

Thomas Cook Employees Stock Option  
Scheme 2018 - Execom  
(ESOP 2018 - EXECOM)

Thomas Cook (India) Limited



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## **1. Name, Objective and Term of the ESOP 2018**

- 1.1 This Scheme shall be called the Thomas Cook Employees Stock Option Scheme 2018 - Execom ("ESOP 2018 - EXECOM").
- 1.2 The objective of the ESOP 2018 - EXECOM is to reward the EXECOM Employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use this Scheme to retain talent in the organization. The Company views Employee Stock Options as instruments that would enable the Employees to share the value they create for the Company and align individual objectives of employees with objectives of the Company in the years to come.
- 1.3 The ESOP 2018 - EXECOM is established with effect from **April 11th, 2018** and shall continue to be in force until (i) its termination by the Board; or (ii) the date on which all of the options available for issuance under the ESOP 2018 - EXECOM have been issued and exercised.

## **2. Definitions and Interpretation**

### **2.1 Definitions**

- i. **"Agreement"** means the Employee Stock Option Agreement between the Company and the Employee evidencing the terms and conditions of the option grant. The Agreement is subject to the conditions of ESOP 2018 - EXECOM.
- ii. **"Applicable Law"** means every law relating to Employee Stock Options, including, without limitation to, the Companies Act, 2013, Securities Exchange Board of India Act, 1992, the Securities Exchange Board of India (Share Based

Employee Benefits and Sweat Equity) Regulations, 2021 and all relevant tax, securities, exchange control or corporate laws of India, as amended from time to time or any relevant jurisdiction or of any stock exchange on which the shares are listed or quoted.

- iii. **“Board”** means the Board of Directors of the Company.
- iv. **“Companies Act”** means The Companies Act, 2013 and includes any statutory modifications or re-enactments thereof.
- v. **“Company”** means “Thomas Cook (India) Limited” having its registered office at Thomas Cook Building, Dr. D.N. Road, Fort, Mumbai – 400001
- vi. **“Company Policies/Terms of Employment”** means the Company’s policies for employees and the terms of employment as contained in the Employment Letter and the Company Handbook, which includes provisions for securing Confidentiality, Non Compete and non Poaching of other Employees and customers.
- vii. **“Committee”** means a Compensation/ Nomination & Remuneration Committee of Board of Directors, by whatever name called, consisting of a majority of independent directors, constituted by the Board of Directors from time to time *inter-alia* to administer ESOP 2018 - EXECOM or any other ESOP Scheme.
- viii. **“Director”** means a member of the Board of the Company.
- ix. **“Eligibility Criteria”** means the criteria as may be determined from time to time by the Committee for granting the Employee Stock Options to the employees.

- x. **“Employee”** means (i) a permanent employee of the Company working in India or out of India; or (ii) an executive director of the Company or (iii) an employee, as defined in sub-clauses (i) or (ii) in this Para, of a subsidiary company, in India or out of India, but excludes-
  - a. an employee who is a promoter or belongs to the promoter group;
  - b. a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;
  - c. a non executive director of the Company and/or of its subsidiaries.
- xi. **“Employee Stock Option” or “Option”** means the option granted to an Employee, which gives such Employee the right, but not an obligation, to purchase or subscribe at a future date the shares underlying the option at a pre-determined price.
- xii. **“ESOP 2018 - EXECOM”** means Thomas Cook Employees Stock Option Scheme 2018 - Execom under which the Company is authorized to grant Employee Stock Options to the Employees.
- xiii. **“Execom”** means (i) members of the Executive Committee of the Company working in India or out of India; or (ii) a senior management employee of the Company as determined by the Committee or (iii) individuals, as defined in sub-clauses (i) or (ii) in this definition, of a subsidiary company, in India or out of India

- xiv. **“Executive Director”** means a Director in whole time employment of the Company which shall include Whole time Director and Managing Director.
- xv. **“Exercise”** of an Option means expression of an intention by an Employee to the Company to purchase the Shares underlying the Options vested in him, in pursuance of the ESOP 2018 - EXECOM, in accordance with the procedure laid down by the Company for exercise of options.
- xvi. **“Exercise Period”** means such time period as defined in clause 7 (b) and (c) of the ESOP 2018 - EXECOM.
- xvii. **“Exercise Price”** means the price payable by the Employee in order to exercise the Options granted to him as defined in Clause 7 (a) of the ESOP 2018 - EXECOM.
- xviii. **“Grant”** means issue of Options to the Employees under the ESOP 2018 - EXECOM.
- xix. **“Grant Date”** means the date on which the Nomination & Remuneration Committee approves the grant.
- xx. **“Market Price”** means the latest available closing price on the recognized stock exchange on which the shares of the company are listed on the date immediately prior to the relevant date. In case such shares are listed on more than one stock exchange, then the closing price on the stock exchange having higher trading volume on the said date shall be considered.
- xxi. **“Non Executive Director”** means any director (including independent directors) other than executive director(s) of the Company

- xxii. **“Option Grantee”** means an Employee having a right but not an obligation to exercise an option in pursuance of the ESOP 2018 - EXECOM.
- xxiii. **“Permanent Incapacity”** means any disability of whatsoever nature, be it physical, mental or otherwise, which incapacitates or prevents or handicaps an Option Grantee from performing any specific job, work or task which the said Employee was capable of performing immediately before such disablement, as determined by the Committee based on the certificate of an independent medical expert.
- xxiv. **“Promoter”** shall have same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- xxv. **“Promoter Group”** shall have same meaning assigned to it under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Provided where promoter or promoter group of a Company is a body corporate, the promoters of that body corporate shall also be deemed to be promoters of such Company.
- xxvi. **“Recognised Stock Exchange”** means the BSE Limited, the National Stock Exchange of India Limited or any other Stock Exchange in India on which the Company's Shares are listed or to be listed.
- xxvii. **“Relative”** shall have same meaning as defined under section 2(77) of the Companies Act, 2013.

- xxviii. **“SEBI Regulations”** means the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended from time to time and includes all regulations, clarifications and statutory modifications issued there under and also any new regulations on the matter of share based employee benefits.
- xxix. **“Shares”** means equity shares of the Company arising out of the exercise of Employee Stock Options granted under the ESOP 2018 - EXECOM.
- xxx. **“Subsidiary company”** means any present or future subsidiary companies of the Company, as defined in the Companies Act, 2013.
- xxxi. **“Vest” or “Vesting”** means the process by which the employee becomes entitled to receive the benefit of grant made to him under the ESOP 2018 - EXECOM.
- xxxii. **“Vesting Condition”** means the conditions subject to which the options granted would vest in an Option Grantee.
- xxxiii. **“Vesting Period”** means the period, during which the vesting of the Employee Stock Option granted to the Option Grantee, in pursuance of ESOP 2018 - EXECOM takes place.
- xxxiv. **“Vested Option”** means an Option in respect of which the relevant Vesting Conditions have been satisfied and the Option Grantee has become eligible to exercise the Option.
- xxxv. **“Unvested Option”** means an Option in respect of which the relevant Vesting Conditions have not been satisfied and as such, the Option Grantee has not become eligible to exercise the Option.



## 2.2 Interpretation

In this Scheme, unless the contrary intention appears:

- a) the clause headings are for ease of reference only and shall not be relevant to interpretation;
- b) a reference to a clause number is a reference to its sub-clauses;
- c) words in singular number include the plural and vice versa;
- d) words importing a gender include any other gender;
- e) a reference to a Schedule includes a reference to any part of that Schedule which is incorporated by reference.
- f) words defined or used or stated in the ESOP 2018 – EXECOM but have not been explicitly defined herein will have the same meaning and interpretation as in the SEBI Regulations and the Companies Act.

## 3. Authority and Ceiling

- 3.1 The Shareholders vide special resolution dated **11th April, 2018** passed through postal ballot, has resolved to issue to employees of the Company and/ or its subsidiaries under ESOP 2018 - EXECOM, not more than 17,54,458 options convertible into 17,54,458 shares of face value of Re. 1 each, with each such option conferring a right upon the employee to be issued one equity share of the Company, in accordance with the terms and conditions of such issue.

- 3.2 If an Employee Stock Option expires or becomes un-exercisable due to any other reason, it shall become available for future Grants, subject to compliance with all Applicable Laws. The Committee will have powers to re-grant such options.
- 3.3 Where Shares are issued consequent upon exercise of an Employee Stock Option under the ESOP 2018 - EXECOM , the maximum number of Shares that can be issued under ESOP 2018 - EXECOM as referred to in Clause 3.1 above will stand reduced to the extent of such Shares issued.
- 3.4 In case of a share-split where the face value of the shares is reduced below Re. 1, the maximum number of shares available for being granted under ESOP 2018 - EXECOM shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such split remains unchanged after the share split. Thus, for instance, if the face value of each share is reduced to Re. 0.50, the total number of shares available under ESOP 2018 - EXECOM would be 35,08,916 equity shares of Re. 0.50 each.
- 3.5 In case of a consolidation where the face value of the shares is increased above Re. 1, the maximum number of shares available for being granted under ESOP 2018 - EXECOM shall stand modified accordingly, so as to ensure that the cumulative face value (No. of shares X Face value per share) prior to such consolidation remains unchanged after the share consolidation. Thus, for instance, if the face value of each share is increased to Rs. 2, the total number of shares available under ESOP 2018 would be 8,77,229 equity shares of Rs. 2 each.

#### **4. Administration**

4.1 The ESOP 2018 - EXECOM shall be administered by the Nomination and Remuneration Committee. All questions of interpretation of the ESOP 2018 - EXECOM shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the ESOP 2018 - EXECOM.

4.2 The Committee shall in accordance with this Scheme and Applicable Laws determine the following:

- (a) The quantum of Employee Stock Options to be granted under the ESOP 2018 - EXECOM per Employee, subject to the ceiling as specified in Para 3.1;
- (b) The Eligibility Criteria;
- (c) The procedure for making a fair and reasonable adjustment in case of corporate actions such as merger, sale of division, stock split / consolidation, rights issues, bonus issues and others;
- (d) The procedure and terms for the Grant, Vest and Exercise of Employee Stock Option in case of Option Grantees who are on long leave;
- (e) The procedure for cashless exercise of Employee Stock Options, if required;
- (f) Approve forms, writings and/or agreements for use in pursuance of the ESOP 2018 - EXECOM.
- (g) Frame suitable policy, procedure and system to comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair

Trade Practices relating to the Securities Market) Regulations, 2003 as amended from time to time, to be followed by the Employee.

## **5. Eligibility and Applicability**

- 5.1 Only Employees are eligible for being granted Employee Stock Options under ESOP 2018 - EXECOM. The specific Employees to whom the Options would be granted and their eligibility criteria would be determined by the Committee.
- 5.2 The Scheme shall be applicable to the Execom and Employees of the Company, its Subsidiary companies in India and abroad, as determined by the Committee on its own discretion from time to time.

## **6. Vesting Schedule / Conditions**

Options granted under ESOP 2018 - EXECOM would Vest after 4 years but not later than 7 years from the date of grant of such options. Vesting of options would be subject to continued employment with the Company and certain performance parameters.

The specific performance parameters will be decided by the Committee from time to time and will be communicated to the employees. The attainment of such performance parameters would be determined by the Committee from time to time which shall be a mandatory condition for vesting of options.

## **7. Exercise**

- a) The Exercise Price shall be equal to face value of shares i.e Re. 1 per option.

Payment of the Exercise Price shall be made by a crossed cheque or a demand draft drawn in favour of the Company or through permitted banking channel, or in such other manner as the Committee may permit.

- b) The Employee Stock Options granted shall be capable of being exercised either at one time or at various points of time within a period of 20 years from the date of Vesting of the respective Employee Stock Options.
- c) The Option's can be exercised as per the provisions outlined in the table below:

|   |   | <b>Vested*</b>  | <b>Unvested*</b>  |
|---|---|---|---|
| 1 | <b>Resignation/ Separation/ Redundancy (other than due to misconduct or breach of company policies/terms of employment)</b> | All the Vested Options as on the date of submission of resignation shall be exercisable by the Option Grantee before his last working day with the Company. | All Unvested Options on the date of submission of resignation shall stand cancelled with effect from that date.   |
| 2 | <b>Termination due to misconduct or due to material breach of policies or the terms of employment</b>                       | All the Vested Options which were not exercised at the time of such termination shall stand cancelled with effect from the date of such termination.        | All Unvested Options on the date of such termination shall stand cancelled with effect from the termination date. |
| 3 | <b>Retirement / Early Retirement approved by the Company</b>  | All Vested Options can be exercised by the Option Grantee immediately after, but in no event later than six months from the date of such retirement.        | All Unvested Options would continue to vest in accordance with the company's policies and applicable laws.        |

|   |   |  |  |
|---|---|--|--|
| 4 | <b>Death</b>  | All Vested Options may be Exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death subject to the approval of the Committee and in accordance with SEBI Regulations.   | All the Unvested Options as on the date of death shall vest immediately and may be exercised by the Option Grantee's nominee or legal heirs immediately after, but in no event later than six months from the date of Death subject to the approval of the Committee and in accordance with SEBI Regulations.  |
| 5 | <b>Termination due to Permanent Incapacity</b>        | All Vested Options may be Exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee or legal heirs, immediately after, but in no event later than six months from the date of such incapacity subject to the approval of the Committee and in accordance with SEBI Regulations. | All the Unvested Options as on the date of such permanent incapacity shall vest immediately and can be exercised by the Option Grantee or, in case of his death, or inability to exercise due to such incapacity, the nominee or legal heirs immediately after, but in no event later than six months from the date of termination of employment of the Option Grantee subject to the approval of the Committee and in accordance with SEBI Regulations. |
| 6 | <b>Other Reasons Apart from those mentioned above</b> | The Committee will decide whether the Vested Options as on that date can be exercised by the Option Grantee or not, and such decision shall be final.  | All Unvested Option's on the date of separation shall stand cancelled with effect from that date.  |

\*Subject to the maximum exercise period approved by the Shareholders of the Company from the date of vesting of options.

d) Lapse of options

The Options not exercised within the Exercise Period prescribed above shall lapse and the Option Grantee shall have no right over such lapsed or cancelled options.

All Options that have lapsed (including those having lapsed by way of forfeiture) shall be added back to the number of Options that are pending to be granted or Shares pending to be allotted. The Company may Grant such Options within the overall limit i.e. 17,54,458 as above.

- e) In the event of transfer of an Option Grantee from the company to the holding or subsidiary of the company, the Unvested Options as on the date of transfer, will continue to vest as per the original schedule and be exercised, subject to the compliance of the applicable laws.

**8. Other Terms and Conditions**

- 8.1 Nothing herein is intended to or shall give the Option Grantee any right or status of any kind as a shareholder of the Company (for example, bonus shares, rights shares, dividend, voting, etc) in respect of any Shares covered by the Grant unless the Option Grantee Exercises the Employee Stock Option and becomes a registered holder of the Shares of the Company.
- 8.2 The Employee Stock Option shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.



- 8.3 If the Company issues bonus or rights shares, the Option Grantee will not be eligible for the bonus or rights shares in the capacity of an Option Grantee. However, an adjustment to the number of options or the exercise price or both would be made in accordance with Clause 4.2(c) of ESOP 2018 - EXECOM.
- 8.4 Employee Stock Options shall not be transferable to any person except in the event of death of the Option Grantee or inability to exercise due to permanent incapacity, in which case clause 7(c) would apply.
- 8.5 No person other than the Option Grantee to whom the Employee Stock Option is granted shall be entitled to Exercise the Employee Stock Option except in the event of the death of the Option Grantee or inability to exercise due to permanent incapacity, in which case clause 7(c) would apply.

## **9. Taxation**

- i. The liability of paying taxes if any, in the Employee Stock Option granted pursuant to this Scheme and the shares issued pursuant to exercise of rights shall be entirely on Option Grantee holder and shall be in accordance with the provisions of Income tax Act, 1961 and the rules framed thereunder. All the options granted under the scheme shall be subject to all applicable withholding tax requirements, if any, and the Company may withhold such taxes accordingly.
- ii. The Company shall have the right to deduct or withhold, as the case may be, from the Option Grantee's salary, any of the Option Grantee's tax obligations arising in connection with the Employee Stock Options or the Shares acquired upon the Exercise thereof, if any, tax obligations have not been satisfied by option grantee. The Company shall have no obligation to allot or deliver or credit Shares until the



Company's tax deduction obligations, if any have been satisfied by the Option Grantee.

#### **10. Authority to vary terms**

The Board/ Committee may, if it deems necessary, vary the terms of ESOP 2018 - EXECOM , subject to the compliance of the Applicable Laws.

#### **11. Miscellaneous**

##### **11.1 Government Regulations**

This ESOP 2018 - EXECOM shall be subject to all Applicable Laws, and approvals from governmental and/or statutory authorities.

##### **11.1.1 Inability to obtain approval**

The inability of the Company to obtain approval from any regulatory body having jurisdiction over the Company, or under any Applicable Laws, for the lawful issuance of any Shares hereunder shall relieve and wholly discharge the Company of any and all liability in respect of the failure to issue such Shares.

11.2 The grant of an Employee Stock Option does not form part of the Option Grantee's entitlement to compensation or benefits pursuant to his contract of employment nor does the existence of a contract of employment between any person and the Company give such person any right or entitlement to have an Employee Stock Option granted to him in respect of any number of shares or any expectation that an Employee Stock Option might be granted to him whether subject to any condition or at all.

- 11.3 Neither the existence of this Scheme nor the fact that an individual has on any occasion been granted an Employee Stock Option shall give such individual any right, entitlement or expectation that he has or will in future have any such right, entitlement or expectation to participate in this Scheme by being granted an Employee Stock Option on any other occasion.
- 11.4 The rights granted to an Option Grantee upon the grant of an Employee Stock Option shall not afford the Option Grantee any rights or additional rights to compensation or damages in consequence of the loss or termination of his office or employment with the company for any reason whatsoever (whether or not such termination is ultimately held to be wrongful or unfair).
- 11.5 The Option Grantee shall not be entitled to any compensation or damages for any loss or potential loss which he may suffer by reason of being unable to exercise an Employee Stock Option in whole or in part.

## **12. Notices**

All notices of communication required to be given by the Company to an Option Grantee by virtue of this ESOP 2018 - EXECOM shall be in writing and shall be sent to the address of the Option Grantee available in the records of the Company and any communication to be given by an Option Grantee to the Company in respect of ESOP 2018 - EXECOM shall be sent to the address mentioned below:

The Compliance Officer  
Thomas Cook (India) Limited  
Thomas Cook Building, Dr. D.N. Road, Fort, Mumbai – 400001

### **13. Governing Law and Jurisdiction**

- 13.1 The terms and conditions of the ESOP 2018 - EXECOM shall be governed by and construed in accordance with the laws of India.
- 13.2 The Courts of Mumbai, India shall have jurisdiction in respect of any and all matters, disputes or differences arising in relation to or out of this ESOP 2018 - EXECOM.

### **14. Income Tax Rules**

The Income Tax Laws and Rules in force will be applicable.

### **15. Severability**

In the event any one or more of the provisions contained in this ESOP 2018 - EXECOM shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this ESOP 2018 - EXECOM, but this ESOP 2018 - EXECOM shall be construed as if such invalid, illegal or unenforceable provision had never been set forth herein, and the ESOP 2018 - EXECOM shall be carried out as nearly as possible according to its original terms and intent.

### **16. Accounting Policy**

In respect of Employee Stock Options granted pursuant to the ESOP 2018 – EXECOM, the Company shall follow the accounting requirements including the disclosure requirements of the SBEB Regulations, Accounting Standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including any 'Guidance Note on Accounting for employee share-based Payments' issued in that regard from time to time..

## **17. Certificate from Auditors**

The Board shall at each annual general meeting place before the Shareholders a certificate from the secretarial auditors of the Company that the Scheme has been implemented in accordance with the SEBI SBEB Regulations and in accordance with the resolution of the Company in the general meeting.

## **18. Confidentiality**

Employees must keep the details of the ESOP 2018 - EXECOM and all other documents in connection thereto strictly confidential and must not disclose the details with any of his peer, colleagues, co-employees or with any employee and/ or associate of the Company or that of its affiliates. In case Option Grantee is found in breach of this Confidentiality Clause, the Company has undisputed right to terminate any Agreement and all unexercised options shall stand cancelled immediately. The decision and judgment of the Company regarding breach of this Confidentiality Clause shall be final, binding and cannot be questioned by Option Grantee. In case of non-adherence to the provisions of this clause, the Committee will have the authority to deal with such cases as it may deem fit.

The Option Grantee agrees that the Company may be required to disclose information of the option grantee during the process of implementation of the ESOP or while availing services relating to ESOP consulting, advisory services or ESOP Management services and/ or any other such incidental services. The Option Grantee hereby accords his consent that such confidential information regarding his ESOP entitlements may be

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disclosed by the Company to its officers, professional advisors, agents and consultants  
on a need to know basis.

Holidays | Foreign Exchange | Business Travel | MICE | Value Added Services | Visas

**Registered & Corporate Office:**

Thomas Cook (India) Limited, 11th Floor, Marathon Futurex, N. M. Joshi Marg, Lower Parel (East), Mumbai - 400 013.

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