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Ihr Zeichen, Ihre Nachricht von

Ihrer Zeichen, unsere Nachricht von
ISC/TVI bin

Name

Datum
10.09.2018

Dear Mr. Wilson, dear Mr. Bellew,

We are referring to your letter dated September 9, 2018.

In our letter dated September 6, 2018, we explained to you once again, why to us an arbitration appears to be the only way to prevent a further escalation of our conflict. We also asked you five concrete questions and wanted you to answer them. Instead of providing us with an answer to those questions which would enable us to find a way regarding the way forward, you completely ignored them in your reply.

Firstly, we would like to state that - contrary to your claim - we are not changing our point of view. During the conversation between Mr. Schumacher and Mr. Bellew on August 28, 2018 as well as in our letters dated August 31 and September 6, 2018 we explicitly referred to an arbitration as a viable way to proceed. In our most recent letter, we explained to you why a mediation is in our opinion not the proper approach to come to a resolution. Now saying that you agreed to a mediation, while we were referring to an arbitration very clearly, is inconclusive. We have not yet received your acceptance of an arbitration.

Furthermore, we have expressed our concerns regarding an Irish mediator and the criteria which should be fulfilled by an arbitrator in our most recent letter. We have also compiled a list of possible candidates who would fulfill said criteria. We stated that, provided you could not agree on our list of candidates, we would be willing to consider your proposals for an arbitrator which would also fulfill these criteria. Instead of proposing candidates of your own, you exclusively maintain your demand of having an Irish mediator.

This can hardly be the proper first step in an arbitration process to which you still haven't agreed. Your letter confirms our opinion that an arbitration is indeed the only remaining option to avoid further escalations of our industrial conflict.

With kind regards,

Vereinigung Cockpit e.V.
Tanja Viehl



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Mr Ingolf Schumacher
Head of Industrial Affairs
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Main airport Center (MAC)
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Germany

8th September 2018

By email only: Schumacher@vcockpit.de

Strictly private & confidential

Dear Mr Schumacher

We refer to your letter dated 6th Sep.

The repeated changes of position by the VC are delaying the implementation of real improvements for our German pilots. You asked us to agree to mediation and we agreed, offering the independent mediator, Mr Kieran Mulvey, who has recently overseen mediation with the Irish pilots – a mediation agreement that was unanimously approved by the Irish pilots – and he is familiar with the Ryanair business model, and the complexities of our rosters, annual leave proposals, seniority issues and base transfers. We believe he is available and willing to act, and can expedite a similar mediation agreement with our German pilots and the VC.

We will not agree to arbitration with any politicians as you suggest, since these people have no idea how a low fare, high growth, multinational airline like Ryanair operates and would be totally unfamiliar with operational issues like seniority, base transfers, annual leave systems, etc.

Having now reached agreement with our Italian pilots and our Irish pilots, and having established national seniority lists and improved systems for base transfers and annual leave allocation, there is no basis for the VC's lack of confidence in Ryanair's willingness to move, as the mediation process will rapidly reveal the negotiation position of both Ryanair and VC and whether there is a basis for an agreement on a VTV and MTV). Ryanair will enter this process with no preconditions and VC should do likewise. It is important that we and the VC make rapid progress on these issues in Germany. We again invite you to meet us during the week commencing 10th Sept as our exchange of letters is delaying progress. These improvements can only be delivered either by negotiation or through mediation with someone such as Kieran Mulvey who is now familiar with the issues and concerns of our pilots and who has substantial experience in dealing with international employment issues.

Please confirm by return whether you wish to meet to negotiate directly on these matters or whether you prefer to have Kieran Mulvey mediate these issues in a similar manner that he successfully delivered in Ireland with the unanimous agreement of our Irish pilots and their FORSA union.

Yours sincerely

Eddie Wilson
Chief People Officer

G. S. g

Dear Mr. Bellow,

we refer to your letter dated September 4, 2018.

We would like to summarize our expectations regarding the further steps. In light of the fact that you have not offered a substantial improvement regarding the personnel costs in our collective bargaining agreements in your last letter and have always remained very vague about concrete concessions on your part, we consider an arbitration as the only option, to prevent further escalation of our conflict.

As a first step, we should sign an arbitration agreement. This should lead to the most comprehensive and rapid pacification of our collective bargaining agreement for the duration of the collective agreements and, if possible, beyond that. For efficiency reasons, therefore, we do not consider it useful and do not agree, to pick out individual topics and agree on those topics only with the support of a mediator as it was done in Ireland.

From our point of view, it is indispensable that a neutral person, who should contribute to the resolution of this conflict, develop a collective agreement based on German law, and has a comprehensive understanding of the relevant German legal system and the corresponding German framework conditions. This is unfortunately not considered to be the case with your proposal in the person of Mr. Kieran Mulvey.

We have no confidence Ryanair is really willing to move. Therefore, in our view, a mediation process is not the right approach to find solutions. In our understanding, a procedure is required, which leads to a clear final decision on the collective agreements VTV, MTV and TV PV. Our expectation is that, following the conclusion of this procedure, our members will be familiar with all the provisions of these collective agreements and will be able to vote in a ballot on whether they agree with the relevant collective agreements. Of course, the final recommendation should also not be binding for Ryanair. We are convinced that such arbitration is also the most efficient way in terms of time.

We believe the arbitration procedure should be based on a non-disclosure agreement so that the public will not be involved in the negotiations. In addition, it is to be ruled out that the contents of the negotiations will be subject of later legal disputes regarding the legality of strikes.

In order to ensure sufficient time for the drafting of the collective agreements, we expect a corresponding roster release agreement for the members of our German Ryanair Company Council on the basis of our proposals submitted already.

As possible arbitrators, we would like to suggest the following persons: Gerhard Schröder, Martin Schulz, Sigmar Gabriel, Wolfgang Clement and Günter Verheugen. If you do not agree with any of these persons, we are awaiting an appropriate suggestion from you for an arbitrator, taking into account our above-mentioned criteria.

We are awaiting your specific feedback by noon Monday, September 10, 2018. Your feedback should indicate the following:

1. Do you agree with an arbitration procedure that provides for a concrete, non-binding, arbitration recommendation on the CLAs MTV, VTV and TV PV?
2. Are you willing to agree on an arbitration which will result in an increase of personnel costs?
3. Are you willing to allow the Company Council to continue negotiations by concluding a Roster-Release agreement between VC and Ryanair?



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4. Are you willing to sign a non-disclosure agreement as described above?
5. Do you agree with one of these personalities as an arbitrator or can you make several suitable counter-proposals?

Just to clarify, points 3. to 5. are neither any VC demands regarding industrial action at present, nor will they be part of any VC demands in regard to possible industrial action in the future.

Best regards,

Ingolf Schumacher
Head of Industrial Affairs



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Mr Ingolf Schumacher
Head of Industrial Department
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3 September 2018

Sent via email to: schumacher@vcockpit.de

Dear Mr Schumacher,

Your letter of August 31 refers and appears to have crossed with our letter of August 31.

In our letter of August 31, Ryanair has given VC a clear commitment that we wish to conclude a CLA on remuneration (VTV) and on terms and conditions (MTV) that takes account of relevant comparators in the German market for our directly employed Germany based pilots.

We are agreeable to your suggestion of mediation, and we propose Mr Kieran Mulvey (former Director General of Workplace Relations Commission in Ireland), who has successfully managed the recent mediation in Ireland with the Forasa/IALPA Pilot Union and is therefore familiar with the challenges faced by our Pilots and this airline's growth plans, and would be an ideal choice to expedite your proposal mediation in Germany.

Please confirm your acceptance of Mr Mulvey as a Mediator and that VC will equally share his costs with Ryanair.

We look forward to receiving your agreement by return.

Yours sincerely,

Peter Bellew
Chief Operations Officer

by E-Mail: bellewp@ryanair.com; cartys@ryanair.com;
kellyedi@ryanair.com;

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Datum
31.08.2018

Dear Mr. Bellew,
Dear Mr. Hughes,


With this letter we are referring to your letters dated August 15, 27 and 31 as well as the phone conversation between Mr. Bellew and Mr. Schumacher on August 28, 2018.

Your letters constitute only a summary of the current situation and ongoing developments on an international level. Apart from several vague hints, they do unfortunately not include any tangible offers. We would like to refer to our newsletter dated August 28 which we forwarded to Mr. Nießen on the same day.

During the course of the phone conversation on August 28, the current industrial situation was discussed. You agreed to provide us with your ideas concerning the way forward in written form, possibly including an arbitration. Unfortunately, you are not commenting on an arbitration.

As we have already expressed in our newsletter, we would be willing to consider an arbitration regarding the CLAs remuneration (VTV), terms and conditions (MTV) and employee representation. Such an arbitration should lead to an arbitration recommendation which would be the basis for both parties to decide on its acceptance. In order to follow such a path, your previously stated precondition would need to be withdrawn. It is our understanding of your position that any agreement between us must not lead to an increase in cockpit costs. Would you continue to maintain this position, it seems likely that one of the two parties would not accept the arbitration recommendation.

With kind regards,



Vereinigung Cockpit e.V.
Tanja Viehl



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Mr Ingolf Schumacher
Head of Industrial Department
Vereinigung Cockpit
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30th August 2018

Sent via email to: schumacher@vcockpit.de

Dear Mr Schumacher,

I refer to our telephone conversation of August 28th and our letters of August 7, 15 and 27 which to date we have received no reply. We also note the sentiments in your newsletter to your Ryanair members in Germany dated Aug 28.

We are surprised at the contents of your newsletter as Ryanair's position in relation to negotiations with the VC is clear and as follows:

- 1) We have come to an agreement with the Irish Union, ForSA on a Seniority Agreement for Irish based Pilots including improved agreements on base transfers, promotions and Annual Leave. Irish pilots are currently voting (with ForSA's recommendation) with a result expected next week. Ryanair has welcomed the recent negotiations outcome but we are not making any further media comment. The results of this mediation have been productive in Ireland and I am confident that a similar outcome is possible in Germany with the co-operation of the VC and Ryanair Germany Pilots Council.
- 2) Ryanair is committed to keeping its Pilots pay and conditions ahead of those LoCo 737 airlines with which we compete. Ryanair is willing to negotiate with the VC a major change of variable pay moving into fixed pay. That commitment is evidenced by our recent written commitment to the BALPA in the UK. This initiative will increase basic as a proportion of total earnings by 30% which is a real win for UK Pilots. We look forward to discussing with the VC how much variable pay can be moved to fixed pay and how this can be included as part of any overall CLA with the VC in Germany.
- 3) Ryanair will now negotiate with the VC your key demand of an orderly transition to local tax and employment contracts in Germany as part of any overall agreement with the VC. I invite you to meet us soon to discuss local contracts and tax as part of an overall German CLA. Ryanair has agreed a CLA with the Italian Pilots Union ANPAC and that agreement which took almost 6 months to conclude through a series of over 10 meetings covers pay, rosters, pensions, health insurance etc. Italian pilots have now voted to accept that agreement. That agreement is governed under local Italian law with a clear commitment and framework to transition to local contracts of employment and local taxation. Our Irish and Italian agreements demonstrate Ryanair's bona fides in negotiations with the VC on local tax and employment contracts.
- 4) Our recent letters to the VC have clearly set out our position that we will look at "personnel costs" if there is a clear market reason for doing so. Over 85% of German Pilots have voted for a 20% pay increase in 2018 and there is no other airline in Germany that has awarded such an increase. The VC as part of its negotiations should acknowledge that a substantial pay increase of 20% has been agreed (even if the VC did not negotiate it) by our German Pilots, and also agree valid comparisons for our pilots. The evidence is that Ryanair Pilots do not leave to join TUI Fly. We are however prepared to look at comparisons with Norwegian NAS, where Ryanair is already paying 20% higher pay. We are also willing to look at a comparison with Eurowings Europe where the VC have

negotiated a pay scale that is significantly lower than Ryanair especially for new joiners and command upgrades.

- 5) Ryanair has also committed that we will move to local tax (Aug 27 letter to VC). As you are aware we have been hindered by high personal tax rates in Ireland that continues to deliver lower net earnings for our Pilots and we are working towards having Irish tax amended with local tax but again that has to be part of a negotiation. However, when this transition takes place (as in Italy) it will mean increases in net pay for our German based pilots.

It is self-evident by Ryanair's actions and commitments that it wants the stability of a long term competitive deal for our German Pilots negotiated by the VC which will include the following

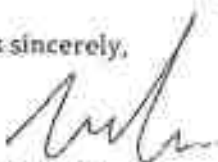
- 1) An agreement on seniority, base transfers, command upgrades and annual leave
- 2) An agreement on pay that takes account of relevant comparators in the German Market on pay and conditions that recognises the 20% pay increase that has already been accepted by over 85% of our pilots in Germany this year. Any adjustment or increase in pay will have to be in a well-grounded, competitive comparison which takes account of all terms and conditions.
- 3) We are also committed as evidenced by the Italian agreement to completing a
 - a. German CLA under German law
 - b. An orderly and agreed transition to local German employee contracts
 - c. An orderly and agreed transition to local German taxes

The only way to come to an agreement is to sit down and negotiate these issues but equally the VC will have to set out some realistic framework as to what they are grounding their pay claims on. The success of our negotiations and CLA in Italy and the vote that is now taking place in Ireland after a mediation process prove that Ryanair is serious about concluding collective bargaining with our pilots through the VC and other European unions.

We look forward to your early response to restarting negotiations and we would welcome your proposals, particularly on the competitive position in advance of those negotiations so we can actually fully consider them, rather than starting from first principles at the negotiation meeting.

We look forward to a positive reply to restarting negotiations on a comprehensive agreement on pay rosters and seniority, annual leave and any other issues that may arise.

Yours sincerely,



Peter Bellew
Chief Operations Officer



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Ms Tanja Viehl
Policy Advisor
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27th Aug 2018

Sent via email to: viehl@vcockpit.de

Dear Ms Viehl,

I write to update you on recent developments, and to invite you again to meet with us urgently so that we can address a number of issues to improve the terms and conditions of our (directly employed) German pilots as follows:

1. We signed an agreement last week (Thu, 23 Aug) with FORSA and their Irish Pilots Council to introduce a seniority list for the Republic of Ireland based pilots, a new improved annual leave system and more transparent base transfer and command upgrade systems. These agreements are being recommended by FORSA to our Irish pilots and we hope to have them approved by early September.
2. We have written to our UK pilots (in the absence of engagement by the BALPA UK Pilots Council) to set out improvements in basic pay, rebalancing of productivity pay, and improved base transfers and annual leave systems, and we hope to conclude these improvements over the coming weeks with BALPA and our UK based pilots.

These developments create an opportunity to renew our engagement with VC and our German pilots, as we hope to introduce these improvements in basic pay and conditions into Germany by agreement with VC as long as it can be done quickly, so that we can offer these improvements in seniority, annual leave, and command upgrades for all directly employed pilots based in Germany.

We also wish to agree with you a practical period for the implementation of local contracts, and local taxation for our directly employed pilots in Germany. We are hopeful that the Irish Government will amend the current tax provisions in this year's Budget in October, but should they fail to do so, we still hope to move to local contracts and local taxes as part of a comprehensive CLA with the VC union and our Germany based pilots.

We are available to meet with you in the week commencing 3rd September, and hope that you will take up this invitation to expedite our plans to improve the terms and conditions of our German pilots at the earliest possible date.

Yours sincerely,