Alex White TD, Ebilou,

Minister for Communications Energy and Natural Resources, Loughlinstown,

Leinster House, Celbridge,

Kildare Street, Co. Kildare

Dublin 2

13th July 2015

Dear Minister White,

I’m writing to you on behalf of the ESB Retired Staff Association (ESBRSA) and with regard to the ESB Employee Share Ownership Plan (ESOP).

Your Department has been involved directly in the talks and negotiations process on finding a solution to the problems surrounding the operation of the Internal Markets for the sale of ESB shares held by participants of ESOP. Your role in the process has become very clear following a series of ESOP information briefings on the details of the proposed amendments to the ESOP rules on the operation of the Internal Markets.

The main problem with the operation of the Internal Markets has been the lack of liquidity and thus the ability to offer fair value to participants for their shares. As Minister for Public Expenditure and Reform and owner of 80% of ESB Capital Stock you have been instrumental in restricting or curtailing the funds that ESB can spend to a total of €25 million over the next 4 years to provide badly needed liquidity in the Markets. Consequently, you are denying ESB retired staff fair value for the shares they are forced to sell in future markets.

The method of valuation favoured by our Association and the former ESB Chairman, Lochlann Quinn, is the Net Asset Value of ESB. This is the fairest and most transparent method with figures readily available in ESB’s Annual Report. Under that method the share value would be €1.86 per share based on the 2014 ESB Annual Accounts. This was advocated by the former ESB Chairman and submitted to your Department for approval immediately prior to his departure from ESB. Your Department rejected the Chairman’s submission on the share valuation.

The restriction that you have placed on ESB spending limit severely restricts the ESOP Trustees ability to offer participants what is perceived to be “Fair Value” for the shares that they are forced to sell. You have also placed a condition on ESB’s participation in future Markets that all shares purchased by ESB would be cancelled and revert to ESB ownership, thereby reducing the Employee shareholding and increasing ESB/Governments holding.

You have the audacity to call yourself a member of the Labour Party, a party which champions the rights of workers. ESB staff bought into the ESOP as part of a Productivity Agreement in the mid 1990’s and delivered their part of the Agreement. ESB achieved huge cost savings as a result of the Agreement and the staff who delivered that productivity, now retired, want a fair price for their shares. You Minister, have denied them that right.

This letter will be published on our website [www.esbrsa.ie](http://www.esbrsa.ie) for members’ information.

Yours sincerely,

Michael MacNamara,

Hon Secretary,

National Executive,

ESBRSA