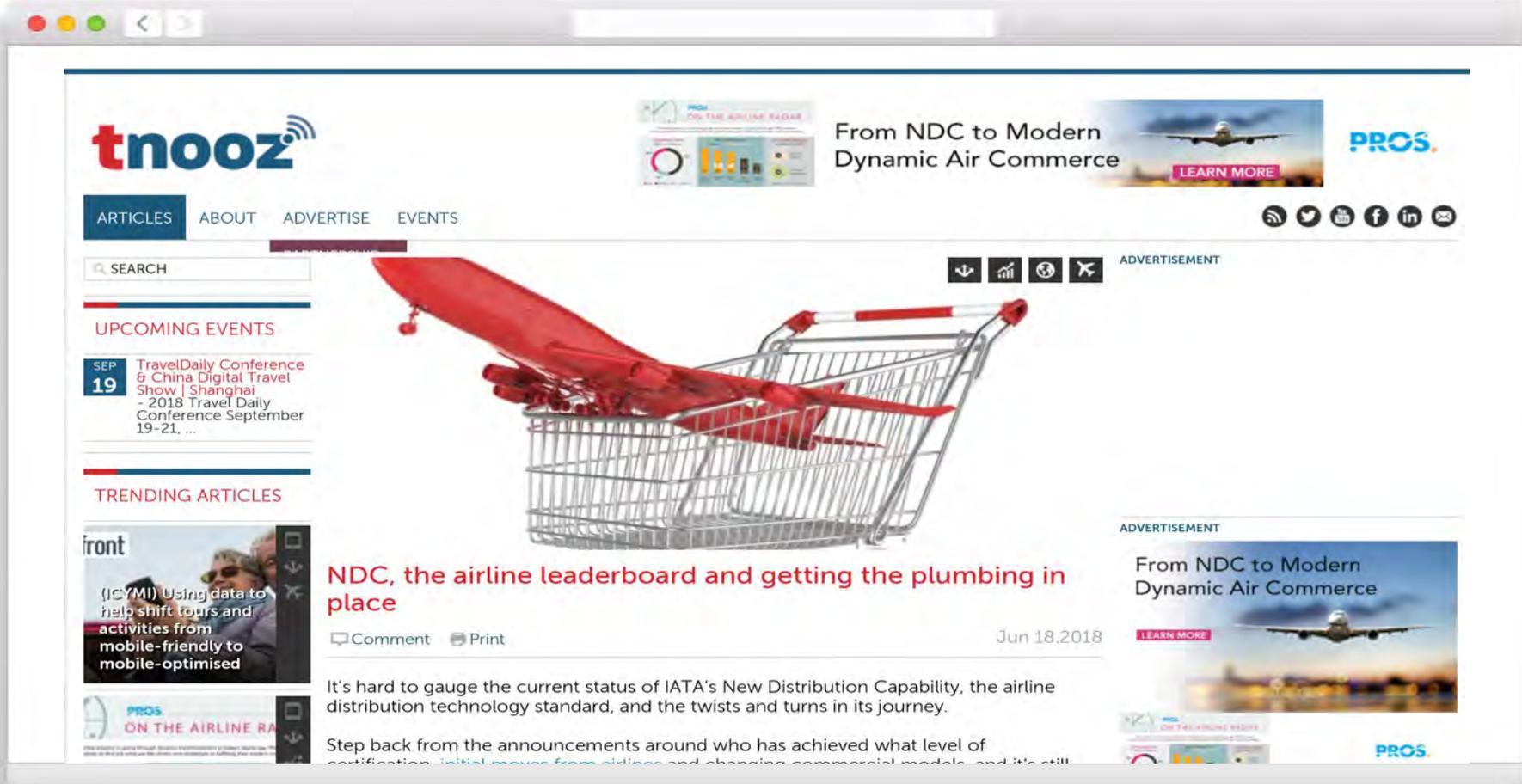
We've reached a tipping point for NDC.



Adoption is becoming universal and key players have bought in.



While IATA has created its NDC leaderboard, the definition of an NDC transaction remains fluid.



What is the value of
NDC transactions
processed via ARC?

Based on the NDC Leaderboard definition, it's:

\$0

Based on how certain ARC participating airlines define an NDC transaction, it's actually:

\$2.26 Billion

The paradox of NDC is
that the standard
was created to enable
non-standardization

ARC was created to form a standard, one-size-fits-all process for travel agency accreditation and airline participation.



This has served the industry well for more than 50 years. Today ARC settles nearly \$90 billion of commerce annually between airlines and agencies.

But what's served the industry well in the past, is not necessarily what it needs in the future.

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How does ARC see the
future of distribution?

What Is the Future of Distribution?



It's Omni-
Channel



It's Retail
Shopping



It's Better
Content
Management

What is the Future of Distribution?

It's a personalized shopping experience across all channels, within all contexts – offering the right content to the right traveler at the right time.

ARC's Vision for Distribution and Settlement

Support the full spectrum of airline distribution models in the travel agency channel by providing flexible transaction processing workflows, billing and settlement, and outputs that enable airlines and agencies to efficiently manage their partnerships.

To ARC, the future of distribution is much bigger than NDC.

It's a much broader vision of the end-to-end travel experience. Airlines and agencies need the flexibility to do business how they choose – whether through ARC's trusted standard settlement process, customized partnerships, NDC, direct connections, APIs or, eventually, ONE Order.

DISTRIBUTION: IS

DISTRIBUTION: FLEXIBLE

DISTRIBUTION: INTELLIGENT

DISTRIBUTION: ADAPTABLE

DISTRIBUTION: INNOVATIVE

DISTRIBUTION: SMART

DISTRIBUTION: COMPLETE

DISTRIBUTION: RESPONSIVE

DISTRIBUTION: PERSONAL

DISTRIBUTION: BOLD

DISTRIBUTION: STRATEGIC

DISTRIBUTION: EVOLVED

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What is Distribution:
Evolved?

Distribution: Evolved

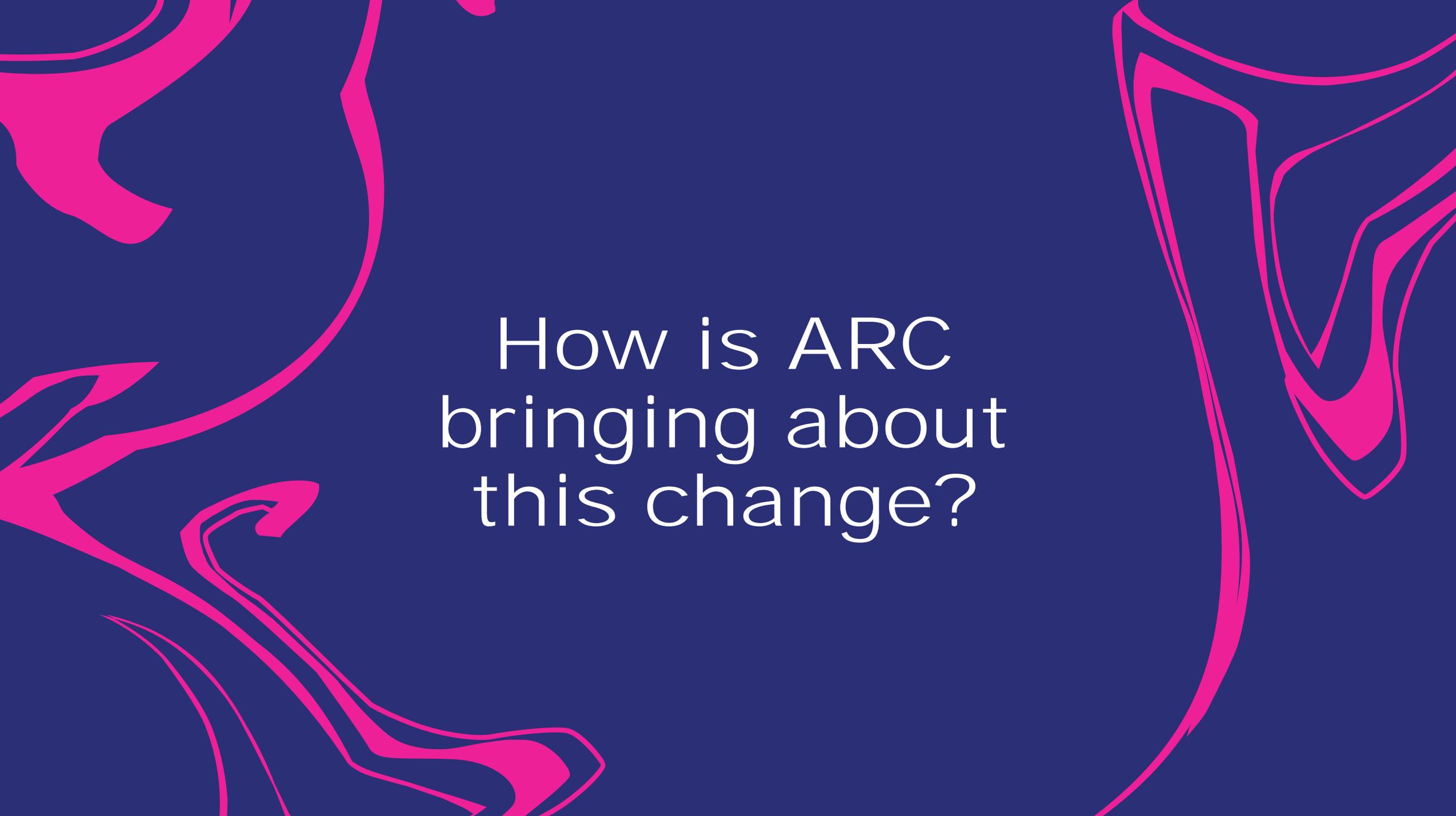
It is a seamless, end-to-end experience with the level of personalization, consistency and speed that travelers expect. It's alignment between agencies, airlines, technology partners and payment providers to build a smarter future.

Distribution: Evolved

It supports the entire trip life cycle, from the moment a traveler starts researching, to their shopping experience, payment, schedule adjustments, and all the way to when the traveler returns home.

Distribution: Evolved

It's inclusive of the behind-the-scenes processes that make these experiences happen: the settlement solutions, back-office systems, payment platforms and data products the industry depends on.

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How is ARC
bringing about
this change?

ARC's Vision for Distribution and Settlement

Standard

Airlines and travel agencies that maintain **TRADITIONAL RELATIONSHIPS**

Accreditation	✓
Reporting	✓
Settlement	✓

Standard ARC processing applies to airlines and travel agencies

Transactions are governed by only the ARC Agent Reporting Agreement (ARA)

Custom

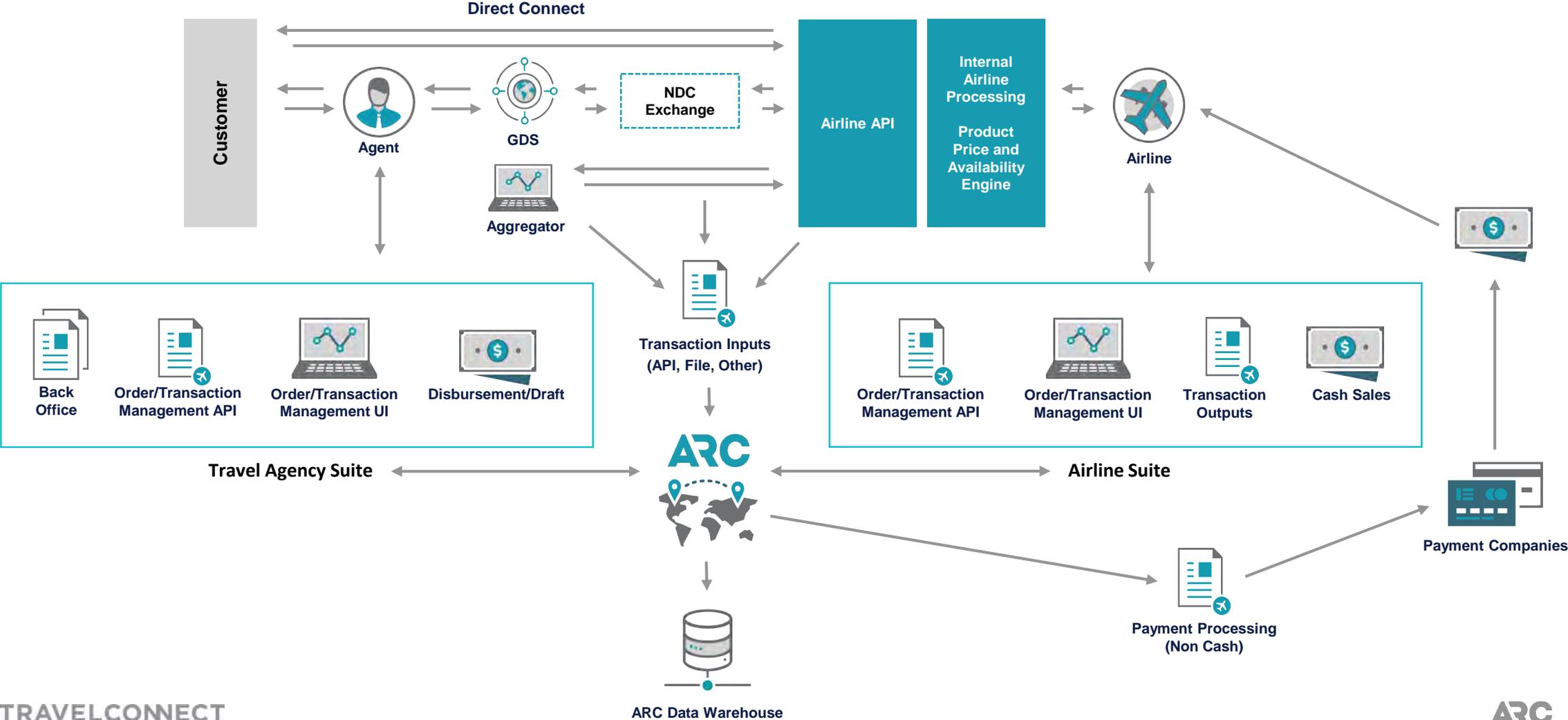
Airlines and travel agencies that want to create or maintain **MANAGED RELATIONSHIPS**

Accreditation	✓
Reporting	Configurable
Settlement	Configurable

Customized processing based on agreements between airlines and agencies

Transactions are governed by the ARA and bilateral agreements between airlines and agencies

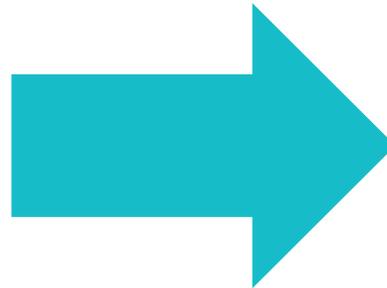
Air Travel Distribution Process



ARC's Vision for Distribution and Settlement

Support the full spectrum of airline distribution models in the travel agency channel by providing flexible transaction processing workflows, billing and settlement, and outputs that enable airlines and agencies to efficiently manage their partnerships.

ARC's Technology Transformation



ARC's Technology Principles



Flexible &
Scalable



Easy to Use



Accessible



Automated



Secure

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For more information, visit
www.arccorp.com.