PREFERRED SEATS

Starting April 7, 2014, Air Canada expanded the number of Preferred Seats offered across its narrow-body fleet, that is, the E75, E90, A319, A320 and A321 aircraft.

Air Canada's entire mainline narrow-body fleet, as well as Embraer 175 aircraft, operating on behalf of SkyRegional, has now been re-configured with additional Preferred Seats.

Air Canada will implement the following changes to the Preferred Seat program in phases:

Phase 1:

- Starting August 15, 2014, eligibility for Preferred Seats will be streamlined based on status or fare paid.
- Preferred Seats purchased on/after August 15, will be calculated by segment vs by bound. Therefore if a customer has an itinerary YYZ-YYC-YVR, the Preferred Seat fee will be calculated based on the amount for each segment. Prior to August 15, the fee would have been calculated for the entire YYZ-YVR journey as one fee.
- Head tidies will be installed on all E75, E90, A319, A320 and A321aircraft
- Preferred Seats will remain accessible to everyone when the flight is open for check-in, as it is today

Phase 2:

 Later this summer, Preferred Seats will be sold during the check-in window at kiosk, web and mobile applications.

CHANGES TO ADVANCED SEAT TANGO FEES

Effective **August 15, 2014**, Air Canada is also revising the fee calculation and zones for Advanced Seat selection when using a Tango fare product.

Advanced seat fee selection for Tango fares will now be calculated by segment vs entire journey/bound and there will be six zones (instead of 4) used when calculating the applicable advanced seat fee.

Fees will range from \$10 - \$20 vs \$18 - \$31.



PREFERRED SEATS

With more Preferred Seats being available, customers can:

- Enjoy more comfort, with up to 4" (more in the exit row) of additional leg room, more legroom to stretch out, relax and work
- Easily identify Preferred Seats in the cabin with the dedicated head tidies
- Deplane quickly as most Preferred Seats are located to the front of the cabin seats with additional leg room

WHAT'S NEW?

- Two additional zones for fee calculation.
- Revised method of calculating eligible fees.
- The ability to purchase a Preferred Seat via mobile devices.
- Enhanced booking flow when reserving a Preferred Seat for customers using a Flight Pass product.
- Preferred Seat reservation for GDS bookings at <u>www.aircanada.com/agents</u>.



ELIGIBILITY GRIDS/FEE SCHEDULES

| PREFERRED SEATS ELIGIBILITY BY STATUS | | | | | | |
|---------------------------------------|---------------|------------|----------------------------------|-----------|-------------------|--|
| | Altitude | Altitude | Altitude | Altitude | Altitude | |
| | Prestige™ 25K | Elite™ 35K | Elite 50K | Elite 75K | Super Elite™ 100K | |
| Latitude | Free | | | | | |
| Flex | 50% discount | | Free; 50% discount on INTL | Free | Free | |
| Tango | Paid | | | | Free | |
| Aeroplan® Reward | Paid | | | Free | | |
| | | | | | | |

For all other customers, prices per one-way flight segment are based on the itinerary:

| North America and Caribbean | International | | | |
|---|-----------------|--|--|--|
| \$ 19 to \$ 99 | \$ 69 to \$ 199 | | | |
| Preferred Seat fees paid will vary based on zone and is subject to change without notice. | | | | |

QUESTIONS AND ANSWERS:

1. Is a Preferred Seat a different Economy Class seat?

No. A Preferred Seat is a standard Economy Class seat; however, it offers up to 4" more leg-room to stretch out, and in the case of Preferred Seats located in emergency exit rows, even more leg-room. Preferred Seats are located at the front of the Economy Class cabin and, in some cases, in emergency exit rows. Note that if a seat in an exit row is selected, customers must meet the requirements of being able to assist in the case of an emergency.

2. How do I purchase a Preferred Seat for my client?

Preferred Seats can be purchased prior to travel or at time of check-in using kiosk, web or mobile. If you are checking-in with an agent, you will be given a regular Economy Class seat. Certain Altitude members may be entitled to receive the seat for free or at a discount.

3. Can I purchase a Preferred Seat fee for my client's GDS booking?

Yes. To do so, log-on to www.aircanada.com/agents and follow the steps outlined below to complete Preferred Seat purchase:

- Use the "Manage My Bookings" link on www.aircanada.com/agents
- A message will be displayed advising that the booking was completed somewhere other than our website
- Use the "Seat Selection Tool" link included with the above message
- Sign in to the Seat Selection Tool using your www.aircanada.com/agents credentials
- Select the "Change Seats" link
- Follow the workflow to assign and pay for a seat

4. How are Preferred Seats identified on the aircraft?

Preferred Seats are easily recognizable not only by the fact that they have more legroom than a traditional Economy Class seat, but in most cases also feature a unique dark-blue head tidy, indicating "Preferred/Préférence."

5. Can Preferred Seats be purchased on the aircraft?

No. A Preferred Seat must be selected and paid for prior to boarding the aircraft. Once on board the aircraft, customers will not be able to switch to a Preferred Seat, unless instructed to do so by our cabin crew.

6. Will the new fee calculation for Preferred Seats and Tango apply even if my customer's itinerary was booked prior to August 15th?

Yes.

7. Is there any change to the Preferred Seat fees or zones?

Yes we have introduced the following changes to the zones and fee calculation:

- There are now six zones for fee calculation which is an increase from four zones.
- Fees are calculated for each segment of an itinerary instead of by the entire journey/bound. So for a
 customer with a YVR-YYC-YYZ itinerary, a Preferred Seat fee will be calculated for both YVR-YYC and
 YYC-YYZ. The eligible fee will appear during the booking flow.
- For itineraries that include an international segment, fees will be calculated by segment as well. Previously if
 your customer's itinerary was YHZ-YYZ-LHR, the Preferred Seat fee was calculated for the entire
 journey/bound. Under the new fee structure, your customer's will be charged the applicable fee for the YHZYYZ segment and \$90 from YYZ-LHR.
- 8. On a multi-leg itinerary, am I able to purchase Preferred Seats for one of the segments or will I have to purchase for the entire journey?

Yes, you can choose to purchase Preferred Seats for one or all segments included in the itinerary.

9. What happens if a customer makes an itinerary change (voluntary or involuntary) and travels on another flight (e.g. stand-by early)?

The Preferred Seat fees are refundable. In the case of a voluntary itinerary change, you may obtain a refund for the Preferred Seat fee by contacting the Customer Relations. In the case of an involuntary change, the applicable refund will automatically be credited to the original form of payment.

10. What happens if there is a change in aircraft and the reserved Preferred Seat is no longer available?

We will try and re-accommodate the customer in another Preferred Seat. If this is not possible, the fee will be automatically be refunded and the customer is free to make a new selection on their updated itinerary.

- 11. What other changes has Air Canada made to the Preferred Seats product?
 - Your customer can now purchase a Preferred Seat via their mobile device
 - Reserving a Preferred Seat for your customers using a Flight Pass product, you will notice an enhanced booking flow allowing you to make seat change requests easily
- 12. Do these changes apply to flights operated by Air Canada rouge™?

Yes, these changes will also apply to Air Canada rouge's rouge Plus product.