



GROUP OF UNIONS



Shared Understanding

The attached pension proposals provide a platform whereby our pension deficit is addressed, a new improved governance structure is implemented and the financial security of our serving and retired staff is significantly enhanced into the future.

In addition it provides a secure financial platform from which the company can continue to grow and develop in a changing energy market.

In this regard the signatories renew their commitment to ESB as a Vertically Integrated Utility and in line with the objectives set out in Strategic Framework 2020 we remain committed to:

- A generation market share in the 'All Island' market of close to 40% with a significant renewables portfolio
- Ownership and development of world class sustainable Networks Assets
- A successful energy supply and services business operating across all market segments
- Developing and growing our international business with particular focus on the 'All Islands' market
- Establishing ESB as a world leader in sustainability

We recognise that the past number of years have seen ESB go from a monopoly in the Generation and Supply businesses to a company facing severe competition. As a company this process has been challenging for us all. We acknowledge the commitment of all staff throughout these challenges and renew our commitment to working together as we go forward to create an even more successful company in the interest of all parties.

Finally we commit to playing a key role in Ireland's growth and development as we have since our inception.

Padraig McManus
Chief Executive
ESB

Davy Naughton
Secretary
ESB Group of Unions

2 June 2010