

Press Release

May 06, 2015

On May 05, at 14:50 APM Terminals Poti employees, mainly from the Operations Department, abandoned their respective workplaces and left the terminal.

APM Terminals Poti management has not received a list of employees and a Strike Notification according to Georgian legislation.

What has transpired to date?

In the past 5 months the following has been done:

- 13th month salary paid in December 2014;
- Employee salaries have been increased by 5.3% on average in April, 2015;
- Extraordinary bonus - 5% of annual base salary paid to the employees who are not in an incentive scheme, also in April, 2015.

The employees via the port union have presented the following demands:

1. 14% Salary Increase;
2. 13th month salary paid annually;
3. To review operations incentive scheme;
4. To agree on amendments to the Collective Bargaining Agreement.

Although none of the above mentioned demands constitutes a legal or a contractual obligation of the company, APM Terminals Poti has expressed its goodwill and confirmed points 2, 3, and 4 of the "demands." As for the first demand, the company offered to adjust salaries on a quarterly basis (based on GeoStat inflation data on a quarterly sum of monthly price increases). Furthermore, the company noted that the four points of its counteroffer representing a "Management Proposal Package" would be void in case of strike.

During negotiations Management and the Labour Union could not agree whether the management proposal would be acceptable for the majority of employees. During the meeting between Administration and Labor Union representatives it was therefore agreed to organize employee voting on May 4, 2015. The scope for the voting was defined as all employees (except senior management team members and expats). But on May 2, 2015 the union unilaterally refused to proceed with the previously agreed voting.

Negotiations with trade unions have been ongoing for several months. A final agreement has not been reached yet. Due to these circumstances the Port operations are limited and solutions are being sought to have the port operate at its full capacity.

APM Terminals Poti is the largest employer in the region with 1051 employees whose average remuneration (below managerial position) is Gel 1303. Each employee also has a comprehensive insurance policy and other social benefits which are among the best in Georgia.

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