



THOMAS COOK (INDIA) LIMITED

POLICY ON

RELATED PARTY TRANSACTIONS

AND

MATERIALITY OF RELATED PARTY TRANSACTIONS

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THOMAS COOK (INDIA) LIMITED POLICY ON RELATED PARTY TRANSACTIONS

A. Preamble and Purpose

Considering the requirements for approval of related party transactions as prescribed under the Companies Act, 2013 read with the Rules framed there under ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), as amended from time to time, Thomas Cook (India) Limited ("Thomas Cook" or "the Company") has formulated this policy for identification of related parties and the proper conduct and documentation of all related party transactions.

The Board of Directors (the "Board") of the Company has adopted the following policy and procedures with regard to Related Party Transactions based on the recommendations of the Audit Committee ("Committee"). Going forward, the Committee will review and may amend this policy from time to time.

This policy will be applicable to all transactions entered into by the Company with its related parties as per the applicable laws and regulations including the Companies Act, 2013 and SEBI LODR, as amended from time to time. This policy will also be applicable to all the subsidiaries of the Thomas Cook India Group. This policy is intended to ensure the proper approval and reporting of transactions between the Company and any of its related parties to regulate transactions between the Company and its Related Parties based on the applicable laws and regulations applicable on the Company.

B. Definitions

The term related party, related party transactions and other terms mentioned herein shall have the same meaning as defined in the Companies Act, 2013, SEBI LODR, as amended from time to time, and other laws, rules, regulations, accounting standards, as may be applicable.

C. Manner of dealing with related party transactions

All Related Party Transactions must be reported for approval to the Audit Committee and may be referred by the Committee to the Board and / or shareholders for its / their approval, as may be required in accordance with this Policy.

1. Identification of Related Party

- a. Related parties shall be identified under Companies Act 2013, SEBI LODR as amended from time to time and regularly verified.
- b. The Secretarial Department of the Company shall request from all the Directors and Key Managerial Personnel information that may be required for inclusion in the list of related parties of the Company.
- c. Each Director and Key Managerial Personnel of the Company shall inform the Secretarial Department of the Company of any change in the information previously provided on the list of related parties of the Company.
- d. Each director and Key Managerial Personnel is responsible for providing notice to the Board or Audit Committee of any potential Related Party Transaction involving him or her or his or her Relative, including any additional information about the transaction that the Board/Audit Committee may reasonably request.
- e. The list of identified related parties will be tagged and updated in the accounting system regularly and also periodically sent out to those staff of the Company that might be in the position to conduct or know of the possible conduct for Related Party Transactions.

2. Identification of related party transactions

As a policy, Thomas Cook will identify transactions falling under contracts and arrangements, as per the applicable laws, entered into with related parties for the consent of the Audit Committee, Board of Directors and shareholders, as applicable. Currently, Thomas Cook has identified Related Party transactions and has categorized them into broad categories viz. contract and arrangement relating to foreign exchange services, facilities maintenance services, background verification services, shared services, cost allocation, avialment and provision of travel services viz. E-business, visa, insurance, hotels, flights, corporate travel management etc.

Any other related party transaction identified during the periodic review and not covered into the aforementioned category, shall be reviewed, approved and included for conformance as apart of Related Party Policy mechanism.

3. Omnibus approvals related to Related Party Transactions

- All Related Party Transactions shall require prior approval of Audit Committee. The Audit Committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the company subject to compliance with following conditions:
 - a. The Audit Committee shall lay down the criteria for granting the omnibus approval in line with the policy on Related Party Transactions of the company and such approval shall be applicable in respect of transactions which are repetitive in nature.
 - b. The Audit Committee shall satisfy itself the need for such omnibus approval and that such approval is in the interest of the company;
 - c. Such omnibus approval shall specify
 - (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into,
 - (ii) the indicative base price / current contracted price and the formula for variation in the price if any and
 - (iii) such other conditions as the Audit Committee may deem fit;

Where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1 crore per transaction.

- d. Audit Committee shall review, atleast on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given.
- e. Such omnibus approvals shall be valid for a period not exceeding 1 year and shall require fresh approvals after the expiry of 1 year.

4. Policy on Determination of Materiality of Related Party Transactions

- All Transactions which are not in ordinary course of business or not as per arm's length pricing or both will be put up for prior approval of the Board.

In case the Company has a paid-up share capital exceeding the amount as may be prescribed or the value of the specified transaction exceeds the prescribed thresholds under the Companies Act, 2013, as applicable from time to time, it will be also be put up for prior approval of the shareholders by a resolution. Provided that requirement of obtaining shareholders approval shall not be applicable for transactions entered into between a holding Company and its wholly owned subsidiary whose accounts are consolidated with the Company as prescribed under the Companies Act, 2013.

- All Material Related Party Transactions (within the meaning of the SEBI LODR, as amended from time to time) shall require approval of the shareholders through special resolution and no related party shall vote to approve such transactions.

- Material related party transactions as mentioned above means: “Any transaction / transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent (10%) of the annual consolidated turnover of the company as per the last audited financial statements of the company.”
- Any transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed two percent of the annual consolidated turnover of the company as per the last audited financial statements of the Company.

5. Review of transactions with Related Party

To review a Related Party Transaction, the Committee will be provided with all relevant material information of the Related Party Transaction, including the terms of the transaction, the business purpose of the transaction, the benefits to the Company and to the Related Party, and any other relevant matters. For this purpose, the Audit Committee / Board, as the case may be, are entitled to seek the assistance of any employee of the Company or one or more independent experts of its choice at the expense of the Company.

If the Committee determines that a Related Party Transaction should be brought before the Board, or if the Board in any case elects to review any such matter or it is mandatory under any law for Board to approve the Related Party Transaction, then the considerations set forth above shall apply to the Board's review and approval of the matter, with such modification as may be necessary or appropriate under the circumstances.

6. Related Party Transactions not approved under this Policy

In the event the Company becomes aware of a Related Party Transaction with a Related Party that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Committee. The Committee shall consider all of the relevant facts and circumstances regarding the Related Party Transaction, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related Party Transaction. The Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related Party Transaction to the Committee under this Policy, and shall take any such action it deems appropriate.

In cases where the Board and / or shareholders' approval is required, and a contract or arrangement is entered into by a director or any other employee, without obtaining such consent of the Board or approval by a resolution in the general meeting and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be, of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

In any case, where the Committee determines not to ratify a Related Party Transaction that has been commenced without approval, the Committee, as appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction. In connection with any review of a Related Party Transaction, the Committee has authority to modify or waive any procedural requirements of this Policy.

7. Disclosure and reporting

- Details of the Related Party Transactions during the quarter shall be disclosed in the Audit Committee and Board meeting. The Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the company pursuant to each of the omnibus approval given, if any.
- The Company shall disclose to the Stock Exchange along with the compliance report on corporate governance on a quarterly basis details of all material transactions with related parties.
- Director's report shall contain details of Related Party Transactions as required under the Companies Act, 2013 and SEBI LODR, as amended from time to time.

This Policy will be communicated to all operational employees and other concerned persons of the Company.

8. Amendments:

The Board will review the Policy from time to time based on the related party transactions and make suitable modifications, as may be necessary.
