

FOR IMMEDIATE RELEASE

Encouraging signs from Ryanair AGM

Ryanair appears willing to heed shareholders' concerns after almost 30% of votes failed to support the company's Chair David Bonderman at its annual general meeting.

Mr Bonderman was re-elected but a significant 29.5% of shareholder votes opposed his re-election or abstained.

The Local Authority Pension Fund Forum (LAPFF) attended the AGM outside Dublin. LAPFF had recommended its members, which oversee about £230 billion of pension fund assets, vote against Mr Bonderman.

At the meeting there were encouraging signs that Ryanair was listening to shareholders' concerns about employment practices, governance and implications for its business model. In particular:

- Ryanair said it was prepared to move to local employment contracts for its staff.
- The company said it was willing to recognise trade unions throughout Europe.
- Chief Executive Michael O'Leary stated that staff were never disciplined if they did not hit sales targets.
- The company seemed to accept shareholder concerns about Mr Bonderman's position and the need for a succession plan.
- Mr O'Leary indicated he wanted to have a constructive relationship with LAPFF and other shareholders.

Cllr Paul Doughty, LAPFF executive member, who attended the meeting, said:

"The significant vote against Mr Bonderman appears to have prompted a welcome change of approach by Ryanair. The company now seems willing to listen to shareholder concerns about employment practices, the company's governance and its business model.

"Actions speak louder than words but if Ryanair does everything it said it would do at the AGM then that would be very positive. We hope Ryanair will repair its troubled relationship with employees as soon as possible to end disruption for the company and its customers.

“Based on the mood of the meeting we would expect Ryanair to announce plans for Mr Bonderman to step down in due course. Ryanair should recruit an independent Chair who will strengthen the board, work closely with and provide the right level of challenge to Mr O’Leary.”

Background to LAPFF’s voting recommendations:

Consider financial statements and reports – OPPOSE

Ryanair has faced growing criticism over employment standards and its refusal to recognise unions. Concerns about these matters, and their potential effect on the company’s business model, have contributed to the downward trend in Ryanair’s share price. The company has said it is not willing to compromise its low-cost, low-fare model. However, after Ryanair reduced prices as a result of strikes its stance raises questions about whether recurring industrial action and cancellations will have a negative impact on the company’s business model and shareholder value.

The report and accounts fails to address this matter adequately.

Ryanair’s failure to reimburse customers for flight cancellations as a result of staff strikes also risks damaging Ryanair’s brand and reputation with its customers.

Re-elect David Bonderman - OPPOSE

LAPFF has concerns over Mr Bonderman’s independence. He has been on the board for 22 years and previously led an investment vehicle, Irish Air L.P. which acquired a minority interest in Ryanair. He is also a member of the nomination committee, which has failed to recruit enough independent directors to the board. Only 25% of Ryanair’s directors are considered independent.

The Forum also believes Mr Bonderman has been unsuccessful in his oversight of human capital management issues within the company and ensuring that customers receive adequate service during the flight cancellations throughout the summer of 2018.

ENDS

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About the Local Authority Pension Fund Forum



The Local Authority Pension Fund Forum (LAPFF), founded in 1991, is a voluntary association of 79 public sector pension funds and five pools based in the UK with combined assets of approximately £230 billion. It exists to 'promote the long-term investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate responsibility and high standards of corporate governance amongst the companies in which they invest.' www.lapfforum.org. PIRC is the Research and Engagement partner to the Forum.