

Mr Liam Berney
Industrial Officer
Irish Congress of Trade Unions
32 Parnell Square
Dublin 1

28 October 2014

Dear Liam,

I refer to your calls and emails over the last few days in which you have pointed out that there continue to be some queries as to what the waiver means and therefore questions as to the implications of signing it.

As outlined in the Memorandum of Understanding between us, we, like you, believe that the current proposals are the best outcome that can be negotiated. Within this context we will continue to work to ensure the proposals, including the waiver, are properly understood, and to explain why they represent the best available outcome.

As you are aware, throughout our discussions and negotiations Aer Lingus has emphasised that the signing of a waiver has to be a feature of the proposals if Aer Lingus is to have any prospect of securing Shareholder support for the €190.7m contribution envisaged in the proposals.

Aer Lingus wishes to ensure that everyone understands the meaning of the waiver and the implications of signing it. To this end Aer Lingus has provided the following information during the communication process:

- A description of the meaning of a waiver by Eversheds Solicitors has been included in the Proposal Guide.
- A sample waiver has been placed on the pension proposal website.
- Answers to Frequently Asked Questions on the waiver have been placed on the pension proposal website.
- A letter to ICTU on 20th October sought to address queries that had been raised prior to that time.

Given the continued queries regarding the waiver as indicated in your calls, Aer Lingus will now place the attached detailed Explanation of Waiver document on the website and also include it in hard copy when the waiver is issued to staff.

In drafting this Explanation of Waiver we have sought to explain the issues involved in the simplest way possible without taking from the legal meaning of the document. In this regard the letter has been reviewed by our legal advisors and is a fair and accurate description of the waiver.

Aer Lingus respects that the decision to sign the waiver rests with each individual. The proposals are structured such that if collective approvals are attained from the Trade Union ballot, Aer Lingus Shareholders and the Pensions Authority then each individual can then decide whether or not to accept their once-off payment by signing the waiver. However should the Trade Union ballot reject the proposal then there is no basis for Aer Lingus to recommend to shareholders that the €190.7m be contributed. In this scenario staff will be faced with the very real prospect of cuts to IASS pensions without off-setting payments elsewhere.

Following the extensive discussions between ourselves and the Trade Unions, Aer Lingus, like you, believe that the current proposals represent the best outcome that can be negotiated and we will therefore continue working to ensure the proposals, including the waiver, are properly understood.

Yours sincerely,



Brian Bowden
Director of HR Operations