



CORPORATE COMMUNICATION

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*MEDIA RELEASE*

### **Podravka Group's provision program for 340 workers**

Early this year Podravka started creating the provision program for surplus workers. Consulting with the Workers Council was performed and Podravka accepted the majority of suggestions provided by the Council, and concerning the provision for surplus workers. This year's program will include 340 workers of Podravka d.d., Danica d.o.o. and Belupo d.d., and a total of HRK 45 million will be earmarked for implementing the Program.

"Implementing this Program we wanted to show our responsibility and social sensitivity towards workers leaving our company, compliant to our current capacities. Implementing it we make the remaining jobs sustainable and create presuppositions for Podravka Group's future growth and development. Providing severance payments which are higher than those required by law, we want to thank our workers who have integrated their active life into this company for their great contribution to the development of Podravka Group" - Zvonimir Mršić, Podravka Management Board President said.

Provision program is based on business reasons, and consists of 3 possible models:

- severance payment amounting to net HRK 5,000.00 for each year spent at Podravka Group, if the worker decides to accept the termination as on 31 March 2014,
- lawfully set severance payments, with the use of proscribed period of notice,



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- workers who in 2014 comply with retirement conditions have been offered the possibility to supplemental purchase of the retirement conditions, pursuant to the Life-time severance payment Act i.e. pension supplemental purchase, which means that they would immediately start receiving their pension as if they worked until lawfully proscribed years of service.

"We see this severance program as change of generations or rejuvenating the company, in a manner that is socially responsible, and also acceptable for the unions. In the upcoming period we expect new employment of workers with university degree, and after many years also workers with secondary school education. This is not a small number of our workers that are leaving the company, but considering the economic situation, the offer from the Employer is more than fair - Ksenija Horvat, Podravka Workers Council president and also the main union commissioner of the Podravka PPDIV union said.

Podravka d.d.

Corporate Communication Department