

SPECIALISTS' REMUNERATION ANALYSIS

Prepared for
Polish Information and Foreign
Investment Agency

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Remuneration by regions

For most of Poland, in the upcoming year 2014 the salary raises will be higher than in the current one.

The fastest growth of salaries we can see in Eastern Poland. The rate for 2013 is above 4% and for upcoming year it will increase to 5,5%. As we know that this region has rather lower remuneration figures than others, higher growth indicates that the difference is slowly decreasing. The lowest growth rates applies to provinces of Warszawa, Wrocław and Opole - below 3%.

In the charts below regions are defined as follows:

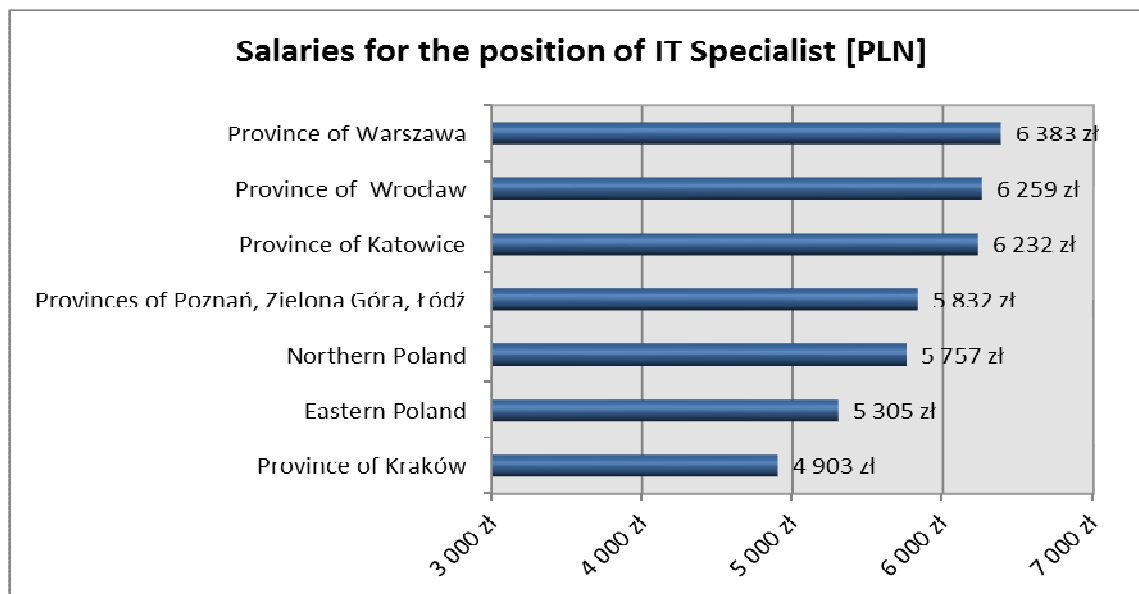
Eastern Poland - provinces of Białystok, Lublin, Kielce, Rzeszów

Northern Poland - provinces of Bydgoszcz, Gdańsk, Olsztyn, Szczecin

Region	Average salary raises in 2013	Average salary raises planned for 2014
Province of Warszawa	2,56%	2,79%
Provinces of Wrocław, Opole	2,49%	2,60%
Northern Poland	2,34%	4,13%
Province of Kraków	3,02%	4,74%
Eastern Poland	4,14%	5,58%
Province of Katowice	2,68%	3,58%
Provinces of Poznań, Zielona Góra, Łódź	3,93%	3,94%

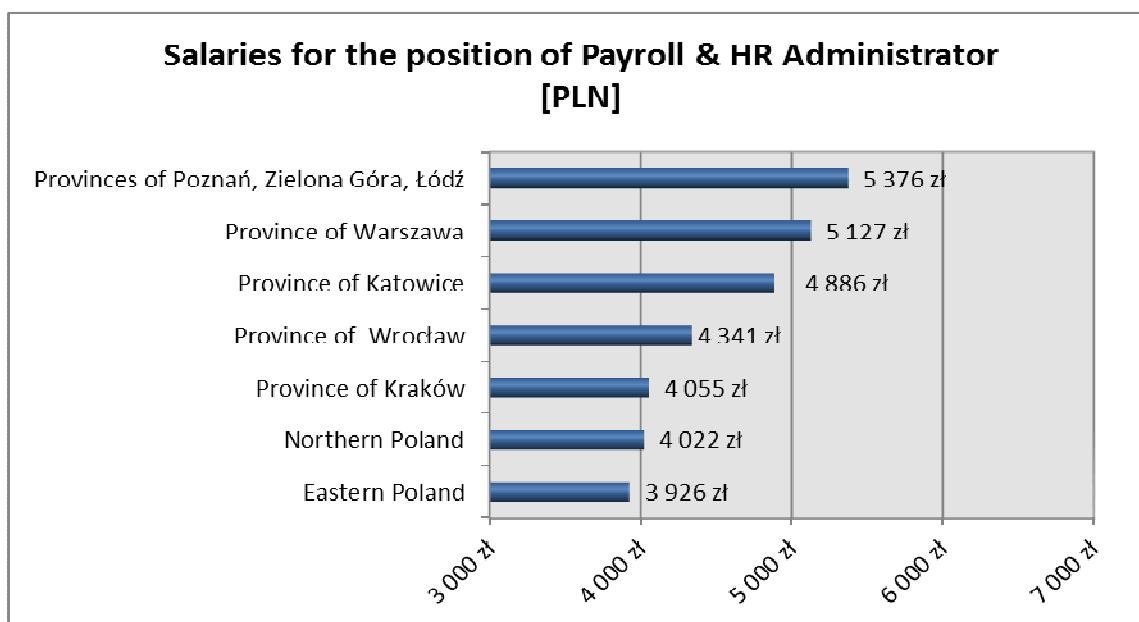
Source: Salary Raises Analysis, Spring 2013 edition

Average gross pay for IT Specialist varies from 4 903 PLN to over 6 000 PLN. The highest pay for this position was noted in the province of Warszawa, slightly lesser in provinces of Katowice, Opole and Wrocław. Employees working in province of Kraków earns less than 5000 PLN.



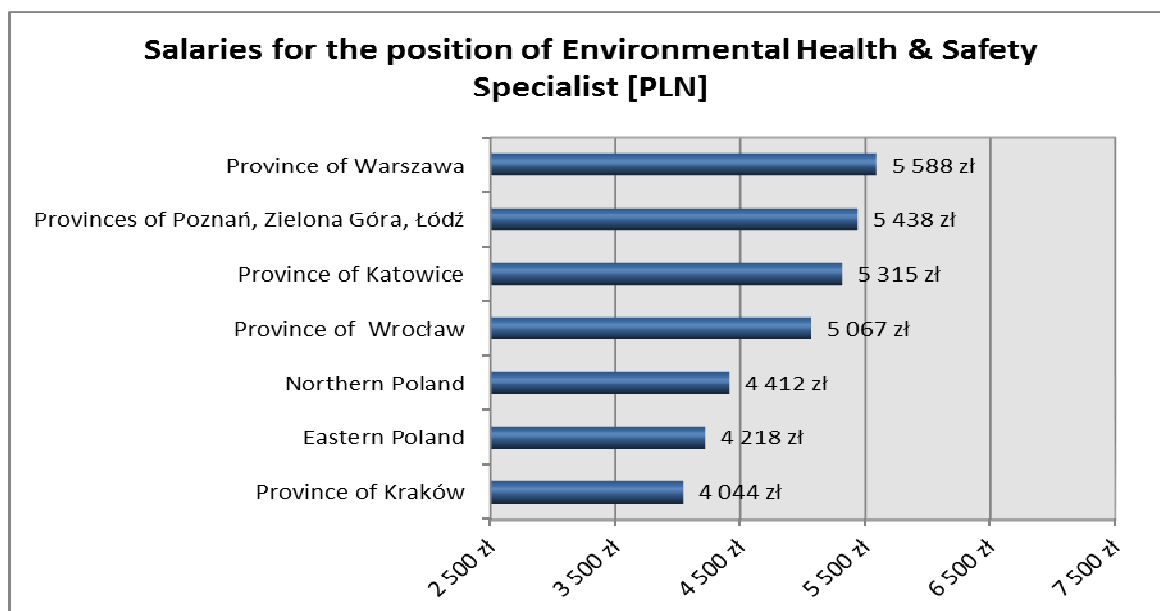
Source: Comprehensive Salary Survey, Spring 2013 edition

As for the position of Payroll & HR Administrator, the highest salaries are given in provinces of Poznań, Zielona Góra & Łódź. Province of Warszawa comes as second. The lowest pay is offered to employees in Eastern and Northern Poland and province of Kraków (about 4000 PLN).



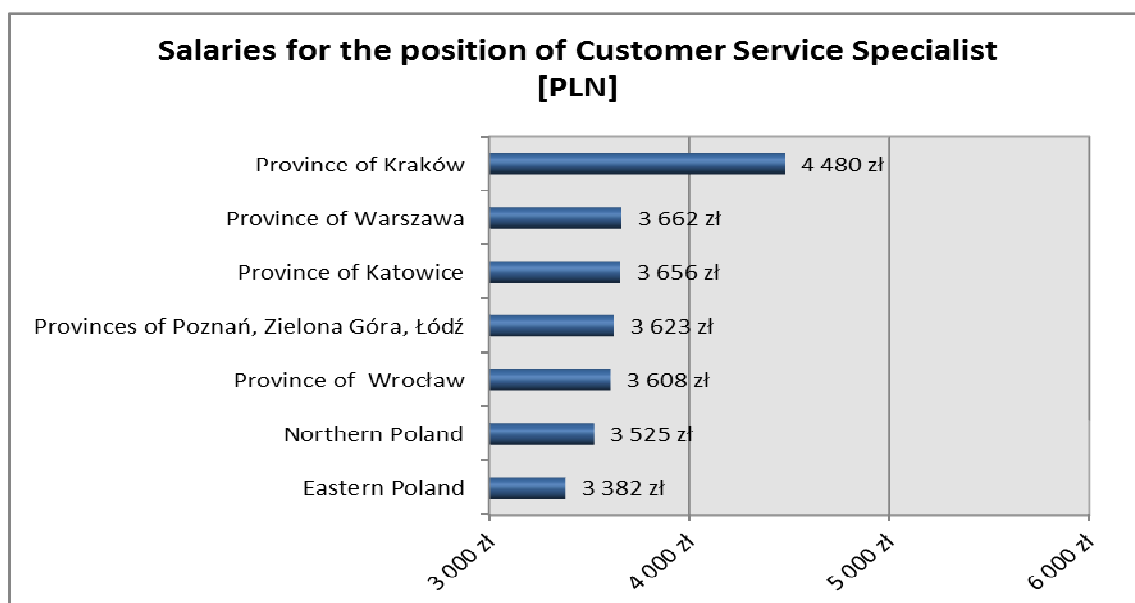
Source: Comprehensive Salary Survey, Spring 2013 edition

The highest salaries on the position of Environmental Health & Safety Specialist was noted in the province of Warszawa. Slightly lesser pay is offered in provinces of Poznań, Zielona Góra, Łódź and Katowice. Employees working in Eastern and Northern Poland earns less than 4500 PLN gross. The lowest pay is offered to employees in province of Kraków (slightly above 4000 PLN).



Source: Comprehensive Salary Survey, Spring 2013 edition

Customer Service Specialists are given the highest salaries in province of Kraków (almost 4500 PLN gross). The lowest pay applies to Eastern Poland (about 3400 PLN). Other regions averages are close to 3600 PLN.



Source: Comprehensive Salary Survey, Spring 2013 edition

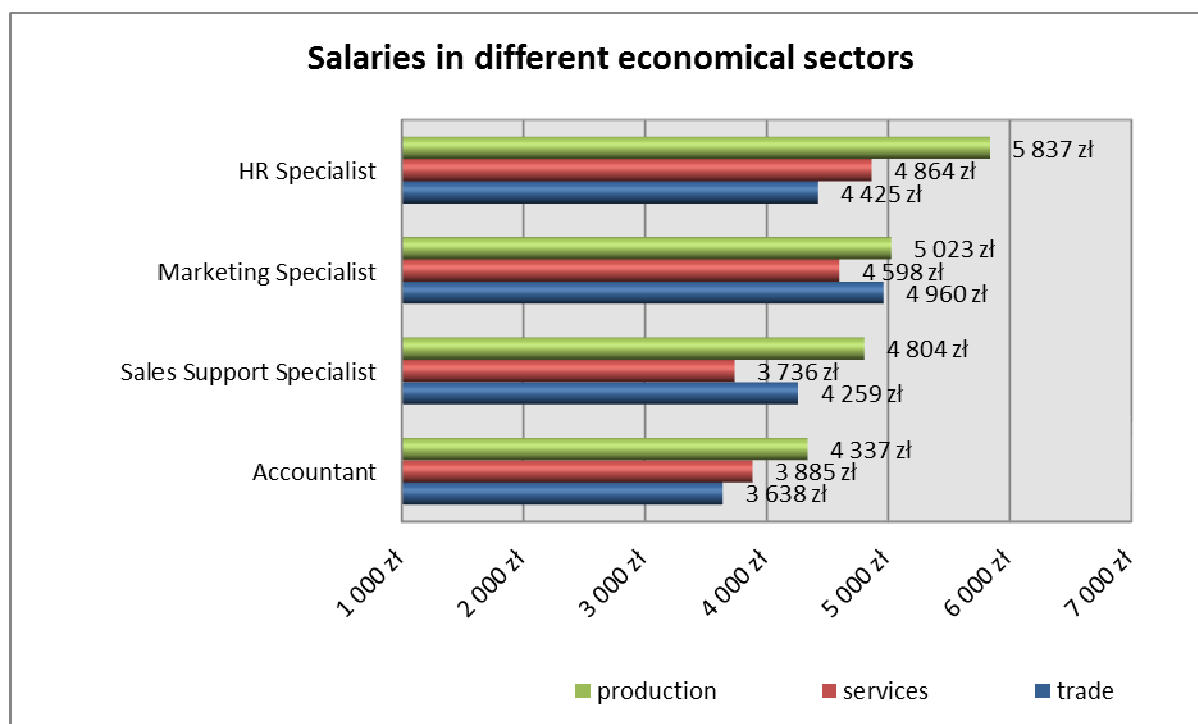
Remuneration in economic sectors

It appears that the salary raises conducted in 2013, as well as those planned for the following year, will be highest in service companies. Raises planned for 2014 will be over 3% for all sectors.

Sector	Average salary raises in 2013	Average salary raises planned for 2014
Trade	2,53%	3,70%
Production	2,69%	3,28%
Services	3,66%	4,85%

Source: Salary Raises Analysis, Spring 2013 edition

Specialists' salaries seem to be highest in production companies. The biggest discrepancy emerges in case of HR Specialist (over 20%). The discrepancies is smallest in case of Marketing Specialist, who earns only slightly better in production (less than 10% of difference).



Source: Comprehensive Salary Survey, Spring 2013 edition

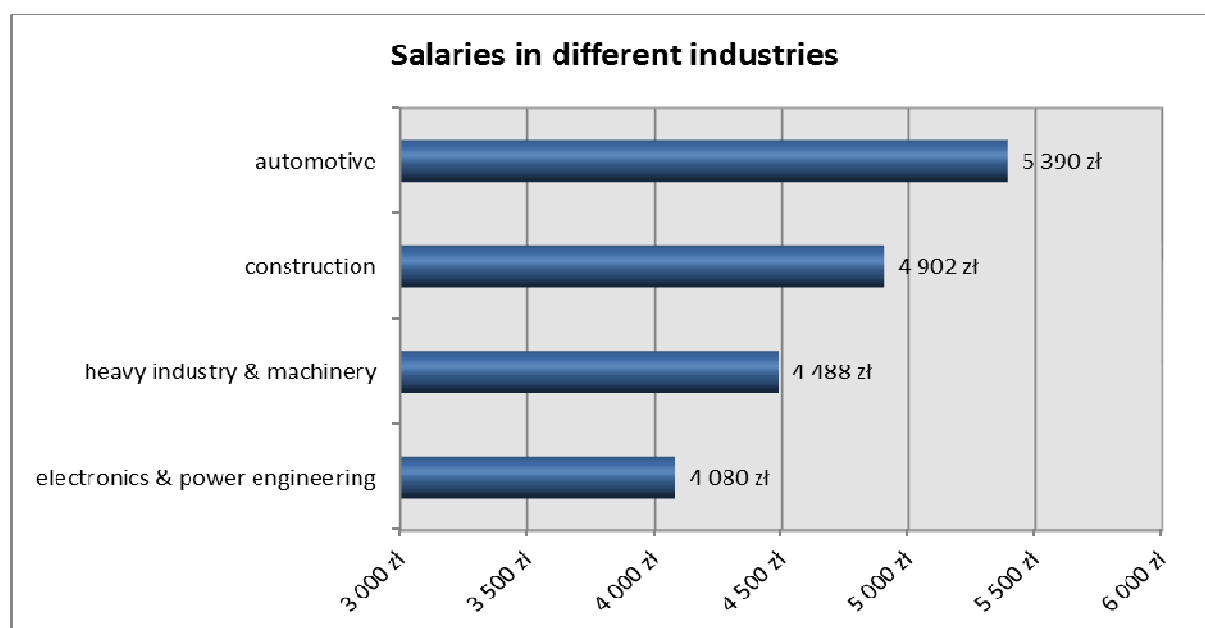
Remuneration in different industries

The salary raises planned for the upcoming year 2014 are, for majority of industries, higher than those conducted in the current year. The exceptions are automotive companies and heavy industry & machinery companies. In year 2013 the biggest increase has been noted in IT industry and according to our estimations, this tendency will sustain.

Industry	Average salary raises in 2013	Average salary raises planned for 2014
Construction	1,33%	2,00%
Electrical & power engineering	3,35%	6,60%
FMCG	2,41%	4,10%
IT	6,56%	7,00%
Automotive	3,71%	3,55%
Heavy industry & machinery	2,78%	2,73%

Source: Salary Raises Analysis, Spring 2013 edition

The importance of automotive industry for Polish economy in the past few years impacts the pay of its employees. When comparing the salaries in different industries, automotive comes first with an average of 5 390 PLN monthly. Specialists in electrical & power engineering companies remain the lowest-paid group with an average salary lower than in automotive by over 1000 PLN.



Source: Comprehensive Salary Survey, Spring 2013 edition

Remuneration in companies of different sizes

The data indicates that companies with up to 500 employees, intend to increase the salary raises percentage next year in comparison to the current one. In case of bigger companies, the rate will only slightly decrease but still will be very close to 3%. In 2013 the highest salary increase took place in small-sized companies (up to 100 employees), and this tendency seems to continue through next year's plans. This might be one of the ways of preventing personnel fluctuation towards large businesses.

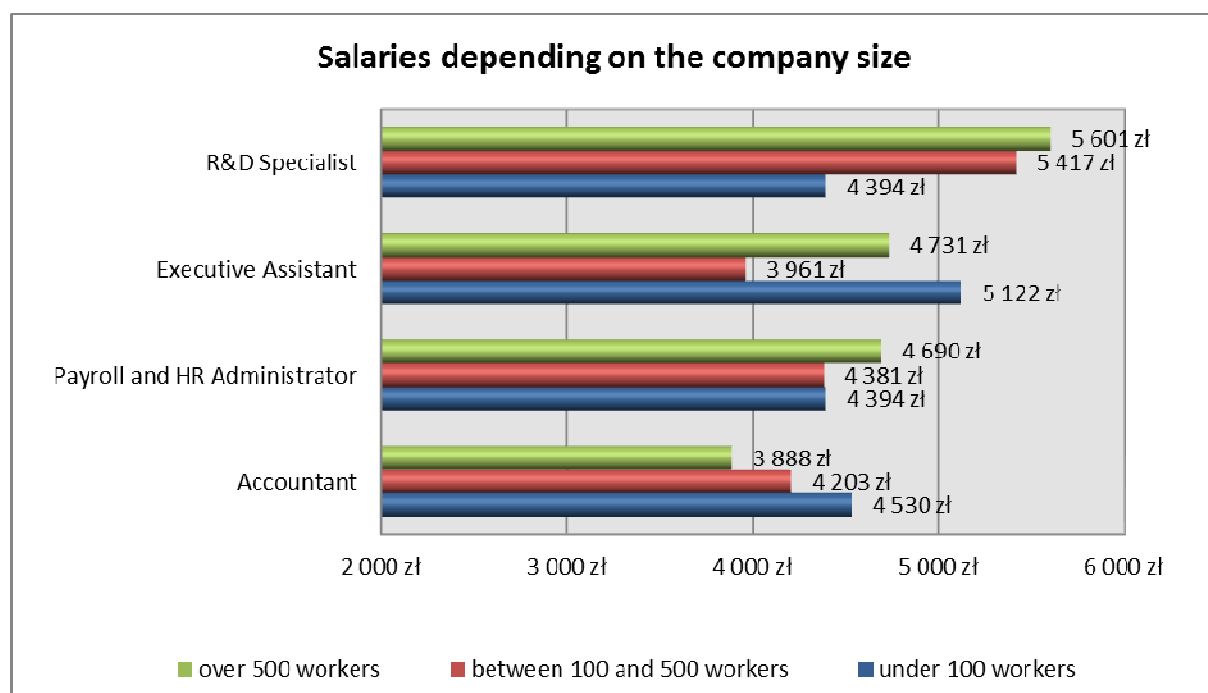
Company size	Average salary raises in 2013	Average salary raises planned for 2014
under 100 employees	3,29%	4,90%
between 100 and 500 employees	2,70%	3,60%
over 500 employees	3,03%	2,96%

Source: Salary Raises Analysis, Spring 2013 edition

The data gathered by Advisory Group TEST Human Resources indicates that the earnings of specialists employed in small companies are just under the salaries of those from large companies (500+ employees) and their salaries are often higher than those employed in medium-size businesses (between 100 and 500 employees). The reason could be that people hired in small businesses often have a wider range of duties and responsibilities, which is reflected in their salaries.

It becomes particularly visible when discussing administrative positions. Good example is an Executive Assistant who will earn the least in a medium-sized company. Interestingly, the remuneration of those positions in both small and large companies are similar, with the average difference less than 400 PLN.

An R&D Specialist in a medium or large company earns approx. 5 500 PLN gross. Yet their remuneration in companies of under 100 employees is lower by about 1000 PLN.



Source: Comprehensive Salary Survey, Spring 2013 edition

Remuneration in companies with different capital origins

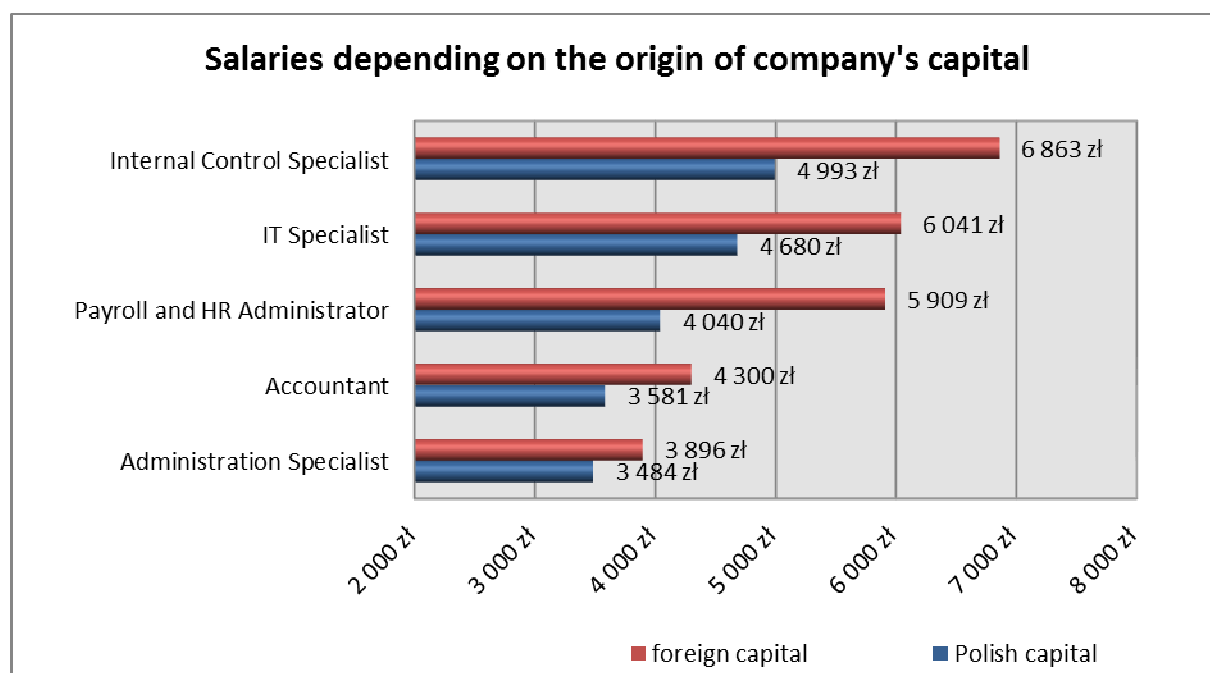
For the current year, the average salary raises rate in domestic companies is clearly lower than in companies with foreign capital. In 2014 the tendency should change and capital origin will barely influence the rate of salary raise.

Origin of capital	Average salary raises in 2013	Average salary raises planned for 2014
Polish capital	2,20%	3,95%
Foreign capital	3,22%	3,79%

Source: Salary Raises Analysis, Spring 2013 edition

The capital's origin appears to one of the most important factors influencing remuneration. The specialists employed in companies of foreign origin earn even 30% more than those working in Polish companies.

This difference is the smallest for Administration Specialist and Accountants - about 10-20%. The biggest difference is visible in case of Internal Control Specialist, going beyond 40%!



Source: Comprehensive Salary Survey, Spring 2013 edition

Benefits

Year after year benefits grow to be more important for the motivational system. For specialists the most common one, given to 69% of them, are external trainings and courses, aiming to develop the employees' knowledge and skills. The employers value professional, competent team members, therefore it is becoming common practise to invest in their education, also by subsidies towards it. An additional advantage is the employee's loyalty.

Other popular benefits include sports subsidies, insurance, private health care or shopping vouchers. For this level of management stock options are still a curiosity.

Type of benefit	Occurence
External trainings and courses	69%
Subsidies: sports	39%
Subsidies: education - third degree education, MBA, language courses etc.	31%
Shopping vouchers	34%
Private health care	28%
Additional insurance	28%
Mobile phone	27%
Subsidies: culture and entertainment	22%
Subsidies: meals	20%
Laptop	16%
Subsidies: commuting cost	7%
Company car	5%
Long-term benefits (i.e. stock options)	4%
Subsidies: accommodation	3%

Source: Comprehensive Salary Survey, Spring 2013 edition