

RYANAIR HOLDINGS PLC  
Form 6-K  
July 31, 2013

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For the month of July 2013

RYANAIR HOLDINGS PLC  
(Translation of registrant's name into English)

c/o Ryanair Ltd Corporate Head Office  
Dublin Airport  
County Dublin Ireland  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual  
reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information  
contained in this Form is also thereby furnishing the information to the  
Commission pursuant to Rule 12g3-2(b) under the Securities Exchange  
Act of 1934.

Yes ..... No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant  
in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

Click on, or paste the following link into your web browser, to view the associated PDF document.  
[http://www.rns-pdf.londonstockexchange.com/rns/5308K\\_-2013-7-30.pdf](http://www.rns-pdf.londonstockexchange.com/rns/5308K_-2013-7-30.pdf)

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\*See Index on page 34 and 35 for detailed table of contents.

Information on the Company is available online via the Internet at our website, [www.ryanair.com](http://www.ryanair.com). Information on our website does not constitute part of this Annual Report. This Annual Report and our 20-F are available on our website.

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	€M	€M
Operating revenue (i)	4,884.0	4,324.9+13%
Net profit after tax	569.3	560.4+2%
Adjusted net profit after tax	569.3	502.6+13%
Basic EPS (in euro cent)	39.45	38.03+4%
Adjusted basic EPS (in euro cent)	39.45	34.10+16%

(i) Year ended March 31, 2012 excludes a one off release of ticket sales revenue of €65.3 million. See reconciliation of profit to adjusted profit for the year on pages 8 and 9.

Key Statistics	2013	2012	Change
Scheduled passengers	79.3m	75.8m	+5%
Year-end Fleet	305	294	+4%
Average staff	9,059	8,438	+7%
Passengers per staff member (avg.)	8,753	8,983	-3%

### Chairman's Report

Dear Shareholders,

I am pleased to report a 13% increase in profit after tax to a new record of €569m. This was an excellent result despite a €292m increase in fuel costs which we managed to offset by a 6% rise in average fares and strong growth in ancillary revenues.

During the year Ryanair delivered a number of significant milestones:

- We grew our traffic by 5% to 79.3m passengers.
- We took delivery of 15 new aircraft for a year-end fleet of 305 Boeing 737-800's.
- We opened 7 new bases and 217 new routes bringing our route/network operated to over 1,600.
- We improved our industry leading passenger service with better punctuality, fewer lost bags and less cancellations.
- We completed a share buyback of €67m in April 2012, and paid a special dividend of €492m in November, 2012.

Fuel costs in fiscal 2013 as a proportion of our total operating costs have risen to 45%. We are 90% hedged for fiscal 2014, at approximately US\$98 per barrel which is almost another €200m increase in our fuel bill. Oil price rises and

high winter charges at certain airports will make it commercially sound to ground up to 60 aircraft next winter (80 aircraft last year) rather than incur losses operating these aircraft at lower winter yields. Nevertheless, we still expect passenger volumes in fiscal 2014 to grow by approximately 3% to 82m passengers.

At a recent June 2013 EGM shareholders approved our new 175 aircraft order with Boeing. Net of disposals/lease returns this will enable Ryanair's fleet to increase to 410 aircraft and our traffic to grow by 39% to 110m by fiscal 2019. We see tremendous opportunity in Europe to increase passenger volumes as our competitors merge/consolidate, cut short-haul capacity and in some cases exit the industry. This new Boeing order at prices "not dissimilar" to our previous 2005 order will enable us to grow our business while at the same time locking in advantageous long term ownership costs in our fleet.

We recently announced Ryanair's plans to return a further €1bn to shareholders (subject to shareholder approval at our AGM in September) via share buybacks and special dividends by the end of fiscal 2015. The combination of a special dividend and buy backs (subject to shareholder approval) and previous buybacks/special dividends completed will mean that Ryanair will return €2.53bn to shareholders since 2008 which is unprecedented in the airline industry.

I would like to take this opportunity to thank Klaus Kirchberger for his contribution and commitment to Ryanair as a director over the last eleven years. Klaus resigned from the board at the end of March 2013 and we wish him much success in the future. I would also like to warmly welcome three new directors Louise Phelan, Julie O'Neill and Dick Milliken. Louise and Julie joined the board in December 2012 while Dick joined in July 2013. They will all stand for election at the AGM in September, 2013.

We look forward to growing Ryanair to 110m passengers and 410 aircraft by fiscal 2019. The outstanding people at Ryanair continue to work hard on behalf of shareholders to reduce our costs while at the same time delivering the lowest fares in Europe for the benefit of our 82m passengers.

Yours sincerely,

David Bonderman  
Chairman

#### Chief Executive's Report

Dear Shareholders,

Our results emphasise the enduring strength of Ryanair's unique ultra-low cost carrier model (ULCC) in Europe. Ryanair delivered a 13% increase in profits to a record €569m. Our traffic grew 5% to 79.3m, as load factor remained stable at 82% and average fare (which includes optional checked in bag fees) improved by 6% to over €48. Turnover rose 13% to €4,884m as ancillary revenues grew by 20% to €1,064m.

Operating costs rose 12% to €4,166m mainly due to a €292m (18%) increase in our fuel bill to €1,886m and excessive unjustified price increases at Spanish Airports, where the Government owned AENA monopoly continues to raise airport fees while presiding over record traffic declines. Over the past 5 years, despite wasting millions on new - and unnecessary - terminals, AENA's traffic has declined from 210m in 2007 to less than 180m currently. Ryanair has made offers to AENA to reverse these declines and create thousands of jobs in Spanish tourism, but to date these offers have not been accepted.

Ryanair welcomed Manchester Airport Group's (MAG) purchase of Stansted Airport in March 2013. We are in active discussions with MAG about a rapid traffic growth plan and we hope these talks will lead to a growth deal which will reverse the past 6 years of record traffic falls at Stansted, where the CAA's 'inadequate' regulatory regime has allowed prices to double and traffic to decline by 25% from 24m to 18m since 2007. We believe that competition between airports should now deliver a better deal for Stansted users, where the CAA has repeatedly failed.

Our recent firm order for 175 Boeing 737-800 aircraft clears the way for Ryanair to resume strong growth in fleet, routes and traffic over the 5 year period from fiscal 2015 to 2019. The fact that we have secured phased deliveries over this period at pricing which is "not dissimilar" to our previous (2005) order emphasises the importance of Ryanair's long-term commitment to, and our partnership with, Boeing. We have set up a senior team to study the B737-MAX and we have tasked them with reporting back before the end of September. Subject to reaching commercial terms with Boeing we would hope to finalise a follow-on order sometime before the end of this fiscal year but there is no certainty that an agreement can be reached by that deadline. Ryanair's success to date has been built on our selection of Boeing aircraft, and while we would not rule out a second aircraft type, we are confident that this new 175 aircraft order will provide a basis for another 5 years of strong growth in traffic, profits and shareholder returns

#### Our passengers

Ryanair delivers Europe's No. 1 customer service for the benefit of our passengers, our people and our shareholders. We continue to grow by delivering lower fares, better punctuality, fewer lost bags, which is why we receive fewer passenger complaints than any other major airline in Europe.

Despite the current EU recession, and the spread of austerity measures, Ryanair's lowest fares continue to encourage passengers to travel, and more importantly to switch to Ryanair's low fares. Ryanair beats every other airline on price on every flight, every route, every day. We have grown to carry over 79.3m passengers and IATA's 2012 traffic statistics confirm that Ryanair carries far more international passengers than any other scheduled airline, making Ryanair the "world's favourite airline". Over the past year, Ryanair welcomed 79.3m passengers onboard, at an average fare of just €48, which meant that these passengers saved over €7bn compared to the high fares charged by our competitor's including Air France, British Airways, Easyjet and Lufthansa.

Ryanair's growth and profitability is not based solely on price. In addition to the lowest fares in every market last year, Ryanair also delivered:

- The best punctuality 93% of flights on-time (up 2%).
- Fewest lost bags We lost less than 1 bag for every 3,000 passengers carried, an improvement on the prior year
- Fewest complaints Last year we received less than 1 complaint per 2,000 passengers, an improvement on the prior year
- Youngest fleet The average age of our 305 aircraft at year end is approximately 4.5 years.
- Rapid complaint responses Over 99% replied to within 7 days.
- The world's greenest airline Independent research confirms Ryanair is the world's greenest/cleanest airline.

#### Our people

Over the past year average staff numbers in Ryanair rose to 9,059. Within this number, more than 350 people were promoted, as our growth created new opportunities for career progression and development. Our people know that they can advance their careers by taking advantage of Ryanair's commitment to promote from within wherever

possible. At a time when many European airlines are cutting jobs, or cutting pay (as in the case of Air Berlin, Iberia and SAS in recent months), Ryanair is proud of its long-standing record of job creation, pay increases and internal promotions and, above all, job security.

Our shareholders

Unlike other airlines, Ryanair continues to deliver substantial returns for shareholders. In Ryanair our Board and Management team hold a significant stake in the company, which means we think and act like shareholders, precisely because we are significant shareholders.

Ryanair's increased profits and rising cash reserves allowed our Board to make a second special dividend of €0.34 per share (approx. €492m) to shareholders in November 2012. We have completed a further share buyback in June 2013 amounting to €177m. As a result of our continued growth, the Board has indicated its intention to make a further share buyback of up to €223m in fiscal year 2014, as well as return of up to €600.0m to shareholders through a third special dividend and/or share buyback in fiscal year 2015 representing a €1 bn return to shareholders over a two year period. This will bring the total Ryanair has returned to shareholders to more than €2.53bn since fiscal year 2008.

It is a remarkable fact that having raised just €585m from our flotation and four secondary offers between 1997 and 2002 Ryanair will now return almost 5 times this amount (over €2.5bn) to shareholders by the end of 2015.

Ryanair continues to look for opportunities to invest our cash wisely. While we have now finalized a firm 175 aircraft order which will enable us to grow to 110m passengers annually by fiscal year 2019, we hope to continue to manage this growth in a controlled, safe and profitable manner. Our history has shown that we only order aircraft when we believe that pricing will make it profitable for our shareholders to do so and we believe we have achieved this again with our latest order.

Finally, I would like to sincerely thank our Chairman, my fellow Board members, our Managers and all the team at Ryanair for their hard work and commitment over the past year, which has helped us deliver another year of low fare traffic growth and record profits for the benefit of our passengers, our people and our shareholders.

Yours sincerely,

Michael O'Leary  
Chief Executive

Summary Operating and Financial Overview

Consolidated Income Statement Data

Operating revenues  
 Scheduled revenues.....  
 Ancillary revenues.....  
 Total operating revenues- continuing operations

Operating expenses  
 Staff costs.....  
 Depreciation.....  
 Fuel and oil.....  
 Maintenance, materials and repairs.....  
 Aircraft rentals.....  
 Route charges.....  
 Airport and handling charges.....  
 Marketing, distribution & other.....  
 Total operating expenses  
 Operating profit - continuing operations

Other income / (expense)  
 Finance income.....  
 Finance expense.....  
 Foreign exchange gains.....  
 Gain on disposal of property, plant & equipment.....  
 Total other expense  
 Profit before tax

Tax on profit on ordinary activities.....  
 Profit for the period - all attributable to equity holders of parent

Earnings per ordinary share (in € cent)  
 Basic.....  
 Diluted.....

Weighted avg. no. of ordinary shares (in M's)  
 Basic.....  
 Diluted.....

Reconciliation of profit for the year under IFRS to adjusted profit for the financial year

	Year ended	Year ended
	March 31,	March 31,
	2013	2012

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	€M	€M
Profit for the financial year - IFRS	569.3	560.4
Adjustments		
One-off revenue adjustment.....	-	57.8
Adjusted profit for the financial year	569.3	502.6

### Exceptional items

The Company presents certain items separately, which are unusual, by virtue of their size and incidence, in the context of our ongoing core operations, as we believe this presentation represents the underlying business more accurately and reflects the manner in which investors typically analyse the results. Any amounts deemed "exceptional" for management discussion and analysis purposes, in the Chairman's Report and Chief Executive's Report, have been classified for the purposes of the income statement in the same way as non-exceptional amounts of the same nature.

There were no exceptional items in the year ended March 31, 2013.

Exceptional items in the year ended March 31, 2012 relate to a one-off release of ticket sales revenue of €57.8 million, net of tax, due to a change in accounting estimates arising from enhancements to our Revenue Accounting System.

Profit after tax increased by 13% to €569.3 million compared to adjusted profit after tax excluding exceptional items of €502.6 million in the year ended March 31, 2012. Including exceptional items the profit after tax for the year increased by 2% from €560.4 million in the year ended March 31, 2012 compared to a profit of €569.3 million in the year ended March 31, 2013.

### Summary year ended March 31, 2013

Profit after tax increased by 13% to €569.3 million compared to €502.6 million in the year ended March 31, 2012 primarily due to a 6% increase in average fares and strong ancillary revenues, offset by an 18% increase in fuel costs. Total operating revenues increased by 13% to €4,884.0 million as average fares rose by 6%. Ancillary revenues grew by 20%, faster than the 5% increase in passenger numbers, to €1,064.2 million due to a combination of improved product mix and the roll out of reserved seating across the network. Total revenue per passenger, as a result, increased by 8%, whilst Load Factor remained flat at 82% compared to the year ended March 31, 2012.

Total operating expenses increased by 12% to €4,165.8 million, primarily due to an increase in fuel prices, the higher level of activity, operating costs associated with the growth of the airline, and the strength of UK pounds sterling to the euro. Fuel, which represents 45% of total operating costs compared to 43% in the prior year, increased by 18% to €1,885.6 million due to the higher price per gallon paid and increased activity in the year. Unit costs excluding fuel increased by 3%, including fuel cost per passenger ("unit costs") rose by 8%. Operating margin increased by 1 point to 15% whilst operating profit increased by 16% to €718.2 million.

Net margin remained flat at 12%, compared to March 31, 2012.

Basic earnings per share for the year were 39.45 euro cent compared to basic earnings per share of 34.10 euro cent at March 31, 2012.

## Directors' Report

### Introduction



The directors submit their Annual Report, together with the audited financial statements of Ryanair Holdings plc, for the year ended March 31, 2013.

#### Review of business activities and future developments in the business

The Company operates an ultra low fares airline business and plans to continue to develop this activity by expanding its successful low fares formula on new and existing routes. Information on the Company is set out on pages 58 to 82 of the Annual Report. A review of the Company's operations for the year is set out on pages 82 to 92 of the Annual Report.

#### Results for the year

Details of the results for the year are set out in the consolidated income statement on page 145 of the Annual Report and in the related notes to the financial statements.

#### Principle risks and uncertainties

Details of the principle risks and uncertainties facing the Company are set forth on pages 42 to 57 of the Annual Report.

#### Key performance indicators

Details of the key performance indicators relevant to the business are set forth on pages 41; 58 to 82; and 82 to 92 of the Annual Report.

#### Financial risk management

Details of the Company's financial risk management objectives and policies and exposures to market risk are set forth in Note 11 on pages 170 to 180 of the consolidated financial statements.

#### Share capital

The number of ordinary shares in issue at March 31, 2013 was 1,447,051,752 (2012: 1,455,593,261; 2011: 1,489,574,915). Details of the classes of shares in issue and the related rights and obligations are more fully set out in Note 15 on pages 183 to 185 of the consolidated financial statements.

#### Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing financial personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at its registered office, Corporate Head Office, Dublin Airport, Co. Dublin, Ireland.

## Company information

The Company was incorporated on August 23, 1996 with a registered number of 249885. It is domiciled in the Republic of Ireland and has its registered offices at Corporate Head Office, Dublin Airport, Co. Dublin, Ireland. It is a public limited company and operates under the laws of Ireland.

## Staff

At March 31, 2013, the Company's personnel numbered 9,137 people. This compares to 8,388 people at March 31, 2012 and 8,560 people at March 31, 2011.

## Substantial interests in share capital

Details of substantial interests in the share capital of the Company which represent more than 3% of the issued share capital are set forth on page 111 of the Annual Report. At March 31, 2013 the free float in shares was 96%.

## Directors and company secretary

The names of the directors are listed on pages 102 and 103 of the Annual Report. The name of the company secretary is listed on page 107 of the Annual Report. Details of the appointment and re-election of directors are set forth on page 15 of the Annual Report.

## Interests of directors and company secretary

The directors and company secretary who held office at March 31, 2013 had no interests other than those outlined in Note 19 on page 188 of the consolidated financial statements in the shares of the Company or other group companies.

## Directors' and senior executives' remuneration

The Company's policy on senior executive remuneration is to reward its executives competitively, having regard to the comparative marketplace in Ireland and the United Kingdom, in order to ensure that they are properly motivated to perform in the best interests of the shareholders. Details of total remuneration paid to senior key management (defined as the executive team reporting to the Board of Directors) is set out in Note 27 on page 199 of the consolidated financial statements.

## Executive director's service contract

Ryanair entered into an employment agreement with its only executive director, Michael O'Leary on July 1, 2002 for a one year period to June 30, 2003. Thereafter, the agreement continues for successive annual periods but may be terminated with 12 months notice by either party. Mr. O'Leary is subject to a covenant not to compete with the

Company within the EU for a period of one year after the termination of his employment with the Company. Michael O'Leary's employment agreement contains no provisions providing for compensation on its termination.

#### Dividend policy

Details of the Company's dividend policy are disclosed on page 118 of the Annual Report.

#### Share buy-back

On March 29, 2012, the Company agreed to buy back 15.0 million ordinary shares at a cost of €67.5 million. This trade settled in early April 2012. This is equivalent to approximately 1.0% of the Company's issued share capital. All ordinary shares repurchased have been cancelled. Accordingly, share capital decreased by 15.0 million ordinary shares with a nominal value of €0.1 million and the capital redemption reserve increased by a corresponding €0.1 million. The capital redemption reserve is required to be created under Irish law to preserve permanent capital in the Parent Company. Further details are set out in the table on page 119 of the Annual Report.

In June 2013 the Company bought back 24.1 million ordinary shares at a total cost of €176.6 million, for cancellation. Cumulatively these buybacks are equivalent to 1.7% of the issued share capital of the Company.

#### Accountability and audit

The directors have set out their responsibility for the preparation of the financial statements on page 28 to 29. They have also considered the going concern position of the Company and their conclusion is set out on page 26. The Board has established an Audit Committee whose principal tasks are to consider financial reporting and internal control issues. The Audit Committee, which consists exclusively of independent non-executive directors, meets at least quarterly to review the financial statements of the Company, to consider internal control procedures and to liaise with internal and external auditors. In the year ended March 31, 2013 the Audit Committee met on six occasions. On a quarterly basis the Audit Committee receives an extensive report from the internal auditor detailing the reviews performed in the year, and a risk assessment of the Company. This report is used by the Audit Committee and the Board of Directors, as a basis for determining the effectiveness of internal control. The Audit Committee regularly considers the performance of internal audit and how best financial reporting and internal control principles should be applied.

In addition, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditor.

#### Social, environmental and ethical report

See pages 109 to 110 of the Annual Report for details of employee and labour relations.

See pages 79 to 81 of the Annual Report for details on environmental matters.

See page 141 of the Annual Report for details of Ryanair's Code of Ethics.

#### Air safety

Commitment to air safety is a priority of the Company. See page 69 of the Annual Report for details.

#### Critical accounting policies

Details of the Company's critical accounting policies are set forth on pages 87 to 88 of the Annual Report.

#### Subsidiary companies

Details of the principal subsidiary undertakings are disclosed in Note 27 on page 199 of the consolidated financial statements.

#### Political contributions

During the financial years ended March 31, 2013, 2012 and 2011 the Company made no political contributions which require disclosure under the Electoral Act, 1997.

#### Corporate Governance Statement

The Corporate Governance Statement on pages 14 to 26 forms part of the Directors' Report.

#### Post balance sheet events

Details of significant post balance sheet events are set forth in Note 26 on page 198 of the consolidated financial statements.

On May 27, 2013 the Company issued a Class 1 circular to shareholders seeking their approval for the purchase of 175 new Boeing 737-800NG aircraft, with a list value of approximately US\$14.2 billion, in advance of an EGM. The EGM was held June 18, 2013 and shareholders approved the transaction. In accordance with the terms of the contract entered into with Boeing, the Group made stage payments to Boeing in April, May and June 2013 in relation to the purchase of these aircraft.

In June 2013 the Company bought back 24.1 million ordinary shares at a total cost of €176.6 million, for cancellation. Cumulatively these buy-backs are equivalent to 1.7% of the issued share capital of the Company. Also in June 2013 the Company detailed plans to return up to €1 billion to shareholders over the next two years with at least €400.0 million (€176.6 million already completed in June 2013) in share buybacks to be completed in fiscal year 2014 and a further €600.0 million in either special dividends or share buybacks in fiscal year 2015 subject to current fuel, yields and profitability trends continuing.

#### Auditor

In accordance with Section 160(2) of the Companies Act 1963, the auditor KPMG, Chartered Accountants, will continue in office.

## Annual General Meeting

The Annual General Meeting will be held on September 20, 2013 at 9a.m. in the Radisson Blu Hotel, Dublin Airport, Co. Dublin, Ireland.

On behalf of the Board

David Bonderman  
Chairman  
July 26, 2013

Michael O' Leary  
Chief Executive

## Corporate Governance Report

Ryanair has its primary listing on the Irish Stock Exchange, a standard listing on the London Stock Exchange and its American Depositary Shares are listed on the NASDAQ. The directors are committed to maintaining the highest standards of corporate governance and this statement describes how Ryanair has applied the main and supporting principles of the 2010 Edition of the UK Corporate Governance Code (the 2010 Code) . This Report also covers the disclosure requirements set out in the corporate governance annex to the listing rules of the Irish Stock Exchange, which supplements the 2010 Code with additional corporate governance provisions and is also applicable to Ryanair.

A copy of the 2010 Code can be obtained from the FRC's website, [www.frc.org.uk](http://www.frc.org.uk). The Irish Corporate Governance Annex is available on the Irish Stock Exchange's website, [www.ise.ie](http://www.ise.ie).

In September 2012, the FRC introduced changes to the UK Corporate Governance Code. The new edition of the code is to apply to financial periods beginning on or after October 1, 2012, accordingly Ryanair will apply as appropriate from fiscal year ended March 31, 2013.

The Board of Directors (the Board)

### Roles

The Board of Ryanair is responsible for the leadership, strategic direction and overall management of the Group. The Board's primary focus is on strategy formulation, policy and control. It has a formal schedule of matters specifically reserved to it for its attention, including matters such as appointment of senior management, approval of the annual budget, large capital expenditure, and key strategic decisions.

The Board has delegated responsibility for the management of the Group to the Chief Executive and executive management.

There is a clear division of responsibilities between the Chairman and the Chief Executive, which is set out in writing and has been approved by the Board.

Chairman

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David Bonderman has served as the chairman of the Board since December 1996. The Chairman's primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual director level and that it upholds and promotes high standards of integrity and corporate governance. He ensures that Board agendas cover the key strategic issues confronting the Group; that the Board reviews and approves management's plans for the Group; and that directors receive accurate, timely, clear and relevant information.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

While David Bonderman holds a number of other directorships (See details on page 102), the Board considers that these do not interfere with the discharge of his duties to Ryanair.

### Senior Independent Director

The Board has appointed James Osborne as the Senior Independent Director. James Osborne is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer and leads the annual Board review of the performance of the Chairman.

### Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with.

### Membership

The Board consists of one executive and nine non-executive directors. It is the practice of Ryanair that a majority of the Board comprises non-executive directors, considered by the Board to be independent, and that the Chairman is non-executive. Significant new and relevant experience has been added in the period since the year ended March 31, 2012 and the Board considers the current size, composition and diversity, of the Board to be within a range which is appropriate. The composition of the Board and the principal Board Committees are set out in the table below. Brief biographies of the directors are set out on page 102. The Board, with the assistance of the Nomination Committee, keeps Board composition under review to ensure that it includes the necessary mix of relevant skills and experience required to perform its role.

Each director has extensive business experience, which they bring to bear in governing the Company. The Board considers that, between them, the directors bring the range of skills, knowledge and experience, including international experience, necessary to lead the Company. The Company has a Chairman with an extensive background in this industry, and significant public company experience. Historically, the Company has always separated the roles of Chairman and Chief Executive for the running of the business and implementation of the Board's strategy and policy.

Name	Role	Independent	Years on board	Audit	Remuneration	Nomination	Executive board	Air Safety
David Bonderman	Chairman	Yes	17	-	-	Chair	Chair	-
Michael Horgan	Non Executive	Yes	12	-	-	-	-	Chair

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Charles McCreevy	Non Executive	Yes	3	Member	-	-	-	-
Declan McKeon	Non Executive	Yes	3	Chair	-	-	-	-
Kyran McLaughlin	Non Executive	Yes	12		-	Member	Member	-
Dick Milliken*	Non Executive	Yes	0	-	-	-	-	-
Michael O'Leary	Chief Executive	No	17	-	-	Member	Member	-
Julie O'Neill*	Non Executive	Yes	0	-	Member	-	-	-
James R. Osborne	Senior Independent	Yes	17	Member	Chair	-	Member	-
Louise Phelan *	Non Executive	Yes	0	-	Member	-	-	-

\* Julie O'Neill and Louise Phelan were appointed to the Board effective from December 13, 2012 and Dick Milliken was appointed effective from July 26, 2013.

#### Appointment

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the Annual General Meeting following their appointment. Ryanair's Articles of Association require that all of the directors retire and offer themselves for re-election within a three-year period. One third (rounded down to the next whole number if it is a fractional number) of the directors (being the directors who have been longest in office) will retire by rotation and be eligible for re-election at every Annual General Meeting. Accordingly Charles McCreevy and Declan McKeon will be offering themselves for re-election at the AGM on September 20, 2013. In addition Louise Phelan, Julie O'Neill and Dick Milliken will be offering themselves for election.

In accordance with the recommendations of the 2010 Code, Declan McKeon is Chairman of the Audit Committee and James Osborne, the senior non-executive director, is Chairman of the Remuneration Committee.

Senior Management regularly briefs the Board including new members in relation to operating, financial and strategic issues concerning the Company. The Board also have direct access to senior management as required in relation to any issues they have concerning the operation of the Company. The terms and conditions of appointment of non-executive directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

#### Independence

The Board has carried out its annual evaluation of the independence of each of its non-executive directors, taking account of the relevant provisions of the 2010 Code, namely, whether the directors are independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgment. The Board regards all of the directors as independent and that no one individual or one grouping exerts an undue influence on others.

The Board has considered Kyran McLaughlin's independence given his role as Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Davy Stockbrokers are one of Ryanair's corporate brokers and provide corporate advisory services to Ryanair from time to time. The Board has considered the fees paid to Davy Stockbrokers for

these services and believe that they are immaterial to both Ryanair and Davy Stockbrokers given the size of each organisation's business operations and financial results. Having considered this relationship, the Board has concluded that Kyran McLaughlin continues to be an independent non-executive director within the spirit and meaning of the 2010 Code Rules.

The Board has also considered the independence of David Bonderman given his shareholding in Ryanair Holdings plc. As at March 31, 2013, David Bonderman had a beneficial shareholding in the Company of 9,230,671 ordinary shares, equivalent to 0.64% of the issued share capital. Having considered this shareholding in light of the number of issued shares in Ryanair Holdings plc and the financial interest of the director, the Board has concluded that the interest is not so material as to breach the spirit of the independence rule contained in the 2010 Code.

The Board has further considered the independence of Messrs. David Bonderman, James Osborne, Kyran McLaughlin and Michael Horgan as they have each served more than nine years on the Board. The Board considers that each of these directors is independent in character and judgment as each has other significant commercial and professional commitments and each brings his own level of senior experience gained in their fields of international business and professional practice. When arriving at this decision, the Board has taken into account the comments made by the FRC in their report dated December, 2009 on their review of the impact and effectiveness of the 2010 Code, in particular their comment that independence is not the primary consideration when assessing the composition of the Board, and that the over-riding consideration should be that the Board is fit for purpose. For these reasons, and also because each director's independence is considered annually by the Board, the Board considers it appropriate that these directors have not been offered for annual re-election as is recommended by the 2010 Code. The Nominations Committee have confirmed to the Board that they consider the directors offering themselves for re-election at the 2013 AGM to be independent and that they continue to effectively contribute to the work of the Board. The Nominations Committee recommends that the Company accept the re-election of the directors.

#### Board Procedures

All directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby directors wishing to obtain advice in the furtherance of their duties may take independent professional advice at the Company's expense.

Directors meet with key executives with a particular focus on ensuring non-executive directors are fully informed on issues of relevance to Ryanair and its operations. Extensive papers on key business issues are provided to all directors in connection with the Board meetings. All directors are encouraged to update and refresh their skills and knowledge, for example, through attending courses on technical areas or external briefings for non-executive directors.

On appointment in December 2012, the directors Louise Phelan and Julie O'Neill had briefings with the senior management of the Company, covering a review of the business of the Group and their specific areas of finance, commercial, personnel and operations. Similar briefings will also be provided to Dick Milliken, the newly appointed director.

The Company has Directors & Officers liability insurance in place in respect of any legal actions taken against the directors in the course of the exercise of their duties. New non-executive directors are encouraged to meet the executive director and senior management for briefing on the Company's developments and plans.

#### Meetings

The Board meets at least on a quarterly basis and in the year to March 31, 2013 the Board convened meetings on nine occasions. Individual attendance at these meetings is set out in the table on page 22. Detailed Board papers are circulated in advance so that Board members have adequate time and information to be able to participate fully at the meeting.



The holding of detailed regular Board meetings and the fact that many matters require Board approval, show that the running of the Company is firmly in the hands of the Board. The non-executive directors meet periodically without executives being present. Led by the senior independent director, the non-executive directors will meet without the chairman present at least annually to appraise the chairman's performance and on such other occasions as are deemed appropriate.

#### Remuneration

Details of remuneration paid to the directors are set out in Note 19 to the consolidated Financial Statements on pages 188 to 190. Also, please see the Report of the Remuneration Committee on Directors' Remuneration on page 27.

#### Non-executive directors

Non-executive directors are remunerated by way of directors' fees. A number of non-executive directors have share options. While the 2010 Code notes that the remuneration of the non-executive director should not include share options, the Board believes that the quantum of options granted to non-executive directors is not so significant as to raise any issue concerning their independence. Michael Horgan is remunerated on a consultancy basis on safety issues and also by way of share options.

Full details are disclosed in Note 19(b) and 19(d) on pages 189 to 190 of the consolidated financial statements.

#### Executive director remuneration

The Chief Executive of the Company is the only executive director on the Board. In addition to his base salary he is eligible for a performance bonus of up to 100% of salary and other bonuses dependent upon the achievement of certain financial targets and a pension. It is considered that the significant shareholding of the Chief Executive acts to align his interests with those of shareholders and gives him a keen incentive to perform to the highest levels.

Full details of the executive director's remuneration are set out in Note 19(a) on page 189 of the consolidated financial statements.

#### Share Ownership and Dealing

Details of the directors' interests in Ryanair shares are set out in Note 19(d) on page 190 of the consolidated financial statements.

The Board has adopted The Model Code, as set out in the Listing Rules of the Irish Stock Exchange and the UK Listing Authority, as the code of dealings applicable to dealings in Ryanair shares by directors and relevant Company employees. The code of dealing also includes provisions which are intended to ensure compliance with US securities laws and regulations of the NASDAQ National market. Under the policy, directors are required to obtain clearance from the Chairman or Chief Executive before dealing in Ryanair shares, whilst relevant Company employees must obtain clearance from designated senior management and are prohibited from dealing in the shares during prohibited periods as defined by the Listing Rules and at any time at which the individual is in possession of inside information (as defined in the Market Abuse (Directive 2003/6/EC) Regulations 2005).

#### Board Succession and Structure

The Board plans for its own succession with guidance from the Nomination Committee. The Nomination Committee regularly review the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position with regard to the strategic needs of Ryanair and recommends changes to the Board. There is a formal, thorough and transparent procedure for the appointment of new directors to the Board. The Nominations Committee identifies and selects candidates on merit against objective criteria, to ensure that the Board have the skills, knowledge and expertise required.

Three new independent directors, Louise Phelan and Julie O'Neill were appointed in December 2012 while Dick Milliken was appointed in July 2013. The Board currently comprises of ten directors, Chief Executive Officer, Michael O' Leary, is the only executive director. The nine non-executive directors include Chairman David Bonderman. Biographies of all current directors are set out on pages 102 of this report. Ryanair considers that the Board has the correct balance and depth of skills, knowledge, expertise and experience to optimally lead the Company and that all directors give adequate time to the performance of their duties and responsibilities.

Ryanair considers that all directors discharge their directorial duties with the objectivity and impartiality they have demonstrated since commencing their respective roles and has determined that each of the non-executive directors is independent. In reaching that conclusion, Ryanair considered the character, judgement, objectivity and integrity of each director and had due regard for the 2010 Code and the new 2012 Code which will apply to Ryanair from April 1, 2013. Ryanair continually endeavors to maintain the quality and independence of its Board.

#### Board Committees

The Board of Directors has established a number of committees, including the following:

##### Executive Committee

The Board of Directors established the Executive Committee in August 1996. The Executive Committee can exercise the powers exercisable by the full Board of Directors in circumstances in which action by the Board of Directors is required but it is impracticable to convene a meeting of the full Board of Directors. Messrs. David Bonderman, Michael O'Leary, Kyran McLaughlin and James Osborne are the members of the Executive Committee.

##### Audit Committee

The Board of Directors established the Audit Committee in September 1996. The Audit Committee currently comprises three independent non-executive directors, Declan McKeon (Chairman), Charles McCreevy and James Osborne, considered by the Board to be independent. The Board has determined that Declan McKeon is the Committee's financial expert.

The Committee met six times during the year ended March 31, 2013. Individual attendance at these meetings is set out in the table on page 22. It can be seen from the director biographies, appearing on page 102, that the members of the Committee bring to it a wide range of experience and expertise. The Chief Financial Officer, Finance Director, Financial Controller and the Head of Internal Audit normally attend meetings of the Committee. The external auditors attend as required and have direct access to the Committee Chairman at all times. The Committee also meets separately at least once a year with the external auditors and with the Head of Internal Audit without executive management being present.

The role and responsibilities of the Audit Committee are set out in its written terms of reference, which are available on the Company's website [www.ryanair.com](http://www.ryanair.com), and include:

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- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance including profit guidance, and reviewing significant financial reporting judgments contained in them;
- reviewing the interim and annual financial statements before submission to the Board;
- reviewing the effectiveness of the Group's internal financial controls and risk management systems;
- monitoring and reviewing the effectiveness of the Company's Internal auditors;
- considering and making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors and approving their terms of engagement;
- making recommendations concerning the engagement of independent chartered accountants; reviewing with the accountants the plans for and scope of each annual audit, the audit procedures to be utilised and the results of the audit;
- approving the remuneration of the external auditors, whether fees for audit or non audit services, and ensuring the level of fees is appropriate to enable an adequate audit to be conducted;
- assessing annually the independence and objectivity of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non audit services; and
- reviewing the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

These responsibilities of the Committee are discharged in the following ways:

- The Committee reviews the interim and annual reports as well as any formal announcements relating to the financial statements and guidance before submission to the Board. The review focuses particularly on any changes in accounting policy and practices, major judgmental areas and compliance with stock exchange, legal and regulatory requirements. The Committee receives reports at the meeting from the external auditors identifying any accounting or judgmental issues requiring its attention;
- The Committee also meets with external auditors to review the Annual Report, which is filed annually with the United States Securities and Exchange Commission and with the Irish Companies Office;
- The Committee regularly reviews Turnbull Risk management reports completed by management;
- The Committee conducts an annual assessment of the operation of the Group's system of internal control based on a detailed review carried out by the internal audit department. The results of this assessment are reviewed by the Committee and are reported to the Board;
- The Committee makes recommendations to the Board in relation to the appointment of the external auditor. Each year, the Committee meets with the external auditor and reviews their procedures and the safeguards which have been put in place to ensure their objectivity and independence in accordance with regulatory and professional requirements;

- The Committee reviews and approves the external audit plan and the findings from the external audit of the financial statements;
- On a semi annual basis, the Audit Committee receives an extensive report from the Head of Internal Audit detailing the reviews performed during the year and a risk assessment of the company;
- The Head of Internal Audit also reports to the Committee on other issues including, in the year under review, updates in relation to Section 404 of the Sarbanes-Oxley Act 2002 and the arrangements in place to enable employees to raise concerns, in confidence, in relation to possible wrongdoing in financial reporting or other matters. (A copy of Section 404 of the Sarbanes-Oxley Act 2002 can be obtained from the United States Securities and Exchange Commission's website, [www.sec.gov](http://www.sec.gov)); and
- The Committee has a process in place to ensure the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by the external auditors through its annual review of fees paid to the external auditors for audit and non-audit work. Details of the amounts paid to the external auditors during the year for audit and other services are set out in Note 19 on page 188.

In accordance with the recommendations of the 2010 Code, an independent non-executive director, Declan McKeon, is the chairman of the Audit Committee. All members of the Audit Committee are independent for purposes of the listing rules of the NASDAQ and the U.S. federal securities laws.

The terms of Reference of the Audit Committee are reviewed annually.

#### Remuneration Committee

The Board of Directors established the Remuneration Committee in September 1996. This committee has authority to determine the remuneration of senior executives of the Company and to administer the stock option plans described below. Senior Management remuneration is comprised of a fixed basic pay and performance related bonuses which are awarded based on a combination of the achievement of individual objectives and the Company's financial performance. The Board of Directors as a whole determines the remuneration and bonuses of the Chief Executive Officer, who is the only executive director. James Osborne, Louise Phelan and Julie O'Neill are the members of the Remuneration Committee.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on the Company's website [www.ryanair.com](http://www.ryanair.com). The terms of Reference of the Remuneration Committee are reviewed annually.

#### Nomination Committee

Messrs. David Bonderman, Michael O'Leary and Kyran McLaughlin are the members of the Nomination Committee. The Nomination Committee assists the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Company by:

- assessing the skills, knowledge, experience and diversity, required on the Board and the extent to which each are represented;
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- overseeing succession planning for the Board and senior management.

The role and responsibilities of the Nomination Committee are set out in its written terms of reference, which are available on the Company's website [www.ryanair.com](http://www.ryanair.com). The terms of Reference of the Nomination committee are reviewed annually.

On December 13, 2012, upon recommendations of the Nomination Committee, the Board appointed Louise Phelan and Julie O'Neill to the positions of non-executive directors. Similarly Dick Milliken was appointed to the board upon recommendation of the Nomination Committee on July 26, 2013. Their biographies can be found on page 103. Their appointment followed a process undertaken by the Nomination Committee which carefully considered the Board's requirements, identified suitable candidates, in terms of quality of individual, qualification and experience, and made recommendations to the Board. The Nomination Committee used their extensive business and professional contacts to identify suitable candidates.

#### Air Safety Committee

The Board of Directors established the Air Safety Committee in March 1997 to review and discuss air safety and related issues. The Air Safety Committee reports to the full Board of Directors each quarter. The Air Safety Committee is composed of Michael Horgan (who acts as the chairman), as well as the following executive officers of Ryanair: Messrs. Ray Conway, Michael Hickey, David O'Brien and Edward Wilson.

#### Code of Business Conduct

Ryanair's standards of integrity and ethical values have been established and are documented in Ryanair's Code of Business Conduct. This code is applicable to all Ryanair employees. There are established channels for reporting code violations or other concerns in a confidential manner. The Head of Internal Audit investigates any instances and reports findings directly to the Audit Committee. The Code is available on the Company's website, [www.ryanair.com](http://www.ryanair.com).

Attendance at Board and Committee meetings during the year ended March 31, 2013:

	Board	Audit	Air Safety	Remuneration	Executive	Nomination
David Bonderman	9/9	-	-	-	8/8	2/2
Michael Horgan	9/9	-	4/4	-	-	-
Klaus Kirchberger (i)	7/9	-	-	1/1	-	-
Charles McCreevy	9/9	6/6	-	-	-	-
Declan McKeon	9/9	6/6	-	-	-	-
K y r a n McLaughlin	9/9	-	-	1/1	8/8	2/2
Michael O'Leary	9/9	-	-	1/1	8/8	2/2
Julie O'Neill (ii)	4/4	-	-	-	-	-
James R. Osborne	8/9	6/6	-	1/1	7/8	2/2 (iii)
Louise Phelan (iv)	3/4	-	-	-	-	-
P a o l o Pietrogrande (v)	3/5	-	-	1/1	-	-

(i) Klaus Kirchberger retired from the Board of Directors on March 31, 2013

(ii) Julie O'Neill was appointed to the Board of Directors on December 13, 2012

(iii) James Osborne attended these meetings in his role as the Senior Independent Director

(iv) Louise Phelan was appointed to the Board of Directors on December 13, 2012

(v) Paolo Pietrogrande retired from the Board of Directors on September 21, 2012

#### Performance Evaluation

The Board has established a formal process to annually evaluate the performance of the Board, that of its principal Committees, the Audit, Nomination and Remuneration committees, and that of the Chief Executive, the Chairman and individual non-executive directors. The Board anticipates that the formal evaluation will be completed yearly. Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year. As part of the Board evaluation of its own performance, questionnaires are circulated to all directors. The questionnaire is designed to obtain directors' comments regarding the performance of the Board, the effectiveness of Board communications, the ability of directors to contribute to the development of strategy and the effectiveness with which the Board monitors risk and oversees Ryanair's progress. Directors are also invited to make recommendations for improvement.

The Chairman, on behalf of the Board, reviews the evaluations of performance of the non-executive directors on an annual basis. The non-executive directors, led by the Senior Independent Director, meet annually without the Chairman present to evaluate his performance, having taken into account the views of the executive director. The non-executive directors also evaluate the performance of the executive director. These evaluations are designed to determine whether each director continues to contribute effectively and to demonstrate commitment to the role.

The Audit, Nomination and Remuneration committees carry out annual reviews of their own performance and terms of reference to ensure they are operating at maximum effectiveness and recommend any changes they consider necessary to the Board for approval.

The Board considers the results of the evaluation process and any issues identified. The above evaluations were conducted in May 2012 and were presented to the Board at the September 2012 Board meeting in respect of the year under review.

#### Shareholders

Ryanair recognises the importance of communications with shareholders. Ryanair communicates with all of its shareholders following the release of quarterly and annual results directly via road shows, investor days and/or by conference calls. The Chief Executive, senior financial, operational, and commercial management participate in these events.

During the year ended March 31, 2013 the Company held discussions with a substantial number of institutional investors.

The Board is kept informed of the views of shareholders through the executive director's and executive management's attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings and investor relations analyst reports are provided to the entire Board on a regular basis. In addition, the Board determines, on a case by case basis, specific issues where it would be appropriate for the Chairman and/or Senior Independent Director to communicate directly with shareholders or to indicate that they are available to communicate if shareholders so wish. If any of the non-executive directors wishes to attend meetings with major shareholders, arrangements are made accordingly.

#### General Meetings

All shareholders are given adequate notice of the AGM at which the Chairman reviews the results and comments on current business activity. Financial, operational and other information on the Company is provided on our website at [www.ryanair.com](http://www.ryanair.com).

Ryanair will continue to propose a separate resolution at the AGM on each substantially separate issue, including a separate resolution relating to the Directors' Report and financial statements. In order to comply with the 2010 Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The Board Chairman and the Chairmen of the Audit and Remuneration Committees are available to answer questions from all shareholders.

The Chief Executive makes a presentation at the Annual General Meeting on the Group's business and its performance during the prior year and answers questions from shareholders. The AGM affords shareholders the opportunity to question the Chairman and the Board.

All holders of Ordinary Shares are entitled to attend, speak and vote at general meetings of the Company, subject to limitations described under note "Limitations on the Right to Own Shares" on page 124. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the Meeting.

A shareholder or group of shareholders, holding at least 5% of the issued share capital has the right to requisition a general meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company, has the right to put an item on the agenda of an AGM or to table a draft resolution for an item on the agenda of the general meeting provided that such item is accompanied by reasons justifying its inclusion or the full text of any draft resolution proposed to be adopted at the general meeting. A request by a member to put an item on the agenda or to table a draft resolution shall be received by the company in hardcopy form or in electronic form at least 42 days before the AGM to which it relates.

Notice of the Annual General Meeting and the Form of Proxy are sent to shareholders at least twenty-one working days before the meeting. The Company's Annual Report is available on the Company's website, [www.ryanair.com](http://www.ryanair.com). The 2013 Annual General Meeting will be held at 9a.m. on September 20, 2013 in the Radisson Blu Hotel, Dublin Airport, Co Dublin, Ireland.

All general meetings other than the Annual General Meeting are called Extraordinary General Meetings (EGMs). An EGM must be called by giving at least twenty-one clear days' notice. Except in relation to an adjourned meeting, three members, present in person or by proxy, entitled to vote upon the business to be transacted, shall be a quorum. The passing of resolutions at a general meeting, other than special resolution, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast. Votes may be given in person by a show of hands, or by proxy.

At the Meeting, after each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld. This information is made available on the Company's website following the meeting.

Risk Management and Internal Control

The directors have overall responsibility for the Company's system of risk management and internal control and for reviewing its effectiveness. The directors acknowledge their responsibility for the system of risk management and internal control which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with the revised FRC (Turnbull) guidance for directors on internal control published in October 2005, 'Internal Control: Revised Guidance for Directors on the Combined Code', the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

In accordance with the provisions of the 2010 Code the directors review the effectiveness of the Company's system of internal control including:

- Financial
- Operational
- Compliance
- Risk Management

The Board is ultimately responsible for the Company's system of risk management and internal controls and for monitoring its effectiveness. The key procedures that have been established to provide effective risk management and internal control include:

- a strong and independent Board which meets at least 4 times a year and has separate Chief Executive and Chairman roles;
- a clearly defined organisational structure along functional lines and a clear division of responsibility and authority in the Company;
- a comprehensive system of internal financial reporting which includes preparation of detailed monthly management accounts, providing key performance indicators and financial results for each major function within the Company;
- preparation and issue of financial reports to shareholders and the markets, including the Annual Report and consolidated financial statements, is overseen by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all subsidiary entities, which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, and Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board in advance of being presented to the full Board for their review and approval;
- quarterly reporting of the financial performance with a management discussion and analysis of results;
- weekly Management Committee meetings, comprising of heads of departments, to review the performance and activities of each department in the Company;
- detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;



- Board approved capital expenditure and Audit Committee approved treasury policies which clearly define authorisation limits and procedures;
- an internal audit function which reviews key financial/business processes and controls, and which has full and unrestricted access to the Audit Committee;
- an Audit Committee which approves audit plans, considers significant control matters raised by management and the internal and external auditors and which is actively monitoring the Company's compliance with section 404 of the Sarbanes Oxley Act of 2002;
- established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored by the Audit Committee and the Management Committee; and
- a risk management programme in place throughout the Company whereby executive management reviews and monitors the controls in place, both financial and non financial, to manage the risks facing the business.

On behalf of the Board, the Audit Committee has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended March 31, 2013 and has reported thereon to the Board.

The Board has delegated to executive management the planning and implementation of the systems of internal control within an established framework which applies throughout the Company.

#### Takeover Bids Directive

Information regarding rights and obligations attached to shares are set forth in Note 15 on pages 183 to 185 of the consolidated financial statements.

Shares in the Ryanair employee share schemes carry no control rights and shares are only issued (and gain voting rights) when options are exercised by employees.

Ryanair's Articles of Association do not contain any restrictions on voting rights. However, there are provisions in the Articles which allow the directors to (amongst other things) suspend the voting rights of a share if the Board believes the number of non-qualifying nationals holding shares in Ryanair would put it in breach of the Air Navigation Acts and licences and permits which allow it to operate. This is not an absolute restriction and can only occur if the Board designates a number of shares to be so restricted.

Ryanair has not received any notifications from shareholders (as shareholders are obliged to do) regarding any agreements between shareholders which might result in restrictions on the transfer of shares.

Details of the rules concerning the removal and appointment of the directors are set out above as part of this Directors' Report. There are no specific rules regarding the amendment of the Company's Articles of Association.

Details of the Company's share buy-back programme are set forth on page 119 of the Annual Report. The shareholders approved the power of the Company to buy back shares at the 2006 AGM and at subsequent AGM's.

None of the significant agreements to which the Company is party to, contain change of control provisions. As referred to above in this Director's Report, Michael O'Leary's employment agreement does not contain provisions providing for compensation on his termination.

### Going Concern

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibility for preparing the financial statements is explained on page 28 and the reporting responsibilities of the auditors are set out in their report on page 30.

### Compliance Statement

Ryanair has complied, throughout the year ended March 31, 2013, with the provisions set out in the UK Corporate Governance Code and the requirements set out in the Irish Corporate Governance Annex except as outlined below. The Group has not complied with the following provisions of the 2010 Code, but continues to review these situations on an ongoing basis:

- A number of non-executive directors participate in the Company's share option plans. The 2010 Code requires that, if exceptionally, share options are granted to non-executive directors that shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. In accordance with the 2010 Code, the Company sought and received shareholder approval to make certain stock option grants to its non-executive directors and as described above, the Board believes the quantum of options granted to non-executive directors is not so significant to impair their independence.
- Certain non-executive directors, namely Messrs. David Bonderman, James Osborne, Kyran McLaughlin and Michael Horgan have each served more than nine years on the Board without being offered for annual re-election. As described further above, given the other significant commercial and professional commitments of these non-executive directors, and taking into account that their independence is considered annually by the Board, the Board does not consider their independence to be impaired in this regard.

On behalf of the Board

David Bonderman  
Chairman  
July 26, 2013

Michael O' Leary  
Chief Executive

## The Remuneration Committee

Details of the Remuneration Committee are set out within the Corporate Governance Statement on page 20 of the Annual Report.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on the Company's website [www.ryanair.com](http://www.ryanair.com).

All members of the Remuneration Committee have access to the advice of the Chief Executive and may, in the furtherance of their duties, obtain independent professional advice at the Company's expense.

## Remuneration Policy

The remuneration policy of the Company is to ensure that the executive director and the senior key management team are rewarded competitively, having regard to the comparative marketplace in Ireland and the United Kingdom, in order to ensure that they are properly motivated to perform in the best interests of the shareholders. Details of the total remuneration paid to senior key management (defined as the executive team reporting to the Board of Directors) are set out in Note 27 of the consolidated Financial Statements.

## Non-Executive Directors

Details of the remuneration paid to non-executive directors are set out in Note 19(b) to the consolidated Financial Statements.

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the Annual General Meeting following their appointment. Ryanair's Articles of Association require that all directors retire after a fixed period not exceeding three years. Directors can then offer themselves for re-election at the Company's Annual General Meeting.

None of the non-executive directors hold a service agreement with the Company that provides for benefits upon termination.

## Executive Director

The Chief Executive of the Company is the only executive director on the Board. Details of the remuneration paid to the Chief Executive are set out in Note 19(a) to the consolidated Financial Statements.

The Company entered into an employment agreement with the Chief Executive on July 1, 2002 for a one year period to June 30, 2003. Thereafter, the agreement continues for successive annual periods but may be terminated with 12 months notice by either party. This employment agreement does not contain provisions providing for compensation on its termination.

## Performance Related Bonuses

The Chief Executive and the key management team of the Company are eligible for a performance bonus and other bonuses dependent upon the achievement of certain financial targets.

## Share Options

Details of the share options granted to executive and non-executive directors are set forth in Note 19(d) to the consolidated Financial Statements.

Details of employee share option plans are set forth in Note 15(c) to the consolidated Financial Statements.

#### Directors Pension Benefits

Details of the Chief Executive's pension benefits are set forth in Note 19(c) to the consolidated Financial Statements.

#### Directors Shareholdings

The interests of each Director that held office at the end of fiscal 2013, in the share capital of the Company are set forth in Note 19(d) to the consolidated Financial Statements.

#### Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the consolidated and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated and Company financial statements for each financial year. Under that law, the directors are required to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2012. In preparing the consolidated financial statements the directors have also elected to comply with IFRSs as issued by the International Accounting Standards Board (IASB).

The consolidated and Company financial statements are required by law and IFRSs as adopted by the EU, to present fairly the financial position of the Group and the Company and the performance of the Group. The Companies Acts, 1963 to 2012 provide in relation to such financial statements that references in the relevant part of these Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the consolidated and Company financial statements, the directors are required to: