Mr. David Beattie,  Ebilou,

Chairman ESB ESOP, Loughlinstown,

43 Merrion Square, Celbridge,

Dublin 2 Co. Kildare

8th May 2015

Dear Mr. Beattie,

Your communication with all ESOP participants dated 27th April 2015 was discussed in detail at our National Executive meeting yesterday and it was agreed that the following issues needed urgent clarification:

* When will the detailed amendments that will be required to implement the proposals be finalized?
* Has it been agreed who will assess the proposed Fair Market Valuation (FMV), and when will this valuation be available and who will bear the cost of carrying out this assessment?
* It is proposed that the pre-set Minimum Reserve Price will be linked to the FMV – will this price be a fixed percentage of the FMV?
* ESBRSA believe that the simplest and most transparent way of assessing a Fair Market Valuation for shares is to use the information available in ESB’s Annual Accounts and value the shares on the basis of the Net Asset Value of ESB. Using the information in the 2013 Annual Accounts, the net asset value per share is valued at €1.99
* It is proposed that ESB and ESOP will introduce new liquidity to support future Internal Markets. How much liquidity will ESB introduce and where will ESOP acquire funds to provide its share of the liquidity?
* Unlike serving staff who can hold their shares indefinitely, retired staff are forced to sell their shares under current rules. ESBRSA believe that while amendments to ESOP are currently under consideration, the forced sellers rule should be abolished under those amendments. A rule change should also be considered to facilitate the re-allocation of shares purchased by ESOP to support Internal Markets to all participants (including retired staff).

ESBRSA have indicated to all our members that it would be in the interests of all retired staff to postpone the Internal Market until wehave an opportunity to examine the detail of the proposals to improve the operation of theMarket. This has been included on ESBRSA website.

We are requesting an urgent meeting with you and representatives of the ESOT Trustees to discuss all of the above.

I look forward to hearing from you regarding a meeting.

Yours sincerely,

Michael MacNamara,

Hon Secretary,

National Executive Committee,

ESB Retired Staff Association

Copied to:

ESB Chief Executive,

ESB GOU,

Minister for Public Expenditure & Reform, Brendan Howlin