

## Q&A document for employees

### Thomas Cook Group plc and certain of its subsidiaries All in Liquidation (together the Group)

On 23 September 2019, the High Court (the **Court**) appointed the Official Receiver as liquidator of the Group on the petition of the Group's directors.

Simultaneously, the Court also appointed Simon Appell, Alastair Beveridge, Daniel Imison and Ben Browne of AlixPartners UK LLP as Special Managers of Thomas Cook Group plc, Thomas Cook Finance 2 Plc, Thomas Cook Airlines Limited, Thomas Cook Airlines Treasury plc, Thomas Cook Tour Operations Limited, Thomas Cook In Destination Management Limited, Thomas Cook UK Travel Limited, Thomas Cook Group Tour Operations Limited, Thomas Cook Services Limited, Thomas Cook Investments (2) Limited, Thomas Cook Continental Holdings Limited, Thomas Cook Group Airlines Limited, Thomas Cook West Investments Limited, Thomas Cook Group UK Limited, Thomas Cook Group Treasury Limited, Thomas Cook Money Limited, Thomas Cook UK Limited, MyTravel Group Limited and Blue Sea Overseas Investments Limited (the **TC Core Companies**) to support the liquidator.

Blair Carnegie Nimmo, James Robert Tucker, David John Pike, Michael Robert Pink and Ben Maitland Leith have also been appointed by the Court as Special Managers of Thomas Cook Retail Limited, Travel and Financial Services Limited, TCCT Retail Limited, Thomas Cook Aircraft Engineering Limited, The Freedom Travel Group Limited, Future Travel Limited and Retail Travel Limited (the **TC Retail Companies**). Employees of these companies will be contacted by KPMG separately.

The Special Managers were appointed by the Court to help manage the affairs, business and property of the TC Core Companies. The Special Managers act as agents of the TC Core Companies, without personal liability. All of the Special Managers are licensed in the United Kingdom to act as insolvency practitioners by the Insolvency Practitioners Association.

The Civil Aviation Authority (**CAA**), with assistance from the Special Managers and certain employees of the TC Core Companies, and at the request of the UK government, will be coordinating the repatriation of certain UK market Thomas Cook customers. General contact information for customer queries will be the CAA at:

**Website:**

[thomascook.caa.co.uk](https://thomascook.caa.co.uk)

#### Contact information for the TC Core Companies

**For retained employees**, if you have any questions, please refer these to your line manager as normal and these will be addressed.

**For redundant employees**, Evolve IS Limited (**Evolve**) are advisors to the Special Managers and will be able to assist all employees in submitting a claim to the

Redundancy Payments Service (**RPS**). For details of what you can claim for, refer to the relevant section below.

**Contact information for Evolve is as follows:**

**Telephone:** +44 (0) 121 333 1299

**E-mail:** [hello@evolveis.uk](mailto:hello@evolveis.uk)

**Note:** please quote your employer's company name in all correspondence.

## General background

As you may be aware, the Thomas Cook Group (the **Group**) has experienced challenging market conditions. The Group had been working with its stakeholders to seek to achieve a restructuring of its debt. Unfortunately, it was not possible to successfully complete the planned restructuring. As a result, Thomas Cook Group plc and certain of its subsidiaries are unable to pay their debts as they fall due and are therefore insolvent.

### What does Compulsory Liquidation mean?

Compulsory liquidation or "winding up" is a court-based procedure under which the assets of an insolvent company are realised and distributed to the company's creditors. The procedure is started by the filing (or "presenting") of a petition at court. A judge then decides at a court hearing whether it is appropriate to make a winding-up order. The most common reason for a winding-up order is that the company is insolvent. After the liquidation has been completed, the company is dissolved.

### What will happen next?

The CAA will support UK Thomas Cook customers currently abroad to return to the UK at the end of their holiday. This will require certain of the Thomas Cook group companies to continue operating whilst customers are repatriated to the UK.

There will be a short period during which the Official Receiver and Special Managers will make certain Thomas Cook services available to the CAA to assist with its repatriation of customers to the UK. Following this there will be a full winddown of the business and its assets.

## Employees

### What does this mean for you?

Parts of the business will continue to operate for a short period in order to assist the CAA with its repatriation of UK Thomas Cook customers currently overseas. In order to facilitate this, a number of staff will be retained.

Immediately following the appointment of the Liquidator, steps have been taken by the TC Core Companies, through the Special Managers, to confirm your employment status by way of an announcement, call and/or group meeting.

You will each receive a letter in the post from the Special Managers confirming whether or not you have been retained or made redundant.

## If I am being retained as an employee, what does it mean for me?

Following the appointment of the liquidator, your employment will continue on the same terms as your contract of employment. Where you continue to provide ongoing services, payment will be made to you, which is detailed further below.

For the avoidance of doubt, the continuance of your employment does not imply a contract of employment with, nor personal liability on the part of, either the Liquidator or the Special Managers.

During the period you are retained, you should see very little change in terms of your day to day role and responsibilities.

Employees will continue to be directed by their current manager and you should continue to report to them.

## If I am retained why should I continue to come in to work?

There is a requirement for a significant number of people to be retained by the business for a period of time following the liquidation.

All retained employees will be appropriately recompensed and nobody will be financially worse off than under normal course of business.

The tasks for retained employees shall broadly fit under two headings.

Firstly, there will be a requirement to assist the Official Receiver and Special Managers with the wind down of the TC Core Companies where certain functional expertise is going to be required.

Additionally, there will be a significant amount of effort focussed on assisting with the important task of repatriating thousands of customers that you have all always served so well.

The CAA is relying on your knowledge and understanding of your customers to achieve something which has never been seen before in terms of its scale, including vital experience and knowledge of your respective areas of the business.

## If I am being retained as an employee, who is going to pay me?

In return for your commitment in assisting with the repatriation of customers and achieving the orderly wind down of operations, retained employees will be paid any arrears of salary owed for the period up to 23 September being the appointment date of the liquidator. In short you will be paid money owed for September.

You will continue to be paid for any work done in the period from appointment of the liquidator on your normal payment date.

In addition, you will receive a retention bonus that is the equivalent of an additional amount of 50% of your full salary for the period worked from 23 September 2019 to the date of the termination of your employment.

In the event that it is decided before the end of October 2019 that your services are not required for the full month of October, you will be paid whichever is the greater of, the time accrued at time and half for the period worked, or your ordinary monthly salary for October 2019.

All expenses incurred during the liquidation will be paid by the relevant TC Core Company as long as they are authorised in the usual manner. Any contractual benefits such as pension contributions and healthcare/other benefits will continue to be paid during the repatriation period, and deductions will be made from your salary where applicable.

### How will this affect me day to day?

If you are retained, please continue to carry out your duties as normal unless advised otherwise, ensuring that you comply with all relevant government regulations; in particular those in respect of fire, buildings, health and safety, food and hygiene.

No third-party deliveries should be accepted without the prior agreement of a member of the Special Managers' team.

None of the TC Core Companies' property may be removed without the express prior written permission of the Special Managers, or one of their representatives. As you know, any removal without such consent will be treated as theft.

All authorised correspondence including, letters, orders and other documents bearing the TC Core Companies' names must indicate that the company is 'in Compulsory Liquidation' and include the following wording:

*"On 23 September 2019, the High Court appointed the Official Receiver as liquidator of the Companies on the petition of the Companies' directors. Simultaneously, the Court also appointed Simon Appell, Alastair Beveridge, Daniel Imison and Ben Browne as Special Managers to support them.*

*The Special Managers were appointed by the High Court to help manage the affairs, business and property of the Companies, in accordance with the powers and duties contained in the order appointing them. The Special Managers act as agents of the Companies, without personal liability.*

*All of the Special Managers are licensed in the United Kingdom to act as insolvency practitioners by the Insolvency Practitioners Association"*

Members of the Special Managers' team will be happy to assist with explaining these requirements.

### Will there be redundancies?

Unfortunately, a number of people will be advised that they have been made redundant immediately following the appointment of the Liquidator. Further redundancies are expected once the CAA no longer requires the TC Core Companies' assistance and the business is wound down.

Regardless of whether you have been retained, you should regard your employment as at risk with immediate effect.

In this regard the Special Managers will engage with you on an on-going basis in relation to any future potential redundancies. As part of any engagement process, the Special Managers will give full and careful consideration to mitigating the consequences of any future redundancies.

As part of any communication process, the Special Managers will keep you advised of any significant developments. However, in the meantime, please continue to turn up for work, carry out your duties, and ensure that you comply with your obligations under your employment contract and with all relevant government regulations.

Further information will be provided in due course in relation to the employee engagement process to be followed.

## What if I do not want to be retained?

Should you decide you do not wish to continue to provide your services, it will be assumed that you have resigned at the date the order to wind up the TC Core Companies was granted.

## If I am being made redundant what does this mean for me?

### How have people been selected for redundancy?

Together with management, the Special Managers (and the CAA) have considered the future limited operational needs of the business to determine how many people are needed to provide services to the CAA in line with the liquidation strategy i.e. to repatriate UK customers, deal with ongoing matters and preserve and realise value from the TC Core Companies' assets.

### What about outstanding wages and expenses?

You may be entitled to various claims, which are authorised by the Department of Business, Enterprise and Regulatory Reform (the **RPS**) under the provisions of the Employment Rights Act 1996. Further details can be found at:

<https://www.gov.uk/your-rights-if-your-employer-is-insolvent>  
<http://www.insolvency.gov.uk/pdfs/guidanceleafletspdf/guideforemployees.pdf>

Unfortunately, any pre-appointment expenses will rank as an unsecured claim.

### What can I claim from the RPS if I am made redundant?

If you are made redundant, you may be entitled to various claims, which are authorised by the RPS under the provisions of the Employment Rights Act 1996, as follows:

**Unpaid wages or salary up to a maximum of eight weeks.** This is capped at the current statutory maximum limit on a week's pay of £525 per week up to a maximum of eight weeks. Tax and National Insurance contributions (**NI**) will be deducted from this. Any claim in excess of this will be dealt with at a later date.

**Holiday pay** which has accrued but not been taken in the 12 month period ending on the date of entry into liquidation, up to a maximum of six weeks. A week's pay is capped at the current statutory maximum limit of £525 per week. Tax and NI will be deducted from this. Any claim in excess of this will be dealt with at a later date.

**Statutory Notice Pay.** This is one week's pay if you were continuously employed for one calendar month or more but less than two years; one week's pay for each year of employment if you were continuously employed for two years or more but less than twelve years; and a maximum of twelve weeks' pay if you were continuously employed for twelve years or more. The claim is subject to the current statutory maximum on a week's pay of £525 per week. If you earn any wages in the notice period this will be deducted when calculating your claim as will any state benefits and basic rate tax that you would have paid if you had worked your notice period. If you could have claimed benefits and did not, these may still be deducted from your claim. If you have a contract which includes a notice period in excess of 12 weeks, this will be dealt with at a later date, as, given the early stage of the liquidation, it is currently unclear whether you will receive any payment as a result of any entitlement to notice in excess of the statutory maximum for notice pay.

**Statutory Redundancy Pay.** This is calculated based on your length of service, age and a week's pay (which is capped at £525 per week) based on a sliding scale. You need to have been continuously employed for at least 2 years to qualify for a payment. If you have a contract which provides for an enhanced redundancy payment, you still have a claim for amounts owed to you against the entity that employed you although it is currently unclear, given the early stage of the liquidation, whether you will receive any payment for this.

Further details about the RPS and the above payments/claims can be found at:

<https://www.gov.uk/your-rights-if-your-employer-is-insolvent>  
<https://www.gov.uk/claim-redundancy>

## Can I claim for unfair dismissal?

If you have been made redundant you may have a claim for unfair dismissal. You may also be able to make a claim for wrongful dismissal due a lack of proper notice and consultation; however, please note that any successful claims will rank as an unsecured claim in the liquidation.

## If I am made redundant: how do I claim?

The Special Managers will send a letter to your home address giving you formal written notice of your redundancy together with guidance on how to make a claim this week.

If you require any assistance in making your claim, or have any related queries, please contact the team at Evolve IS Limited on 0121 333 1299 at [hello@evolveis.uk](mailto:hello@evolveis.uk).

## How long will it take before I receive payment from the RPS?

On average the Insolvency Service's redundancy payments service pays redundancy and related claims within 14 days of receipt of information. Special arrangements are being put in place to pay sooner if practicable to do so.

## What about my pension?

**Defined benefit schemes:** You should contact your pension scheme trustee in the first instance, as pension assets are held outside of the TC Core Companies' estates.

**Defined contribution schemes:** You should contact your pension provider in the first instance. Any deductions for pension contributions that have been made from your salaries that have not been paid across to the pension provider will rank as preferential claims in the liquidation. You may be able to claim these from the RPS.

Anyone in the UK concerned about their pension situation can call The Pension Advisory Service (TPAS) on 0300 123 1047 for free and impartial guidance. Those already receiving their pensions continue to receive payment.

## I am worried about future employment

Jobcentre Plus, through its Rapid Response Service, stands ready to support any employee affected by this announcement.

The National Careers Service provides free, up to date and impartial information, advice and guidance on careers, skills and the labour market in England. You will be able to call a professional careers adviser on 0800 100 900 (8am to 10pm daily).

## I have mortgage protection – what do I do?

If you have mortgage protection, please contact your mortgage provider direct as soon as possible.

## Are state benefits available?

You can sign on for Jobseeker's Allowance immediately if you have been made redundant, and we recommend that you take your redundancy letter with you. Failure to do so may result in statutory notice payments by the RPS being reduced.

## Who can I talk to about this?

We are talking to your union representatives. We expect they will make themselves available to provide assistance to you. You can also talk to your local Citizens Advice Bureau.

If you have been made redundant and would like assistance in completing an online claim (used to claim wage arrears, holiday pay arrears, redundancy pay and other statutory entitlements), **please contact Evolve on 0121 333 1299 or [hello@evolveis.uk](mailto:hello@evolveis.uk)** who are the specialist employment advisors of the Special Managers.

Further information can also be found at [www.tcuk-information.co.uk](http://www.tcuk-information.co.uk) and <https://www.gov.uk/government/news/thomas-cook-information-for-customers-employees-creditors-and-shareholders>.

If you are approached by the media, you should not make a statement, whether written or verbally, on behalf of the TC Core Companies in liquidation.

## Privacy Statement

The Special Managers may act as controllers of personal data, as defined by the UK data protection law, depending upon the specific processing activities undertaken. AlixPartners UK LLP may act as a processor on the instructions of the Special Managers. Personal data will be kept secure and processed only for matters relating to the Special Managers appointment. Further details are available in the privacy statement on the [alixpartners.com](http://alixpartners.com) website or by contacting the Special Managers.

## What should I do if a member of the press contacts me?

The Special Managers will issue all press statements on behalf of the TC Core Companies. If you are approached by the media, you should not make a statement, whether written or verbally, on behalf of the TC Core Companies in liquidation.

For media enquiries relating to the liquidation process please contact [press.office@insolvency.co.uk](mailto:press.office@insolvency.co.uk)

For media enquiries relating to repatriation and future travel please contact [press.office@caa.co.uk](mailto:press.office@caa.co.uk).